

**SCHOOL DISTRICT OF THE
CITY OF HACKENSACK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2009**

**School District
of
Hackensack**

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

**Comprehensive Annual Financial Report
Year Ended June 30, 2009**

Comprehensive Annual Financial Report

of the

HACKENSACK BOARD OF EDUCATION
Hackensack, New Jersey

Year Ended June 30, 2009

Prepared by

Fred D. Martens, CPA
Business Administrator/Board Secretary

OUTLINE OF CAFR

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

BASIC FINANCIAL STATEMENTS

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

OUTLINE OF CAFR, (continued)

C.	Budgetary Comparison Schedules:	
	C-1 Budgetary Comparison Schedule - General Fund	53
	C-2 Budgetary Comparison Schedule - Special Revenue Fund	58
	Notes to the Required Supplementary Information	
	C-3 Budget to GAAP Reconciliation	59
D.	School Level Schedules:	
	N/A	
E.	Special Revenue Fund:	
	E-1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	60
	E-2 Schedule of Preschool Education Aid - Budgetary Basis	68
F.	Capital Projects Fund:	
	F-1 Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis	69
	F-2 Summary Statement of Project Expenditures	76
G.	Proprietary Funds:	
	Enterprise Fund:	
	G-1 Combining Statement of Net Assets	77
	G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	78
	G-3 Combining Statement of Cash Flows	79
	Internal Service Fund:	
	N/A	
H.	Fiduciary Fund:	
	H-1 Combining Statement of Fiduciary Net Assets	80
	H-2 Combining Statement of Changes in Fiduciary Net Assets	81
	H-3 Student Activity Agency Fund - Schedule of Receipts and Disbursements	82
	H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	83
I.	Long Term Debt:	
	I-1 Schedule of Serial Bonds	84
	I-2 Schedule of Long-Term Loans	85
	I-3 Budgetary Comparison Schedule - Debt Service Fund	86

OUTLINE OF CAFR, (continued)

J. Statistical Section (Unaudited)

Financial Trends

J-1	Net Assets by Component	87
J-2	Changes in Net Assets	88
J-3	Fund Balances - Governmental Funds	90
J-4	Changes in Fund Balances - Governmental Funds	91
J-5	General Fund Other Local Revenue by Source	93

Revenue Capacity

J-6	Assessed Value and Estimated Actual Value of Taxable Property	94
J-7	Direct and Overlapping Property Tax Rates	95
J-8	Principal Property Taxpayers	96
J-9	Property Tax Levies and Collections	97

Debt Capacity

J-10	Ratios of Outstanding Debt by Type	98
J-11	Ratios of General Bonded Debt Outstanding	99
J-12	Direct and Overlapping Governmental Activities Debt	100
J-13	Legal Debt Margin Information	101

Demographic and Economic Information

J-14	Demographic and Economic Statistics	102
J-15	Principal Employers	103

Operating Information

J-16	Full-time Equivalent District Employees by Function/Program	104
J-17	Operating Statistics	105
J-18	School Building Information	106
J-19	Schedule of Allowable Maintenance Expenditures by School Facility	107
J-20	Insurance Schedule	108

OUTLINE OF CAFR, (continued)

K. SINGLE AUDIT SECTION

K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	109
K-2	Report on Compliance with Requirements Applicable to Each Major Federal and State Program and Internal Control Over Compliance in Accordance with OMB Circular A-133 and N.J. OMB Circular 04-04	111
K-3	Schedule of Expenditure of Federal Awards	114
K-4	Schedule of Expenditure of State Awards and Other Local Awards	116
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	118
K-6	Schedule of Findings and Questioned Costs	120
K-7	Summary Schedule of Prior Audit Findings	126

INTRODUCTORY SECTION

FRANK W. ALBOLINO
PRESIDENT
MODESTO ROMERO
VICE PRESIDENT

TENYA PIERCE
CAROLYN HAYER
JEANNE DRESSLER
JONATHAN P. GILMORE
PHILIP CARROLL
ROBERT MORTORANO
MARK STEIN
GARY SCHULTZ
MAYWOOD REPRESENTATIVE

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

(Phone) (201) 646-8000
(Fax) (201) 488-6023

EDWARD A. KLISZUS, Ph.D.
SUPERINTENDENT
ROBERT M. GAMPER, Ed.D
ASSISTANT SUPERINTENDENT

FRED D. MARTENS, CPA
BUSINESS ADMINISTRATOR/
BOARD SECRETARY
ROBERT CORRADO
ASSISTANT SUPERINTENDENT FOR
CURRICULUM & INSTRUCTION

November 5, 2009

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, 2009, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the Basic Financial Statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

1. REPORTING ENTITY AND ITS SERVICES:

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational as well as special education for handicapped youngsters. The District completed the 2008-2009 fiscal year with an average daily enrollment of 4,902 students, which is 20 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years.

<u>Fiscal Year</u>	<u>Average Daily Student Enrollment</u>	<u>Percent Change</u>
2004-05	4,931	0.76%
2005-06	4,852	-1.60%
2006-07	4,949	1.99%
2007-08	4,922	-0.05%
2008-09	4,902	-0.04%

2. Major Initiatives 2008-2009:

EDUCATIONAL PROGRAMS, GRADES PRE-K THROUGH 12:

Many programs were initiated, maintained and developed including:

- Program review of K-12 Mathematics, Language Arts, Early Literacy, Social Studies, World Languages, Fine, Performing and Practical Arts, Vocational, technical, and career training and Health, Physical Education and Athletics Business Education, the Sciences, Gifted & Talented programs, and ESL/Bilingual.
- Extra curricular programs and student support programs like nursing, guidance, tutoring and counseling.
- Providing diagnostic tools to assess student attainment (Benchmark testing, Formative Assessment, data driven instruction).
- Review and expansion of HHS and HMS course offerings and increasing access to electives.
- Preparation for new NJ mandated High School redesign initiative that includes utilizing assessment tools to prepare for End of Course Assessments in Biology, Algebra 1 and grade 11 Language Arts (HHS).
- Maintenance of moderate elementary class sizes.
- Utilization of benchmark and formative assessments especially in grades 5-8.
- Curriculum development revision utilizing the Understand by Design format and initiation of the curriculum mapping initiative.
- Providing instructional materials in preparation for State Mandated Testing.

- Test administration and scoring for Terra Nova Assessment, grades K-2.
- Expansion of Writers Workshop program into Middle School and 5/6 School.
- Expansion of Readers Workshop program into all District Elementary Schools.
- Maintaining elementary Literacy coaches.
- Maintaining grade 5-8 Math and Literacy Coaches.
- Expanding in-district services options for Special Education students.
- Expansion of school student tutoring for At-Risk students and in preparation for NJ Assessment of Skills & Knowledge grades 3-8 and High School Proficiency Assessment for grade 11.
- Cooperative Discipline and Conflict Resolution programs.
- Early childhood programs including Pre-School.
- Continue phase-in of Smart Board instructional technology.
- Replacement of 6 year old computers at Five Six School.
- Increase student access to state of the art technology across and throughout the curriculum.
- Maintaining current software and infra-structure including Technical support, Internet access and Software applications.
- Expand application of supplemental educational software.
- Initiation of Virtual Online Instruction and Staff Professional Development Program at High School utilizing New York Times Epsilen Platform.
- Ongoing compliance with building safety initiatives in coordination with law enforcement.

PROFESIONAL DEVELOPMENT FOR SY2008-2009:

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

Teachers in grades K-6 engaged in an intensive study of Writer's Workshop with consultants from Teachers' College Reading and Writing Project. The reciprocity between reading and writing was an important focus. Teachers learned to use interactive read-alouds to provide models for good writing, build comprehension, and identify students for individual or small group work. Teachers in grades K to 4 implemented district created units of study, while teachers in grades 5 and 6 worked on developing units of study for Writer's Workshop. Administrators and building principals in all schools designated specific days for professional development and created schedules for full day teacher trainings with substitute coverage provided for classroom teachers.

Teachers were required to launch Writer's Workshop in September by establishing the workshop structures (mini-lesson, independent writing, sharing) and using its tools (mentor texts and student folders or notebooks), and then implemented district developed monthly units of study following the pacing indicated on the district curricular calendar. Teachers monitored students during independent writing by making sure their students were on task as per the daily mini-lesson objective for a particular unit of study while taking notes on individual student progress. They would learn to use the information they gathered as a guide for planning future mini-lessons.

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; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

4. BUDGETARY CONTROLS:

In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for the capital improvements accounted for in the capital projects fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2009.

5. ACCOUNTING SYSTEM AND REPORTS:

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

6. FINANCIAL INFORMATION AT FISCAL YEAR-END:

The Board developed its 2008-09 budget under the Comprehensive Educational Improvement and Financing Act of 1996. An analysis of the expenditures in the financial section of this report will show that the Board was prudent in presenting the community with an accurate picture of educational needs.

7. **CASH MANAGEMENT:**

The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Financial Statements", Note 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.

8. **RISK MANAGEMENT:**

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

9. **OTHER INFORMATION:**

Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Ferraioli, Wielkottz, Cerullo & Cuva, and P.A. was selected by the Board. In addition to meeting the requirements set forth in State statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related OMB 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 financial and accounting staff.

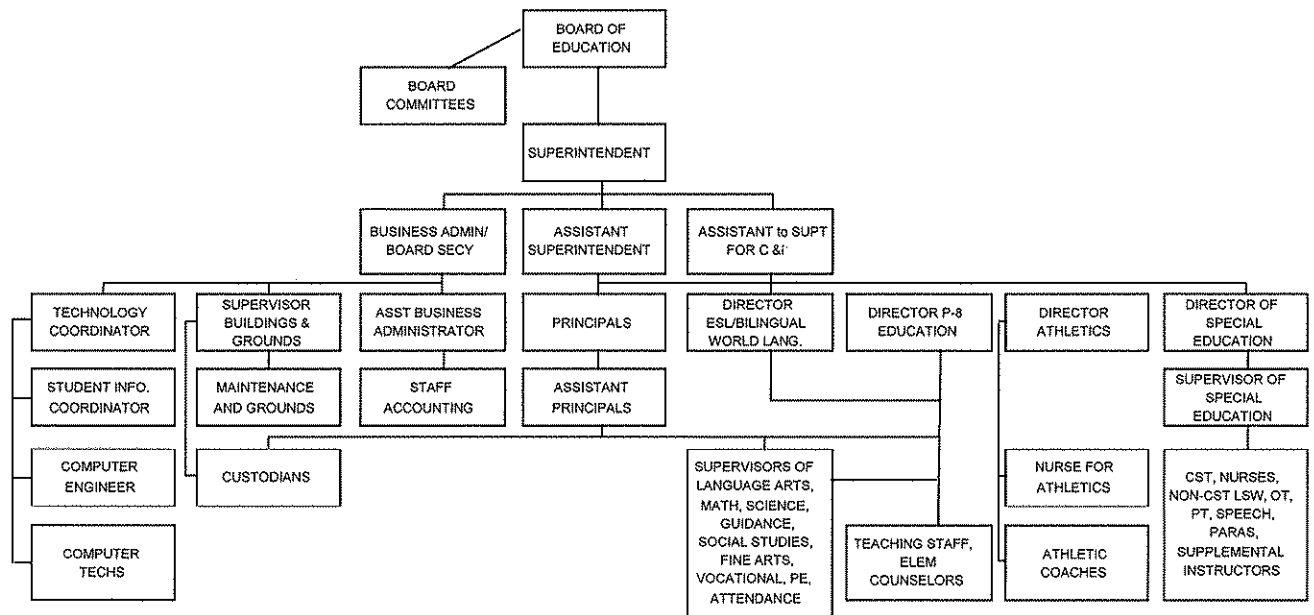
Respectfully submitted,

Dr. Edward Kliszus
Superintendent

Fred D. Martens CPA
Mr. Fred D. Martens, CPA
Business Administrator/Board Secretary

HACKENSACK BOARD OF EDUCATION

ADMINISTRATIVE TABLE OF ORGANIZATION



HACKENSACK BOARD OF EDUCATION

ROSTER OF OFFICIALS

June 30, 2009

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Frank W. Albolino, President	2011
Modesto Romero, Vice President	2010
Philip Carroll	2012
Jeanne Dressler	2011
Jonathan Gilmore	2011
Carolyn Hayer	2011
Robert Mortorano	2012
Tenya Pierce	2010
Mark Stein	2012
Gary Schultz, Maywood Rep.	2012

Other Officials

Dr. Edward Kliszus, Superintendent

Dr. Robert Gamper, Assistant Superintendent

Fred D. Martens, CPA, School Business Administrator/Board Secretary

Raymond Carnevale, Treasurer of School Monies

HACKENSACK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2009

Attorney

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

District Auditor

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

Official Depository

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Hackensack, New Jersey

FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Board of Education of the City of Hackensack School District, in the County of Bergen, State of New Jersey, as of and for the fiscal year ended June 30, 2009, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Hackensack School District Board of Education's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund, and the aggregate remaining fund information of the City of Hackensack Board of Education, in the County of Bergen, State of New Jersey, as of June 30, 2009, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.




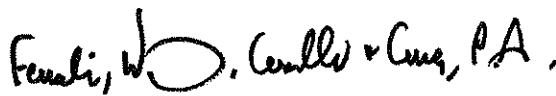
In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2009 on our consideration of the City of Hackensack Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. This report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 11 through 21 and 53 through 59 are not a required part of the basic financial statements but are supplementary information required by the accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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


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


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

November 12, 2009



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
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, 2009.

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

FINANCIAL HIGHLIGHTS

- In total, net assets decreased \$1,916. Net assets of governmental activities decreased \$78,825 while net assets of business-type activity increased by \$76,909.
- General revenues accounted for \$84,491,275 in revenue or 93 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$6,715,568 or 7 percent of total revenues of \$91,206,843.
- The School District had \$89,393,173 in expenses related to governmental activities; only \$4,823,073 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$84,491,275 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, 2009
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

District-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
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, 2009
UNAUDITED (continued)**

USING THIS ANNUAL REPORT, (continued)

Notes to the Financial Statements

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

Other Information

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

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

DISTRICT-WIDE FINANCIAL ANALYSIS

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

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net assets were \$21,198,240 at June 30, 2009 and \$21,200,156 at June 30, 2008. Restricted net assets are reported separately to show legal constraints that limit the School District's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net assets for 2009 compared to 2008 (Table 1) and change in net assets (Table 2) of the School District.

Table 1

**Net Assets
June 30,**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Assets						
Current and Other Assets	14,754,065	14,530,930	560,427	468,901	15,314,492	14,999,831
Capital Assets	<u>18,172,919</u>	<u>16,769,307</u>	<u>113,064</u>	<u>119,071</u>	<u>18,285,983</u>	<u>16,888,378</u>
Total Assets	<u>32,926,984</u>	<u>31,300,237</u>	<u>673,491</u>	<u>587,972</u>	<u>33,600,475</u>	<u>31,888,209</u>
Liabilities						
Current Liabilities	3,710,738	1,217,467	138,818	130,208	3,849,556	1,347,675
Noncurrent Liabilities	<u>8,552,679</u>	<u>9,340,379</u>	—	—	<u>8,552,679</u>	<u>9,340,379</u>
Total Liabilities	<u>12,263,417</u>	<u>10,557,846</u>	<u>138,818</u>	<u>130,208</u>	<u>12,402,235</u>	<u>10,688,054</u>
Net Assets						
Invested in Capital Assets-						
Net of Debt	11,554,919	9,408,979	113,064	119,071	11,667,983	9,528,050
Restricted	10,520,528	11,798,879			10,520,528	11,798,879
Unrestricted	<u>(1,411,880)</u>	<u>(465,466)</u>	<u>421,609</u>	<u>338,693</u>	<u>(990,271)</u>	<u>(126,773)</u>
Total Net Assets	<u>20,663,567</u>	<u>20,742,392</u>	<u>534,673</u>	<u>457,764</u>	<u>21,198,240</u>	<u>21,200,156</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net assets for fiscal year 2009 compared to 2008.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			464,452	523,087	464,452	523,087
Operating Grants and						
Contributions	4,823,073	11,109,185	1,428,043	1,262,610	6,251,116	12,371,795
General Revenues:						
Taxes:						
Property taxes	59,791,494	57,513,889			59,791,494	57,513,889
Federal and State Aid not						
Restricted	18,505,940	15,183,297			18,505,940	15,183,297
Tuition Received	5,712,114	5,170,100			5,712,114	5,170,100
Miscellaneous Income	381,670	301,309			381,670	301,309
Investment Earnings	<u>100,057</u>	<u>387,639</u>			<u>100,057</u>	<u>387,639</u>
Total Revenues and Transfers	<u>89,314,348</u>	<u>89,665,419</u>	<u>1,892,495</u>	<u>1,785,697</u>	<u>91,206,843</u>	<u>91,451,116</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Functions/Program Expenses						
Instruction:						
Regular	33,248,841	33,572,639			33,248,841	33,572,639
Special Education	6,523,168	7,044,607			6,523,168	7,044,607
Other Special Instruction	2,084,806	1,901,500			2,084,806	1,901,500
Other Instruction	1,146,402	1,213,520			1,146,402	1,213,520
Support Services:						
Tuition	8,326,732	7,739,692			8,326,732	7,739,692
Student & Instruction						
Related Services	10,083,677	11,692,928			10,083,677	11,692,928
School Administrative						
Services	3,826,379	4,064,188			3,826,379	4,064,188
General Administrative						
Services	1,224,772	1,173,600			1,224,772	1,173,600
Central Services and Admin.						
Info. Tech.	1,165,427	1,004,006			1,165,427	1,004,006
Plant Operations and						
Maintenance	7,950,463	7,256,598			7,950,463	7,256,598
Pupil Transportation	1,961,481	2,063,235			1,961,481	2,063,235
Unallocated Benefits	4,478,053	8,196,847			4,478,053	8,196,847
Allocated Benefits	5,477,494				5,477,494	
Charter Schools	565,787	405,936			565,787	405,936
Capital Outlay-						
Non-depreciable	391,229	326,819			391,229	326,819
Interest on Long-Term Debt	343,314	372,506			343,314	372,506
Unallocated depreciation	595,148	608,561			595,148	608,561
Food Service			1,815,586	1,720,905	1,815,586	1,720,905
Total Expenses and Transfers	<u>89,393,173</u>	<u>88,637,182</u>	<u>1,815,586</u>	<u>1,720,905</u>	<u>91,208,759</u>	<u>90,358,087</u>
Increase or (Decrease) in						
Net Assets	<u>(78,825)</u>	<u>1,028,237</u>	<u>76,909</u>	<u>64,792</u>	<u>(1,916)</u>	<u>1,093,029</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
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 \$91,208,759. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$59,791,494 because some of the cost was paid by those who benefitted from the programs \$464,452, by other governments and organizations who subsidized certain programs with grants and contributions \$6,251,116, unrestricted federal and state aid \$18,505,940, tuition received \$5,712,114, investment income \$100,057, and by miscellaneous sources \$381,670.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2009, 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 2008</u>	<u>Percent of Increase/ (Decrease)</u>
Local Source	\$65,997,076	73.9%	\$2,612,707	4.12%
State Source	19,976,596	22.4	(1,269,592)	(5.98)
Federal Source	<u>3,340,676</u>	<u>3.7</u>	<u>(1,694,186)</u>	<u>(33.65)</u>
Total	<u>\$89,314,348</u>	<u>100.0%</u>	<u>(\$351,071)</u>	<u>(.39)%</u>

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2008</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$39,800,684	43.5 %	\$1,376,224	3.58%
Undistributed	48,308,170	52.7	(958,399)	(1.95)
Debt Service	1,092,723	1.2	3,418	0.31
Capital Outlay	<u>2,389,989</u>	<u>2.6</u>	<u>1,689,073</u>	<u>240.98</u>
Total	<u>\$91,591,566</u>	<u>100.0%</u>	<u>\$2,110,316</u>	<u>2.36%</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, 2009
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, 2009, the School District amended the general fund by \$262,513 for extraordinary aid and the special revenue fund by \$58,808 for increases in federal and state grants.

General Fund

The general fund actual revenue was \$84,298,916. That amount is \$5,704,652 above the final amended budget of \$78,594,264. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$5,522,866 for TPAF pension and social security reimbursements and a \$181,786 excess in miscellaneous anticipated revenues.

The actual expenditures of the general fund were \$84,247,624 including transfers which is \$1,219,009 above the final amended budget of \$83,028,615. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$5,522,866 for TPAF pension and social security reimbursements, and \$4,303,857 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$84,298,916 and total expenditures of \$84,247,624 with an ending fund balance of \$10,000,710 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$4,724,887. That amount is \$1,290,677 below the final amended budget of \$6,015,564. 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 \$4,724,887, which is \$1,290,677 below the final amended budget of \$6,015,564. 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, 2009
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2009 the School District had \$41,088,765 invested in sites, buildings, equipment and construction in progress. Of this amount \$22,802,782 in depreciation has been taken over the years. We currently have a net book value of \$18,285,983. Total additions for the year were \$2,007,300, 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 2009 balances compared to 2008.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>	<u>2009</u>	<u>2008</u>
Land	68,800	68,800			68,800	68,800
Buildings and Improvements	15,697,483	15,833,728			15,697,483	15,833,728
Furniture, Equipment and Vehicles	880,305	613,860	113,064	119,072	993,369	732,932
Construction in Progress	<u>1,526,331</u>	<u>252,919</u>			<u>1,526,331</u>	<u>252,919</u>
	<u>18,172,919</u>	<u>16,769,307</u>	<u>113,064</u>	<u>119,072</u>	<u>18,285,983</u>	<u>16,888,379</u>

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

Debt Administration

At June 30, 2009, the District had \$8,552,679 of long-term debt. Of this amount, \$1,934,679 is for compensated absences; and \$6,618,000 of serial bonds for school construction.

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

	<u>2009</u>	<u>2008</u>
2001 School Improvement Bonds	<u>6,618,000</u>	<u>7,203,000</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009
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 2009-2010 school year that is slightly higher than the level of the 2008-2009 school year.

These factors were considered in preparing the City of Hackensack School District's budgets for the 2009-2010 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:

Fred D. Martens, CPA
School Business Administrator
City of Hackensack School District
355 State Street
Hackensack, NJ 07601

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

HACKENSACK BOARD OF EDUCATION
Statement of Net Assets
June 30, 2009

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	11,774,250	441,604	12,215,854
Receivables, net	2,475,990	109,527	2,585,517
Inventory		9,296	9,296
Restricted assets:			
Capital reserve account - cash	503,825		503,825
Capital assets, net: land and construction in progress	1,595,131		1,595,131
Capital assets, net :	16,577,788	113,064	16,690,852
Total Assets	<u>32,926,984</u>	<u>673,491</u>	<u>33,600,475</u>
LIABILITIES			
Accounts payable and accrued liabilities	3,118,460	138,818	3,257,278
Contracts payable	16,813		16,813
Payable to federal government	360,831		360,831
Payable to state government	120,605		120,605
Deferred revenue	94,029		94,029
Noncurrent liabilities:			
Due within one year	600,000		600,000
Due beyond one year	7,952,679		7,952,679
Total liabilities	<u>12,263,417</u>	<u>138,818</u>	<u>12,402,235</u>
NET ASSETS			
Invested in capital assets, net of related debt	11,554,919	113,064	11,667,983
Restricted for:			
Debt service	168,970		168,970
Capital projects	2,429,168		2,429,168
Other purposes	7,922,390		7,922,390
Unrestricted (Deficit)	(1,411,880)	421,609	(990,271)
Total net assets	<u>20,663,567</u>	<u>534,673</u>	<u>21,198,240</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, 2009

Functions/Programs	Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue and Changes in Net Assets		
			Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	30,817,940	2,430,901		2,749,370		(30,499,471)		(30,499,471)
Special education	5,985,526	537,642				(6,523,168)		(6,523,168)
Other special instruction	1,912,361	172,445				(2,084,806)		(2,084,806)
Other instruction	1,084,857	61,545				(1,146,402)		(1,146,402)
Support services:								
Tuition	8,326,732					(8,326,732)		(8,326,732)
Student & instruction related services	9,566,986	516,691		2,073,703		(8,009,974)		(8,009,974)
School administrative services	3,522,021	304,358				(3,826,379)		(3,826,379)
General administrative services	1,165,577	59,195				(1,224,772)		(1,224,772)
Central services and administrative information technology	1,091,236	74,191				(1,165,427)		(1,165,427)
Plant operations and maintenance	7,639,165	311,298				(7,950,463)		(7,950,463)
Pupil transportation	1,960,860	621				(1,961,481)		(1,961,481)
Allocated benefits	4,478,053					(4,478,053)		(4,478,053)
Unallocated benefits	5,477,494					(5,477,494)		(5,477,494)
Charter schools	565,787					(565,787)		(565,787)
Capital outlay - non-depreciable	391,229					(391,229)		(391,229)
Interest on long-term debt	343,314					(343,314)		(343,314)
Unallocated depreciation	595,148					(595,148)		(595,148)
Total governmental activities	84,924,286	4,468,887	-	4,823,073	-	(84,570,100)	-	(84,570,100)
Business-type activities:								
Food Service	1,815,586		464,452	1,428,043	-		76,909	76,909
Total business-type activities	1,815,586		464,452	1,428,043	-		76,909	76,909
Total primary government	86,739,872		464,452	6,251,116	-	(84,570,100)	76,909	(84,493,191)
General revenues:								
Taxes:								
Levied for general purposes						58,796,582		58,796,582
Taxes levied for debt service						994,912		994,912
Federal and State aid not restricted						18,505,940		18,505,940
Tuition received						5,712,114		5,712,114
Investment Earnings						100,057		100,057
Miscellaneous Income						381,670		381,670
Total general revenues, special items, extraordinary items and transfers						84,491,275	-	84,491,275
Change in Net Assets						(78,825)	76,909	(1,916)
Net Assets—beginning						20,742,392	457,764	21,200,156
Net Assets—ending						20,663,567	534,673	21,198,240

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, 2009

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and cash equivalents					
Checking	9,687,575		2,096,394		11,783,969
Accounts Receivable -					
Interfunds	563,635		44,720	535,989	1,144,344
Intergovernmental - Federal		922,397			922,397
Intergovernmental - State	391,867		370,527		762,394
Other receivables	745,309	45,890			791,199
Restricted cash and cash equivalents					
Capital reserve	503,825				503,825
Total assets	<u>11,892,211</u>	<u>968,287</u>	<u>2,511,641</u>	<u>535,989</u>	<u>15,908,128</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficit in cash		9,719			9,719
Accounts payable	2,876,432	188,628			3,065,060
Contracts Payable	13,365	3,448			16,813
Intergovernmental accounts payable - State		120,605			120,605
Intergovernmental accounts payable - Federal		360,831			360,831
Intergovernmental accounts payable - Local					-
Accrued salaries & benefits					-
Interfund payables		191,027	586,298	367,019	1,144,344
Deferred revenue		94,029			94,029
Total liabilities	<u>2,889,797</u>	<u>968,287</u>	<u>586,298</u>	<u>367,019</u>	<u>4,811,401</u>
Fund Balances:					
Reserved for:					
Encumbrances	179,353				179,353
Excess surplus - designated for subsequent year's expenditures	3,649,934				3,649,934
Capital reserve account	503,825				503,825
Excess Surplus	3,899,859				3,899,859
Unreserved, reported in:					
General fund	769,443				769,443
Special revenue fund					-
Capital projects fund			1,925,343		1,925,343
Debt service fund				168,970	168,970
Total Fund balances	<u>9,002,414</u>	<u>-</u>	<u>1,925,343</u>	<u>168,970</u>	<u>11,096,727</u>
Total liabilities and fund balances	<u>11,892,211</u>	<u>968,287</u>	<u>2,511,641</u>	<u>535,989</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 \$40,826,569 and the accumulated depreciation is \$22,653,650. 18,172,919

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 (53,400)

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) (8,552,679)

Net assets of governmental activities 20,663,567

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

HACKENSACK BOARD OF EDUCATION
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Fiscal Year Ended June 30, 2009

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local sources:					
Municipal tax levy	58,796,582			994,912	59,791,494
Tuition charges	5,712,114				5,712,114
Interest Earned on Capital Reserve Funds	10,190				10,190
Miscellaneous	430,532	11,741	41,005		483,278
Total - Local Sources	64,949,418	11,741	41,005	994,912	65,997,076
State sources	18,505,940	1,470,656			19,976,596
Federal sources		3,340,676			3,340,676
Total revenues	83,455,358	4,823,073	41,005	994,912	89,314,348
EXPENDITURES					
Current:					
Regular instruction	28,166,756	2,651,184			30,817,940
Special education instruction	5,985,526				5,985,526
Other special instruction	1,912,361				1,912,361
School sponsored/other instructional	1,084,857				1,084,857
Support services and undistributed costs:					
Tuition	8,326,732				8,326,732
Attendance and social work services	548,261				548,261
Health services	743,941				743,941
Student & instruction related services	6,201,081	2,073,703			8,274,784
School administrative services	3,522,021				3,522,021
General administrative services	1,165,577				1,165,577
Central services & administrative information technology	1,091,236				1,091,236
Plant operations and maintenance	7,639,165				7,639,165
Pupil transportation	1,960,860				1,960,860
Allocated benefits	4,478,053				4,478,053
Unallocated benefits	4,468,887				4,468,887
On-behalf contributions	5,522,866				5,522,866
Transfer to charter school	565,787				565,787
Debt service:					
Principal				742,328	742,328
Interest and other charges				350,395	350,395
Capital outlay	863,657		1,526,332		2,389,989
Total expenditures	84,247,624	4,724,887	1,526,332	1,092,723	91,591,566
Excess (Deficiency) of revenues	(792,266)	98,186	(1,485,327)	(97,811)	(2,277,218)
OTHER FINANCING SOURCES (USES)					
Transfers in				41,005	41,005
Transfers out			(41,005)		(41,005)
Total other financing sources and uses	-	-	(41,005)	41,005	-
Net change in fund balances	(792,266)	98,186	(1,526,332)	(56,806)	(2,277,218)
Fund balance—July 1	9,794,680	(98,186)	3,451,675	225,776	13,373,945
Fund balance—June 30	9,002,414	-	1,925,343	168,970	11,096,727

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, 2009

Total net change in fund balances - governmental funds (from B-2) (2,277,218)

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	(595,148)	
Depreciable Capital outlays	<u>1,998,760</u>	1,403,612

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	585,000	
General Loan Obligations	<u>157,328</u>	742,328

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	57,909	
General Bond Obligations	(53,400)	
General Loan Obligations - Prior Year	<u>2,572</u>	7,081

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		45,372
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Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (+)

Change in net assets of governmental activities		<u><u>(78,825)</u></u>
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The accompanying Notes to Basic Financial Statements are an integral part of this statement.

HACKENSACK BOARD OF EDUCATION
Statement of Net Assets
Proprietary Funds
June 30, 2009

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
ASSETS	
Current assets:	
Cash and cash equivalents	441,604
Accounts receivable:	
State	9,240
Federal	100,287
Inventories	9,296
Total current assets	<u>560,427</u>
Noncurrent assets:	
Capital assets:	
Equipment	262,196
Less accumulated depreciation	<u>(149,132)</u>
Total capital assets (net of accumulated depreciation)	<u>113,064</u>
Total assets	<u>673,491</u>
Current Liabilities:	
Accounts Payable	<u>138,818</u>
Total Liabilities	<u>138,818</u>
NET ASSETS	
Invested in capital assets net of related debt	113,064
Unrestricted	421,609
Total net assets	<u><u>534,673</u></u>

HACKENSACK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended June 30, 2009

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	291,904
Daily sales - non-reimbursable programs	172,548
Total operating revenues	<u>464,452</u>
Operating expenses:	
Cost of sales	856,090
Salaries	488,755
Supplies and materials	79,504
Employee benefits	164,415
Depreciation expense	14,547
Repairs and other expenses	77,380
Purchased services	134,895
Total Operating Expenses	<u>1,815,586</u>
Operating income (loss)	<u>(1,351,134)</u>
Nonoperating revenues (expenses):	
State sources:	
School lunch program	36,217
Snack program	39,796
Breakfast program	41,418
Federal sources:	
National school lunch program	790,600
Breakfast program	442,464
U.S.D.A. Commodities	77,130
Interest Income	418
Total nonoperating revenues (expenses)	<u>1,428,043</u>
Income (loss) before contributions & transfers	<u>76,909</u>
Total net assets—beginning	<u>457,764</u>
Total net assets—ending	<u><u>534,673</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, 2009

**Business-type
Activities -
Enterprise Fund**

**Food Service
Program**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	464,452
Payments to suppliers	<u>(1,718,685)</u>
Net cash provided by (used for) operating activities	<u>(1,254,233)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Sources	118,087
Federal Sources	1,211,410
Interest Income	418
Net cash provided by (used for) non-capital financing activities	<u>1,329,915</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(8,541)</u>
Net cash provided by (used for) capital and related financing activities	<u>(8,541)</u>
Net increase (decrease) in cash and cash equivalents	<u>67,141</u>

Balances—beginning of year	<u>374,463</u>
Balances—end of year	<u>441,604</u>

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

Operating income (loss)	(1,351,134)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	14,547
Food Distribution Program	77,130
(Increase) decrease in inventories	(3,386)
Increase (decrease) in accounts payable	8,610
Total adjustments	<u>96,901</u>
Net cash provided by (used for) operating activities	<u>(1,254,233)</u>

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

HACKENSACK BOARD OF EDUCATION
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	93,410	174,509	556,783
Deficit in reserve for scholarships		11,221	
Total assets	<u>93,410</u>	<u>185,730</u>	<u>556,783</u>
LIABILITIES			
Payable to student groups			125,643
Due to State of NJ - Unemployment	17,599		
Payroll deductions and withholdings			431,140
Total liabilities	<u>17,599</u>	<u>-</u>	<u>556,783</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	75,811		
Reserved for scholarships		185,730	
	<u>75,811</u>	<u>185,730</u>	

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

HACKENSACK BOARD OF EDUCATION
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2009

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>
ADDITIONS		
Contributions:		
Donations		16,316
Payroll withholdings	66,241	
Total Contributions	<u>66,241</u>	<u>16,316</u>
Investment earnings:		
Interest	1,080	5,497
Net investment earnings	<u>1,080</u>	<u>5,497</u>
Total additions	<u>67,321</u>	<u>21,813</u>
DEDUCTIONS		
Unemployment claims	84,139	
Scholarships awarded		27,233
Total deductions	<u>84,139</u>	<u>27,233</u>
Change in net assets	<u>(16,818)</u>	<u>(5,420)</u>
OTHER CHANGES TO FIDUCIARY NET ASSETS		
Net changes to deficit in reserve for scholarships		3,009
Total changes to fiduciary net assets	<u>-</u>	<u>3,009</u>
Change in net assets	<u>(16,818)</u>	<u>(2,411)</u>
Net assets—beginning of the year	92,629	188,141
Net assets—end of the year	<u>75,811</u>	<u>185,730</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, 2009**

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

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

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

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

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

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

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

A. Basis of Presentation:

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

District-wide Financial Statements:

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

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

Fund Financial Statements:

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

GOVERNMENTAL FUNDS

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

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

GOVERNMENTAL FUNDS: (continued)

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

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

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

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

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

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

PROPRIETARY FUNDS

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

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

PROPRIETARY FUNDS: (continued)

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

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

FIDUCIARY FUNDS

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

B. Measurement Focus:

District-wide Financial Statements

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

Fund Financial Statements

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

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

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

C. Basis of Accounting:

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

Revenues - Exchange and Non-exchange Transactions

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

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

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

Expenses/Expenditures

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

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

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

D. Budgets/Budgetary Control:

Annual appropriated budgets are adopted in the spring of the preceding year for the general, and special revenue funds. The budgets are submitted to the county superintendents office for approval. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6A:23-2(g)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. The Board of Education made additional appropriations in the amount of \$262,513 for extraordinary aid to support budget expenditures.

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

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

E. Encumbrances:

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

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

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

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

F. Cash, Cash Equivalents and Investments:

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

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

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

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

G. Tuition Revenues/Receivable:

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

H. Inventories:

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

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

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

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

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2009, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of purchase and an expenditure/expense is reported in the year in which services are consumed.

J. Short-Term Interfund Receivables/Payables:

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

K. Capital Assets:

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

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

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

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

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

L. Compensated Absences:

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

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

M. Deferred Revenue:

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

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

N. Accrued Liabilities and Long-term Obligations:

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

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

O. Fund Balance Reserves:

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

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

P. Net Assets:

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

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

Q. Operating Revenues and Expenses:

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

R. Extraordinary and Special Items:

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

S. Allocation of Indirect Expenses:

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

T. Use of Estimates:

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

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, 2009, \$-0- of the District's bank balance of \$14,569,727 was exposed to custodial credit risk.

Investments

Investment Rate Risk

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

Credit Risk

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

Concentration of Credit Risk

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

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 4. RECEIVABLES:

Receivables at June 30, 2009, 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 <u>Statements</u>	Enterprise Fund	District Wide Financial <u>Statements</u>
Interfunds	\$1,144,344		
State Aid	762,394	\$9,240	\$771,634
Federal Aid	922,397	100,287	1,022,684
Other	<u>791,199</u>		<u>791,199</u>
Gross Receivables	3,620,334	109,527	2,585,517
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$3,620,334</u>	<u>\$109,527</u>	<u>\$2,585,517</u>

NOTE 5. INTERFUND BALANCE AND ACTIVITY:

Balances due to/from other funds at June 30, 2009 consist of the following:

\$97,812	Due to the General Fund from the Debt Service Fund to cover debt payment.
239,186	Due to the General Fund from the Debt Service Fund to cover debt payment for FY08.
30,021	Due to the General Fund from the Debt Service Fund to correct posting of FY07 tax levy.
65,684	Due to the General Fund from the Special Revenue Fund as a result of grant expenditure reimbursements.
80,623	Due to the General Fund from the Special Revenue Fund for benefit expenditure reimbursement.
44,720	Due to the Capital Projects Fund from the Special Revenue Fund for reimbursement of expenditures for Jackson Avenue Soundproofing Project.
50,309	Due to the General Fund from the Capital Projects Fund for reimbursement of grant expenditures paid.
97,811	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY06.
269,209	Due to the Debt Service Fund from the Capital Projects Fund as a result of interest earned to cover debt payments FY07.
61,070	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY07.
66,894	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY08.
41,005	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY09.
<u>\$1,144,344</u>	

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

NOTE 5. INTERFUND BALANCE AND ACTIVITY: (continued)

Interfund transfers for the year ended June 30, 2009 consisted of the following:

\$41,005 from the Capital Projects Fund to the Debt Service Fund for interest earnings.

NOTE 6. CAPITAL ASSETS:

Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	<u>Balance</u> <u>6/30/2008</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>6/30/2009</u>
Governmental Activities				
Capital assets that are not being depreciated:				
Land	68,800			68,800
Construction in progress	<u>252,919</u>	<u>1,526,331</u>	<u>(252,919)</u>	<u>1,526,331</u>
Total capital assets not being depreciated	<u>321,719</u>	<u>1,526,331</u>	<u>(252,919)</u>	<u>1,595,131</u>
 Building and building improvements	36,063,899	32,266	252,919	36,349,084
Machinery and equipment	<u>2,442,191</u>	<u>440,163</u>		<u>2,882,354</u>
Totals at historical cost	<u>38,506,090</u>	<u>472,429</u>	<u>252,919</u>	<u>39,231,438</u>
Less accumulated depreciation for:				
Buildings and improvements	(20,230,171)	(421,430)		(20,651,601)
Equipment	<u>(1,828,331)</u>	<u>(173,718)</u>		<u>(2,002,049)</u>
Total accumulated depreciation	<u>(22,058,502)</u>	<u>(595,148)</u>		<u>(22,653,650)</u>
Total capital assets being depreciated, net of accumulation	<u>16,447,588</u>	<u>(122,719)</u>	<u>252,919</u>	<u>16,577,788</u>
Governmental activities capital assets, net	<u>16,769,307</u>	<u>1,403,612</u>	<u>0</u>	<u>18,172,919</u>
 Business-type activities:				
Equipment	253,656	8,540		262,196
Less accumulated depreciation for:				
Equipment	<u>(134,584)</u>	<u>(14,548)</u>		<u>(149,132)</u>
Business-type activities capital assets, net	<u>119,072</u>	<u>(6,008)</u>		<u>113,064</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, 2009

NOTE 7. LONG-TERM OBLIGATION ACTIVITY:

Changes in long-term obligations for the fiscal year ended June 30, 2009 were as follows:

	<u>Balance</u> <u>June 30, 2008</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2009</u>	<u>Amount Due</u> <u>Within</u> <u>One Year</u>
Compensated Absences Payable	\$1,980,051	\$312,936	(\$358,308)	\$1,934,679	
Bonds Payable	7,203,000		(585,000)	6,618,000	\$600,000
Long Term Loan Payable	157,328		(157,328)	0	
Obligations Under Capital Lease					
	<u>\$9,340,379</u>	<u>\$312,936</u>	<u>(\$1,100,636)</u>	<u>\$8,552,679</u>	<u>\$600,000</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.

Outstanding bonds payable at June 30, 2009, consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance</u> <u>June 30, 2009</u>
School Improvement Bonds 2001	05/01/2001	4.50%-5.00%	05/01/2020	<u>\$6,618,000</u>

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2010	\$920,400	\$600,000	\$320,400
2011	892,650	600,000	292,650
2012	864,900	600,000	264,900
2013	836,400	600,000	236,400
2014	807,900	600,000	207,900
2015-2019	3,602,250	3,000,000	602,250
2020	<u>648,900</u>	<u>618,000</u>	<u>30,900</u>
	<u>\$8,573,400</u>	<u>\$6,618,000</u>	<u>\$1,955,400</u>

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

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

B. Bonds Authorized But Not Issued:

As of June 30, 2009 the Board has authorized but not issued bonds of \$280,634 for the various school improvements project.

NOTE 8. OPERATING LEASES:

The District has commitments to lease certain office equipment under operating leases that expire in 2012. Total operating lease payments made during the year ended June 30, 2009 were \$260,781. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2010	\$265,854
2011	248,480
2012	128,414
2013	108,056
2014	<u>71,789</u>
	<u>\$822,593</u>

NOTE 9. PENSION PLANS:

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

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 9. PENSION PLANS: (continued)

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.

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

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

Significant Legislation- - Chapter 108, P.L. 2003, effective July 1, 2003 provided that the State Treasurer shall reduce the normal and accrued liability contributions payable by employers other than the State, excluding the contribution payable from the benefit enhancement fund, to a percentage of the amount certified annually by the retirement system, which for PERS will be as follows: for payments due in the State fiscal year ending June 30, 2005, 20 percent; for payments due in the State fiscal year ending June 30, 2006, not more than 40 percent; for payments due in the State fiscal year ending June 30, 2007, not more than 60 percent; and for payments due in the State fiscal year ending June 30, 2008, not more than 80 percent.

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

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 9. PENSION PLANS: (continued)

During the year ended June 30, 2009 for TPAF, which is a cost sharing plan with special funding situations, annual pension cost equals annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997. TPAF employer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997.

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

Year Ending	
6/30/09	\$618,662
6/30/08	437,782
6/30/07	237,031

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

Year Ending	
6/30/09	\$2,565,474
6/30/08	5,598,714
6/30/07	5,445,973

During the fiscal year ended June 30, 2009, the State of New Jersey contributed \$2,565,474 to the TPAF for normal and post-retirement benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,957,392 during the year ended June 30, 2009 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the general-purpose financial statements, and the combining and individual fund and account group statements and schedules as a revenue and expenditure in accordance with GASB 24.

Public Law 2009, c.19 was enacted on March 17, 2009 and allows the Division of Pensions and Benefits to provide non-state Government Pension System Employers the option of paying the full amount, or an amount that reflects 50 percent reduction of the normal and accrued liability component of the PERS obligations for payments due in State Fiscal Year ending June 30, 2009.

In accordance with P.L. 209, c.19, regular and county vocational school districts have the option of either paying the full amount of their 2008-09 PERS liability or an amount that reflects a 50 percent reduction (deferral) in the district's 2008-09 regular pension liability.

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 9. PENSION PLANS: (continued)

Districts that elect to defer 50 percent of the district's 2009 regular pension liability must begin repaying the deferred amount starting in April of 2012, over 15 years. The amount to be paid will fluctuate based on pension system investment earnings on the unfunded liability. Please note that N.J.S.A. 43:15A-24b requires the use of "regular interest" when the actuary calculates the amortization of the unfunded accrued liability of the pension system, which is set by the State Treasurer (N.J.S.A. 43:15A-6n) and currently is 8.25 percent. At any time, districts may payoff the deferred amount and to do so, should request a payoff amount from the Division of Pensions and Benefits.

The Board elected not to defer 50 percent of the April 2009 payment.

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, 2008, there were 80,181 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994 Chapter 62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State made post-retirement (PRM) contributions of \$592.7 million for TPAF and \$224.3 million for PERS in fiscal year 2008.

The State is also responsible for the cost attributable to P.L. 1992 Chapter 126, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. In fiscal year 2008, the State paid \$116.0 million toward Chapter 126 benefits for 12,545 eligible retired members.

NOTE 11. DEFERRED COMPENSATION:

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

Equitable
Plan Compliance Group
American United Life
Phoenix Home Life
Safeco Life Insurance Co.

The Travelers
Valic
Met Life
Great West
TIAA - CREF

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009

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>
2008-2009	\$1,080	\$66,241	\$84,139	\$75,811
2007-2008	3,211	64,103	88,699	92,629
2006-2007	35,781	60,259	103,300	114,014

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 \$503,825 in the capital reserve account at June 30, 2009.

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.

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2009**

NOTE 13. CAPITAL RESERVE ACCOUNT: (continued)

The activity of the capital reserve for the July 1, 2008 to June 30, 2009 fiscal year is as follows:

Beginning balance, July 1, 2008	\$493,635
Interest Earnings	<u>10,190</u>
Ending balance, June 30, 2009	<u>\$503,825</u>

NOTE 14. SUBSEQUENT EVENTS:

On August 25, 2009, the Board of Education adopted a resolution to authorize the issuance of \$5,550,000 School District Refunding Bonds, Series 2009. The Bonds are being issued to refund the Board of Education's School District Bonds, Series 2001, maturing on May 1, 2012 through and including 2020 at the option of the School District, on May 1, 2011 and to pay certain costs incidental to the issuance and delivery of the Bonds.

NOTE 15. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$9,002,414 General Fund fund balance at June 30, 2009, \$179,353 is reserved for encumbrances; \$7,549,793 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$3,649,934 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2010); \$503,825 has been reserved in the Capital Reserve Account; \$193,244 of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ending June 30, 2010; and \$382,955 is unreserved and undesignated.

Debt Service Fund - The Debt Service Fund balance at June 30, 2009 of \$168,970 is unreserved and undesignated.

NOTE 16. CALCULATION OF EXCESS SURPLUS:

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance — Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2009 is \$7,549,793 of which \$3,899,859 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, 2009**

NOTE 17. INVENTORY:

Inventory in the Food Service Fund at June 30, 2009 consisted of the following:

Food	\$4,387
Supplies	<u>4,909</u>
	<u>\$9,296</u>

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

NOTE 18. CONTINGENT LIABILITIES:

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

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

**REQUIRED SUPPLEMENTARY
INFORMATION - PART II**

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	58,796,582		58,796,582	58,796,582	
Tuition	5,389,405		5,389,405	5,712,114	322,709
Interest Earned on Capital Reserve Funds	5,000		5,000	10,190	5,190
Unrestricted Miscellaneous Revenues	500,000		500,000	430,532	(69,468)
Total - Local Sources	64,690,987		64,690,987	64,949,418	258,431
Revenues from State Sources:					
Categorical Special Education Aid	2,430,567		2,430,567	2,430,567	
Equalization Aid	9,552,236		9,552,236	9,475,591	(76,645)
Categorical Security Aid	1,167,894		1,167,894	1,167,894	
Categorical Transportation Aid	360,713		360,713	360,713	
Extraordinary Aid	391,867		391,867	391,867	
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				2,565,474	2,565,474
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,957,392	2,957,392
Total - State Sources	13,903,277		13,903,277	19,349,498	5,446,221
TOTAL REVENUES	78,594,264		78,594,264	84,298,916	5,704,652
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	1,228,526	(12,334)	1,216,192	1,215,579	613
Grades 1-5 - Salaries of Teachers	8,842,629	133,678	8,976,307	8,976,278	29
Grades 6-8 - Salaries of Teachers	5,620,818	(149,995)	5,470,823	5,245,775	225,048
Grades 9-12 - Salaries of Teachers	10,011,861	(449,752)	9,562,109	9,545,709	16,400
Regular Programs - Home Instruction:					
Salaries of Teachers	370,000	88,280	458,280	458,280	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	930,258	85,393	1,015,651	1,013,217	2,434
Purchased Technical Services	48,868	3,113	51,981	48,885	3,096
Other Purchased Services (400-500 series)	72,676	148,812	221,488	214,220	7,268
General Supplies	930,835	23,945	954,780	889,924	64,856
Textbooks	620,458	(51,585)	568,873	544,154	24,719
Other Objects	17,783	(32)	17,751	14,735	3,016
TOTAL REGULAR PROGRAMS - INSTRUCTION	28,694,712	(180,477)	28,514,235	28,166,756	347,479
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	181,877	(11,700)	170,177	115,472	54,705
Other Salaries for Instruction	79,183		79,183	49,979	29,204
General Supplies	2,012		2,012	447	1,565
Textbooks	2,712		2,712		2,712
Total Neurologically Impaired	265,784	(11,700)	254,084	165,898	88,186
Multiple Disabilities					
Salaries of Teachers	343,887	(5,303)	338,584	338,584	
Other Salaries for Instruction	240,669	87,752	328,421	236,633	91,788
General Supplies	3,400		3,400	2,425	975
Textbooks	5,500	(4,300)	1,200	618	582
Total Multiple Disabilities	593,456	78,149	671,605	578,260	93,345
Resource Room/Resource Center:					
Salaries of Teachers	3,749,423	(15,700)	3,733,723	3,468,578	265,145
Other Salaries for Instruction	984,129	(23,407)	960,722	886,101	74,621
General Supplies	17,006	74	17,080	15,711	1,369
Textbooks	12,747	91,794	104,541	101,661	2,880
Total Resource Room/Resource Center	4,763,305	52,761	4,816,066	4,472,051	344,015
Preschool Disabilities - Part-Time:					
Salaries of Teachers	312,826	5,620	318,446	315,330	3,116
Other Salaries for Instruction	171,580	36,394	207,974	207,598	376
Other Purchased Services (400-500 Series)	18,600		18,600	9,074	9,526
General Supplies	4,419		4,419	3,066	1,353
Total Preschool Disabilities - Part Time	507,425	42,014	549,439	535,068	14,371

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Preschool Disabilities- Full-Time:					
Salaries of Teachers	121,468		121,468	108,148	13,320
Other Salaries for Instruction	153,729		153,729	124,588	29,141
Professional Svcs-Educational Services	15,600	(3,951)	11,649		11,649
General Supplies	4,907		4,907	1,379	3,528
Textbooks	663		663	134	529
Other Objects	1,062		1,062		1,062
Total Preschool Disabilities - Full-Time	297,429	(3,951)	293,478	234,249	59,229
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,427,399	157,273	6,584,672	5,985,526	599,146
Bilingual Education - Instruction					
Salaries of Teachers	1,703,880	147,105	1,850,985	1,845,972	5,013
Other Salaries for Instruction	30,696		30,696	30,696	
General Supplies	14,943	1,961	16,904	15,374	1,530
Textbooks	20,624	499	21,123	20,319	804
Total Bilingual Education - Instruction	1,770,143	149,565	1,919,708	1,912,361	7,347
School-Sponsored Cocurricular Activities - Instruction					
Salaries	157,788	(20)	157,768	138,112	19,656
Purchased Services (300-500 series)	10,994		10,994	9,116	1,878
Supplies and Materials	56,052	20	56,072	52,606	3,466
Other Objects	7,902		7,902	6,710	1,192
Total School-Sponsored Cocurricular Activities - Instruction	232,736		232,736	206,544	26,192
School-Sponsored Athletics - Instruction					
Salaries	680,997	(19,102)	661,895	531,668	130,227
Purchased Services (300-500 series)	196,066	19,102	215,168	213,992	1,176
Supplies and Materials	124,816		124,816	117,483	7,333
Other Objects	16,022		16,022	15,170	852
Total School-Sponsored Athletics - Instruction	1,017,901		1,017,901	878,313	139,588
TOTAL INSTRUCTION	38,142,891	126,361	38,269,252	37,149,500	1,119,752
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	1,200,046	(260,000)	940,046	850,971	89,075
Tuition to County Voc. School Dist. - Regular	345,450	45,000	390,450	379,848	10,602
Tuition to County Voc. School Dist. - Special	453,350	(45,000)	408,350	223,926	184,424
Tuition to CSSD & Regional Day Schools	5,307,250	(500,000)	4,807,250	4,239,121	568,129
Tuition to Private Schools for the Handicapped - Within State	2,585,508	200,001	2,785,509	2,618,457	167,052
Tuition - State Facilities	144,334	25,666	170,000		170,000
Tuition - Other	47,066	(25,666)	21,400	14,409	6,991
Total Undistributed Expenditures - Instruction:	10,083,004	(559,999)	9,523,005	8,326,732	1,196,273
Undistributed Expend. - Attend. & Social Work					
Salaries	703,847	(182,271)	521,576	521,576	
Purchased Professional and Technical Services	23,409	3,277	26,686	26,685	1
Total Undistributed Expend. - Attend. & Social Work	727,256	(178,994)	548,262	548,261	1
Undist. Expend. - Health Services					
Salaries	650,163	85,241	735,404	735,404	
Purchased Professional and Technical Services	1,665		1,665		1,665
Other Purchased Services (400-500 series)	1,040		1,040	720	320
Supplies and Materials	10,319	(1,732)	8,587	7,817	770
Total Undistributed Expenditures - Health Services	663,187	83,509	746,696	743,941	2,755
Undist. Expend. - Other Supp. Serv. Students - Related Serv.					
Salaries	652,438	(75,816)	576,622	569,216	7,406
Purchased Prof. Services-Educational Services	9,500	(9,500)			
Supplies and Materials	3,175		3,175	2,148	1,027
Total Undist. Expend. - Other Supp. Serv. Students - Related Serv.	665,113	(85,316)	579,797	571,364	8,433
Undist. Expend. - Other Supp. Serv. Students-Regular					
Salaries of Other Professional Staff	1,128,990	7,923	1,136,913	1,136,654	259
Salaries of Secretarial and Clerical Assistants	146,291	(25,793)	120,498	111,243	9,255
Supplies and Materials	36,975		36,975	34,588	2,387
Other Objects	8,917		8,917	5,809	3,108
Total Undist. Expend. - Other Supp. Serv. Students-Regular	1,321,173	(17,870)	1,303,303	1,288,294	15,009
Undist. Expend. - Other Supp. Serv. Students-Special					
Salaries of Other Professional Staff	1,532,249	162,251	1,694,500	1,694,488	12
Salaries of Secretarial and Clerical Assistants	219,384	1,213	220,597		
Other Purchased Professional and Technical Services	544,678	265,813	810,491	810,482	9
Misc. Pur Services (400-500 Series)	5,830	(821)	5,009	4,731	278
Supplies and Materials	72,497	1,521	74,018	73,844	174
Other Objects	2,100	(255)	1,845	1,842	3
Total Undist. Expend. - Other Supp. Serv. Students-Special	2,376,738	429,722	2,806,460	2,805,984	476

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Improvement of Instructional Services					
Salaries of Supervisors of Instruction	147,768		147,768	147,768	
Salaries of Other Professional Staff	95,000		95,000	80,587	14,413
Salaries of Secretarial and Clerical Assistants	75,663		75,663	75,663	
Purchased Proff-Ed Services	6,000		6,000	5,950	50
Other Purch Services (400-500)	1,228	8,000	9,228	3,440	5,788
Supplies and Materials	41,658	690	42,348	38,255	4,093
Other Objects	48,166	(481)	47,685	47,572	113
Total Undist. Expend. - Improvement of Inst. Services	415,483	8,209	423,692	399,235	24,457
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	648,415	(13,675)	634,740	626,118	8,622
Supplies and Materials	77,793	(3,193)	74,600	70,538	4,062
Other Objects					
Total Undist. Expend. - Educational Media Serv./Sch. Library	726,208	(16,868)	709,340	696,656	12,684
Undist. Expend. - Instructional Staff Training Serv.					
Salaries-Other Prof. Staff	185,365	(84,080)	101,285	90,834	10,451
Other Salaries	52,150	82,285	134,435	134,435	
Purchased Professional - Educational Serv	33,310		33,310	33,275	35
Other Purchased Prof. and Tech. Services	60,475	(15,000)	45,475	44,215	1,260
Other Purchased Services (400-500 series)	7,500		7,500	7,103	397
Supplies and Materials	133,374		133,374	114,722	18,652
Other Objects	15,000		15,000	14,964	36
Total Undist. Expend. - Instructional Staff Training Serv.	487,174	(16,795)	470,379	439,548	30,831
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	667,446	38,471	705,917	644,205	61,712
Legal Services	75,091	18,823	93,914	83,388	10,526
Audit Fees	44,000		44,000	43,500	500
Other Purchased Professional Services	6,242	17,500	23,742	23,699	43
Purchased Technical Services	84,291	(20,548)	63,743	45,092	18,651
Communications/Telephone	263,474	(12,822)	250,652	204,670	45,982
Other Purch Services (400-500 Series)	47,865	(28,241)	19,624	17,557	2,067
General Supplies	6,780	(4,200)	2,580	403	2,177
BOE In-House Training/Meeting Supplies	51,941	6,790	58,731	57,224	1,507
Misc. Expenditures	18,729	(731)	17,998	17,110	888
BOE Membership Dues and Fees	30,000	(1,271)	28,729	28,729	
Total Undist. Expend. - Supp. Serv. - General Administration	1,295,859	13,771	1,309,630	1,165,577	144,053
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	2,484,939	(74,610)	2,410,329	2,407,045	3,284
Salaries of Other Professional Staff	27,100	101,115	128,215	26,346	101,869
Salaries of Secretarial and Clerical Assistants	892,062		892,062	878,856	13,206
Other Purchased Services (400-500 series)	17,330	33,358	50,688	42,458	8,230
Supplies and Materials	274,418	(30,670)	243,748	145,821	97,927
Other Objects	27,033	534	27,567	21,495	6,072
Total Undist. Expend. - Support Serv. - School Administration	3,722,882	29,727	3,752,609	3,522,021	230,588
Undist. Expend. - Support Serv. - Central Services					
Salaries	658,328	49,603	707,931	707,931	
Purchased Technical Services	149,217	2,999	152,216	151,760	456
Misc. Pur Services (400-500 Series)	4,000	11,596	15,596	9,249	6,347
Supplies and Materials	28,935	(11,574)	17,361	17,248	113
Interest on Lease Purchase Agreement	8,500	(8,500)			
Misc. Expenditures	19,489	17,648	37,137	37,031	106
Total Undist. Expend. - Support Serv. - Central Services	868,469	61,772	930,241	923,219	7,022

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Undist. Expend. - Admin Info. Technology					
Information Technology					
Salaries	309,464	(120,812)	188,652	99,467	89,185
Purchased Technical Services	40,469	3,981	44,450	42,990	1,460
Supplies and Materials	5,673	20,000	25,673	25,560	113
Other Objects	500		500		500
Total Undist. Expend. - Support Serv. - Administrative	<u>356,106</u>	<u>(96,831)</u>	<u>259,275</u>	<u>168,017</u>	<u>91,258</u>
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	349,864	226,270	576,134	576,134	
Cleaning, Repair and Maintenance Services	879,931	(112,000)	767,931	706,398	61,533
General Supplies	235,784	(121,584)	114,200	98,528	15,672
Undist. Expend. - Required Maint. for School Facilities	<u>1,465,579</u>	<u>(7,314)</u>	<u>1,458,265</u>	<u>1,381,060</u>	<u>77,205</u>
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	2,751,591	60,224	2,811,815	2,811,635	180
Purchased Prof. And Tech. Services	170,857	(40,200)	130,657	89,441	41,216
Cleaning, Repair and Maintenance Services	646,695	4,616	651,311	569,075	82,236
Other Purchased Property Services	107,000		107,000	63,727	43,273
Insurance	500,000	(43,884)	456,116	444,560	11,556
Miscellaneous Purchased Services	97,300	170,700	268,000	264,988	3,012
General Supplies	197,962	98,100	296,062	291,961	4,101
Energy (Energy and Electricity)	1,750,000		1,750,000	1,722,718	27,282
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>6,221,405</u>	<u>249,556</u>	<u>6,470,961</u>	<u>6,258,105</u>	<u>212,856</u>
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	37,181		37,181	6,760	30,421
Management fee- ECS&CTSA Trans.	106,090	(21,300)	84,790	84,716	74
Other Purchased Prof. and Tech. Services	1,800		1,800	1,210	590
Cleaning, Repair and Maintenance Services	7,000		7,000	150	6,850
Contract Services (Between Home & School)-Vendors	56,024		56,024	47,452	8,572
Contract Services (Other than Between Home & School)-Vendors	190,681	10,436	201,117	194,401	6,716
Contract Services (Sp. Ed. Students)-Vendors	420,480		420,480	408,463	12,017
Contract Services (Spl. Ed. Students)-ECS&CTSAs	1,570,619	(5,000)	1,565,619	1,199,697	365,922
Supplies and Materials	12,000	7,000	19,000	18,011	989
Total Undist. Expend. - Student Transportation Services	<u>2,401,875</u>	<u>(8,864)</u>	<u>2,393,011</u>	<u>1,960,860</u>	<u>432,151</u>
Regular Programs-Instruction-Employee Benefits					
Health Benefits	5,216,000	(456,000)	4,760,000	4,478,053	281,947
TOTAL ALLOCATED BENEFITS	<u>5,216,000</u>	<u>(456,000)</u>	<u>4,760,000</u>	<u>4,478,053</u>	<u>281,947</u>
UNALLOCATED BENEFITS					
Social Security Contributions	870,000	15,720	885,720	885,720	
Other Retirement Contributions-Regular	160,000	456,000	616,000	615,930	70
Unemployment Compensation	15,000		15,000	1,548	13,452
Workmen's Compensation	400,000	(15,720)	384,280	378,361	5,919
Health Benefits	2,569,075		2,569,075	2,566,080	2,995
Other Employee Benefits	28,400		28,400	21,248	7,152
TOTAL UNALLOCATED BENEFITS	<u>4,042,475</u>	<u>456,000</u>	<u>4,498,475</u>	<u>4,468,887</u>	<u>29,588</u>
On-behalf TPAF pension Contributions (non-budgeted)				2,565,474	(2,565,474)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,957,392	(2,957,392)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>5,522,866</u>	<u>(5,522,866)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>9,258,475</u>		<u>9,258,475</u>	<u>14,469,806</u>	<u>(5,211,331)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>43,055,986</u>	<u>(112,585)</u>	<u>42,943,401</u>	<u>45,668,680</u>	<u>(2,725,279)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>81,198,877</u>	<u>13,776</u>	<u>81,212,653</u>	<u>82,818,180</u>	<u>(1,605,527)</u>

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2009

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY					
Interest Deposit to Capital Reserve	5,000		5,000		5,000
Total	<u>5,000</u>		<u>5,000</u>		<u>5,000</u>
Equipment					
Regular Programs - Instruction:					
Grades 1-5	85,812	4,932	90,744	80,883	9,861
Grades 6-8	81,456	(1,466)	79,990	57,474	22,516
Grades 9-12	63,738	3,758	67,496	64,347	3,149
Undist. Expend.-Support Serv. - Students - Spl.	30,000	(9,200)	20,800	3,975	16,825
Undist. Expend.-Support Serv. - Inst. Staff	21,270	283,263	304,533	290,489	14,044
Undist. Expend.-Support Serv. - General Admin.	2,000	5,250	7,250	6,098	1,152
Undist. Expend - Other Support Serv.		4,200	4,200	4,151	49
Total Equipment	<u>284,276</u>	<u>290,737</u>	<u>575,013</u>	<u>507,417</u>	<u>67,596</u>
Facilities Acquisition and Construction Services					
Construction Services	402,933	46,000	448,933	310,151	138,782
Principal- Lease Purchase	120,000	(73,131)	46,869	46,089	780
Other Objects	14,869	(14,869)			
Total Facilities Acquisition and Construction Services	<u>537,802</u>	<u>(42,000)</u>	<u>495,802</u>	<u>356,240</u>	<u>139,562</u>
TOTAL CAPITAL OUTLAY	<u>827,078</u>	<u>248,737</u>	<u>1,075,815</u>	<u>863,657</u>	<u>212,158</u>
Transfer of Funds to Charter Schools	<u>740,147</u>		<u>740,147</u>	<u>565,787</u>	<u>174,360</u>
TOTAL EXPENDITURES	<u>82,766,102</u>	<u>262,513</u>	<u>83,028,615</u>	<u>84,247,624</u>	<u>(1,219,009)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(4,171,838)	(262,513)	(4,434,351)	51,292	4,485,643
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(4,171,838)	(262,513)	(4,434,351)	51,292	4,485,643
Fund Balance, July 1	<u>9,949,418</u>		<u>9,949,418</u>	<u>9,949,418</u>	
Fund Balance, June 30	<u>5,777,580</u>	<u>(262,513)</u>	<u>5,515,067</u>	<u>10,000,710</u>	<u>4,485,643</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(1,028,798)		(1,028,798)		(1,028,798)
Increase in Capital Reserve:					
Interest Deposit to Capital Reserve	(5,000)		(5,000)	10,190	(15,190)
Budgeted Fund Balance	<u>(3,138,040)</u>	<u>(262,513)</u>	<u>(3,400,553)</u>	<u>41,102</u>	<u>5,529,631</u>
	<u>(4,171,838)</u>	<u>(262,513)</u>	<u>(4,434,351)</u>	<u>51,292</u>	<u>4,485,643</u>
Recapitulation:					
Reserve for Encumbrances				179,353	
Capital Reserve				503,825	
Excess Surplus - Designated for Subsequent Year's Expenditures				3,649,934	
Excess Surplus				3,899,859	
Unreserved - Designated for Subsequent Year's Fund Balance				193,244	
Unreserved - Undesignated Fund Balance				1,574,495	
Total Fund Balance per Governmental Funds (Budgetary)				<u>10,000,710</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				998,296	
Total Fund Balance per Governmental Funds (GAAP)				<u>9,002,414</u>	

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2009

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources	11,879	1,006	12,885	11,741	(1,144)
State Sources	1,543,172	1,008,291	2,551,463	1,372,470	(1,178,993)
Federal Sources	4,401,705	(950,489)	3,451,216	3,340,676	(110,540)
Total Revenues	5,956,756	58,808	6,015,564	4,724,887	(1,290,677)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	2,360,634	(307,501)	2,053,133	1,790,972	262,161
Other Salaries for Instruction	222,399	-	222,399	216,868	5,531
Purchased Professional and Technical Services	737,304	(91,117)	646,187	431,190	214,997
Other Purchased Services (400-500 series)	5,511	-	5,511	5,511	-
General Supplies	207,300	113,696	320,996	184,143	136,853
Textbooks	29,572	-	29,572	19,818	9,754
Other Objects	2,189	512	2,701	2,682	19
Total instruction	3,564,909	(284,410)	3,280,499	2,651,184	629,315
Support services:					
Salaries of Program Directors	935,593	23,876	959,469	956,067	3,402
Other Salaries for Instruction	-	-	-	-	-
Salaries of Other Professional Staff	-	-	-	-	-
Salaries of Secretarial and Clerical Assistants	-	-	-	-	-
Other Salaries	-	-	-	-	-
Personal Services - Employee Benefits	754,937	206,684	961,621	654,520	307,101
Purchased Professional - Educational Services	-	-	-	-	-
Other Purchased Professional Services	473,352	79,359	552,711	356,256	196,455
Purchased Technical Services	-	-	-	-	-
Rentals	-	-	-	-	-
Contracted Services - Trans. (Between Home and School)	32,327	1,988	34,315	14,736	19,579
Travel	38,368	5,888	44,256	5,894	38,362
Other Purchased Services (400-500 series)	138,229	12,449	150,678	60,845	89,833
Supplies & Materials	18,957	12,974	31,931	25,301	6,630
Other Objects	84	-	84	84	-
Total support services	2,391,847	343,218	2,735,065	2,073,703	661,362
Total Expenditures	5,956,756	58,808	6,015,564	4,724,887	1,290,677
Excess (Deficiency) of Revenues Over (Under)	-	-	-	-	-
Expenditures and Other Financing Sources (Uses)	-	-	-	-	-

HACKENSACK BOARD OF EDUCATION
Required Supplementary Information
Budgetary Comparison Schedule
Note to Required Supplementary Information
Fiscal Year Ended June 30, 2009

**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]	84,298,916	4,724,887
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		154,738	172,378
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).		(998,296)	(74,192)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>83,455,358</u>	<u>4,823,073</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	84,247,624	4,724,887
Differences - budget to GAAP			
The district budgets for claims and compensated absences only to the extent expected to be paid, rather than on the modified accrual basis. <i>[Not applicable in this example]</i>			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.			
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.			
Net transfers (outflows) to general fund			
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>84,247,624</u>	<u>4,724,887</u>

SPECIAL REVENUE FUND

HACKENSACK BOARD OF EDUCATION
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
Fiscal Year Ended June 30, 2009

	Total Brought Forward (Ex. E-1a)	Team Mickey Ward Charitable Foundation	Reading Is Fundamental	Mark Wahlberg Youth Foundation	Teen Pregnancy Prevention	Donation - Gift	NCLB Title I 2008-09	Totals 2009
REVENUES								
Local Sources	-	556	5,200	4,457	1,121	407		11,741
State Sources	1,372,470						680,712	1,372,470
Federal Sources	2,659,964							3,340,676
Total Revenues	4,032,434	556	5,200	4,457	1,121	407	680,712	4,724,887
EXPENDITURES:								
Instruction:								
Salaries of Teachers	1,378,535							1,378,535
Other Salaries for Instruction	216,868						412,437	1,790,972
Purchased Professional and Technical Services	195,527						235,663	216,868
Other Purchased Services (400-500 series)	5,511							431,190
General Supplies	145,210		5,200		1,121		32,612	5,511
Textbooks	19,818							184,143
Other Objects	-	556		1,719		407		19,818
Total Instruction	1,961,469	556	5,200	1,719	1,121	407	680,712	2,651,184
Support services:								
Salaries of Program Directors	956,067							956,067
Personal Services - Employee Benefits	654,520							654,520
Purchased Professional - Educational Services	356,256							356,256
Other Purchased Professional Services	11,998			2,738				14,736
Contracted Services - Trans. (Between Home and School)	5,894							5,894
Travel	60,845							60,845
Other Purchased Services (400-500 series)	25,301							25,301
Supplies & Materials	84							84
Other Objects	-							-
Total support services	2,070,965	-	-	2,738	-	-	-	2,073,703
Facilities acquisition and const. serv.:								
Noninstructional Equipment	-							-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	4,032,434	556	5,200	4,457	1,121	407	680,712	4,724,887
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, 2009

	Total Brought Forward (Ex. E-1b)	NCLB Title I 2007-08	NCLB Title I 2006-07	NCLB Title I/SEA 2007-08 Carryover	NCLB Title I/SEA 2006-07 Carryover	IDEA Part - B 2008-09	IDEA Part - B 2007-08 Carryover	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	1,372,470	185,026	55,343	33,515	10,947	947,007	73,651	1,372,470
Federal Sources	1,354,475							2,659,964
Total Revenues	2,726,945	185,026	55,343	33,515	10,947	947,007	73,651	4,032,434
EXPENDITURES:								
Instruction:								
Salaries of Teachers	998,190	34,496	29,551	33,334	8,038	221,056	53,870	1,378,535
Other Salaries for Instruction	216,868							216,868
Purchased Professional and Technical Services	191,952		3,575					195,527
Other Purchased Services (400-500 series)	5,511							5,511
General Supplies	144,620	90	405	95				145,210
Textbooks	19,818							19,818
Other Objects	-							-
Total Instruction	1,576,959	34,586	33,531	33,429	8,038	221,056	53,870	1,961,469
Support services:								
Salaries of Program Directors	481,926					474,141		956,067
Personal Services - Employee Benefits	401,750	106,281		86	2,909	143,494		654,520
Purchased Professional - Educational Services	-							-
Other Purchased Professional Services	198,859	24,800	4,500			108,316	19,781	356,256
Contracted Services - Trans. (Between Home and Sch)	11,998							11,998
Travel	4,726	1,168						5,894
Other Purchased Services (400-500 series)	33,875	9,658	17,312					60,845
Supplies & Materials	16,768	8,533						25,301
Other Objects	84							84
Total support services	1,149,986	150,440	21,812	86	2,909	725,951	19,781	2,070,965
Facilities acquisition and const. serv.:								
Noninstructional Equipment	-							-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	2,726,945	185,026	55,343	33,515	10,947	947,007	73,651	4,032,434
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, 2009

	Total Brought Forward (Ex. E-1e)	IDEA Part - B Carryover 2006-07	IDEA Part - B Preschool 2008-09	IDEA Part - B Preschool Carryover 2007-08	NCLB Title III Immigrant 2008-09	NCLB Title III 2008-09	NCLB Title III 2007-08 Carryover	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	1,372,470		39,821	5,120	52,320	100,548	1,070	1,372,470
Federal Sources	1,150,806	4,790						1,354,475
Total Revenues	2,523,276	4,790	39,821	5,120	52,320	100,548	1,070	2,726,945
EXPENDITURES:								
Instruction:								
Salaries of Teachers	998,190							998,190
Other Salaries for Instruction	157,831				8,502	50,535		216,868
Purchased Professional and Technical Services	166,662				4,859	20,431		191,952
Other Purchased Services (400-500 series)	5,511							5,511
General Supplies	117,198				23,329	3,023	1,070	144,620
Textbooks	19,818							19,818
Other Objects	-							-
Total Instruction	1,465,210	-	-	-	36,690	73,989	1,070	1,576,959
Support services:								
Salaries of Program Directors	446,085		35,841					481,926
Personal Services - Employee Benefits	361,442		3,980		4,649	26,559		401,750
Purchased Professional - Educational Services	-			5,120				-
Other Purchased Professional Services	194,069	4,790						198,859
Contracted Services - Trans. (Between Home and School)	11,998							11,998
Travel	2,174				2,552			4,726
Other Purchased Services (400-500 series)	27,994				5,881			33,875
Supplies & Materials	14,220				2,548			16,768
Other Objects	84							84
Total support services	1,058,066	4,790	39,821	5,120	15,630	26,559	-	1,149,986
Facilities acquisition and const. serv.:								
Noninstructional Equipment	-							-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	2,523,276	4,790	39,821	5,120	52,320	100,548	1,070	2,726,945
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, 2009

	Total Brought Forward (Ex. E-1d)	Title II, Part A Training & Recruiting 2008-09	Title II, Part A Training & Recruiting 2007-08	Title II, Part A Training & Recruiting 2006-07	Title II, Part D Enhanced Education 2008-09	Title II, Part D Enhanced Education 2007-08	Title II, Part D Enhanced Education Carryover 2006-07	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	1,372,470	119,796	60,827	13,134	1,379	4,314	7	1,372,470
Federal Sources	951,349							1,150,806
Total Revenues	2,323,819	119,796	60,827	13,134	1,379	4,314	7	2,523,276
EXPENDITURES:								
Instruction:								
Salaries of Teachers	998,190							998,190
Other Salaries for Instruction	157,831							157,831
Purchased Professional and Technical Services	166,662							166,662
Other Purchased Services (400-500 series)	-				1,197	4,314	7	5,511
General Supplies	117,009				182			117,198
Textbooks	19,818							19,818
Other Objects	-							-
Total Instruction	1,459,510	-	-	-	1,379	4,314	7	1,465,210
Support services:								
Salaries of Program Directors	307,937	119,796	18,352					446,085
Personal Services - Employee Benefits	325,550		35,892					361,442
Purchased Professional - Educational Services	-		5,983	8,556				194,069
Other Purchased Professional Services	179,530							11,998
Contracted Services - Trans. (Between Home and School)	11,998							2,174
Travel	2,174							27,994
Other Purchased Services (400-500 series)	23,125	600		4,269				14,220
Supplies & Materials	13,911			309				84
Other Objects	84							-
Total support services	864,309	119,796	60,827	13,134	-	-	-	1,058,066
Facilities acquisition and const. serv.:								
Noninstructional Equipment	-							-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	2,323,819	119,796	60,827	13,134	1,379	4,314	7	2,523,276
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, 2009

	Total Brought Forward (Ex. E-1e)	Title V Innovative Education CO 2007-08	Title V Innovative Education CO 2006-07	Title IV Drug Free Schools CO 2008-09	Title IV Drug Free Schools CO 2007-08	Title IV Drug Free Schools CO 2006-07	21st Century Grant 2008-09	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	1,372,470							1,372,470
Federal Sources	915,866	3,295	21	14,048	5,703	224	12,192	951,349
Total Revenues	2,288,336	3,295	21	14,048	5,703	224	12,192	2,323,819
EXPENDITURES:								
Instruction:								
Salaries of Teachers	997,690	500						998,190
Other Salaries for Instruction	157,831							157,831
Purchased Professional and Technical Services	161,912			4,750				166,662
Other Purchased Services (400-500 series)	-							-
General Supplies	109,568	2,295	21	5,125				117,009
Textbooks	19,818							19,818
Other Objects	-							-
Total Instruction	1,446,819	2,795	21	9,875	-	-	-	1,459,510
Support services:								
Salaries of Program Directors	298,745						9,192	307,937
Personal Services - Employee Benefits	325,550							325,550
Purchased Professional - Educational Services	-							-
Other Purchased Professional Services	165,930	500		4,173	5,703	224	3,000	179,530
Contracted Services - Trans. (Between Home and School)	11,998							11,998
Travel	2,174							2,174
Other Purchased Services (400-500 series)	23,125							23,125
Supplies & Materials	13,911							13,911
Other Objects	84							84
Total support services	841,517	500	-	4,173	5,703	224	12,192	864,309
Facilities acquisition and const. serv.:								
Noninstructional Equipment	-							-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	2,288,336	3,295	21	14,048	5,703	224	12,192	2,323,819
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, 2009

	Total Brought Forward (Ex. E-1f)	Reading First 2008-09	Perkins - Vocational Education 2008-09	Workforce Year Round Youth Program - Drop-in 2008-09	Workforce Year Round Youth Program - Drop-in 2007-08	Project Aces 2008-09	Preschool Education Aid	Total Carried Forward
REVENUES								
Local Sources	630,551	852,399	35,202	13,879	5	14,381	741,919	1,372,470
State Sources	-	-	-	-	-	-	-	915,866
Federal Sources	-	-	-	-	-	-	-	-
Total Revenues	630,551	852,399	35,202	13,879	5	14,381	741,919	2,288,336
EXPENDITURES:								
Instruction:								
Salaries of Teachers	21,688	567,098	-	-	-	-	408,904	997,690
Other Salaries for Instruction	4,351	-	-	-	-	-	153,480	157,831
Purchased Professional and Technical Services	161,912	-	-	-	-	-	-	161,912
Other Purchased Services (400-500 series)	-	32,344	35,202	-	-	-	33,301	109,568
General Supplies	8,721	-	-	-	-	-	-	19,818
Textbooks	19,818	-	-	-	-	-	-	-
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	216,490	599,442	35,202	-	-	-	595,685	1,446,819
Support services:								
Salaries of Program Directors	215,136	23,876	-	12,696	-	12,696	34,341	298,745
Personal Services - Employee Benefits	57,435	154,024	-	1,099	-	1,099	111,893	325,550
Purchased Professional - Educational Services	-	-	-	-	-	-	-	-
Other Purchased Professional Services	114,230	51,700	-	-	-	-	-	165,930
Contracted Services - Trans. (Between Home and School)	11,998	-	-	-	-	-	-	11,998
Travel	1,383	791	-	-	-	-	-	2,174
Other Purchased Services (400-500 series)	11,425	11,700	-	-	5	586	-	23,125
Supplies & Materials	2,454	10,866	-	84	-	-	-	13,911
Other Objects	-	-	-	-	-	-	-	84
Total support services	414,061	252,957	-	13,879	5	14,381	146,234	841,517
Facilities acquisition and const. serv.:								
Noninstructional Equipment	-	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	630,551	852,399	35,202	13,879	5	14,381	741,919	2,288,336
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, 2009

	Total Brought Forward (Ex. E-1g)	School Based Youth Service Program 2008-09	Family Friendly 2008-09	Chapter 194 Nonpublic Textbook 2008-09	Chapter 192 Compensatory Education 2008-09	Chapter 192 ESL 2008-09	Chapter 193 Supplemental Instruction 2008-09	Total Carried Forward
REVENUES								
Local Sources	94,476	295,085	39,436	19,818	127,402	34,510	19,824	630,551
State Sources	-	-	-	-	-	-	-	-
Federal Sources	-	-	-	-	-	-	-	-
Total Revenues	94,476	295,085	39,436	19,818	127,402	34,510	19,824	630,551
EXPENDITURES:								
Instruction:								
Salaries of Teachers	-	-	21,688	-	-	-	-	21,688
Other Salaries for Instruction	-	-	4,351	-	-	-	-	4,351
Purchased Professional and Technical Services	-	-	-	-	127,402	34,510	-	161,912
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-	-
General Supplies	-	-	8,721	-	-	-	-	8,721
Textbooks	-	-	-	19,818	-	-	-	19,818
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	-	-	34,760	19,818	127,402	34,510	-	216,490
Support services:								
Salaries of Program Directors	-	214,136	1,000	-	-	-	-	215,136
Personal Services - Employee Benefits	-	55,059	2,376	-	-	-	-	57,435
Purchased Professional - Educational Services	-	-	-	-	-	-	19,824	-
Other Purchased Professional Services	83,051	10,055	1,300	-	-	-	-	114,230
Contracted Services - Trans. (Between Home and School)	-	11,998	-	-	-	-	-	11,998
Travel	-	1,383	-	-	-	-	-	1,383
Other Purchased Services (400-500 series)	11,425	-	-	-	-	-	-	11,425
Supplies & Materials	-	2,454	-	-	-	-	-	2,454
Other Objects	-	-	-	-	-	-	-	-
Total support services	94,476	295,085	4,676	-	-	-	19,824	414,061
Facilities acquisition and const. serv.:								
Noninstructional Equipment	-	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	94,476	295,085	39,436	19,818	127,402	34,510	19,824	630,551
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, 2009

	Chapter 193 Exam & Classification 2008-09	Chapter 193 Corrective Speech 2008-09	Nonpublic Nursing 2008-09	Technology Grant 2008-09	Total Carried Forward
REVENUES					
Local Sources	20,818	22,320	39,913	11,425	94,476
State Sources					-
Federal Sources					-
Total Revenues	20,818	22,320	39,913	11,425	94,476
EXPENDITURES:					
Instruction:					
Salaries of Teachers					-
Other Salaries for Instruction					-
Purchased Professional and Technical Services					-
Other Purchased Services (400-500 series)					-
General Supplies					-
Textbooks					-
Other Objects					-
Total instruction	-	-	-	-	-
Support services:					
Salaries of Program Directors					-
Personal Services - Employee Benefits					-
Purchased Professional - Educational Services					-
Other Purchased Professional Services	20,818	22,320	39,913		83,051
Contracted Services - Trans. (Between Home and School)					-
Travel					-
Other Purchased Services (400-500 series)				11,425	11,425
Supplies & Materials					-
Other Objects					-
Total support services	20,818	22,320	39,913	11,425	94,476
Facilities acquisition and const. serv.:					
Noninstructional Equipment					-
Total facilities acquisition and const. serv.	-	-	-	-	-
Total Expenditures	20,818	22,320	39,913	11,425	94,476
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, 2009

	<u>District Wide Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	408,904	408,904	
Other salaries for instruction	153,480	153,480	
General supplies	33,301	33,301	
Total instruction	<u>595,685</u>	<u>595,685</u>	
Support services:			
Salaries of Program Directors	34,341	34,341	
Personal Services - Employee Benefits	111,893	111,893	
Total support services	<u>146,234</u>	<u>146,234</u>	
Total expenditures	<u>741,919</u>	<u>741,919</u>	

<u>Summary of Location Totals</u>	
Total revised 2008-09 Preschool Education Aid	741,919
Add: Actual ECPA Carryover (June 30, 2008)	109,692
Add: Budgeted Transfer from the General Fund 2008-09	
Total Preschool Education Aid Funds Available for 2008-09 Budget	851,611
Less: 2008-09 Budgeted Preschool Education Aid prior year budgeted carryover)	741,919
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2009	109,692
2008-09 Preschool Education Aid Carryover Budgeted for Preschool Programs 2009-10	

CAPITAL PROJECTS FUND

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2009

Revenues and Other Financing Sources

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Interest on Investments	41,005
	<u>41,005</u>

Expenditures and Other Financing Uses

Purchased professional and technical services	79,223
Land and improvements	-
Construction services	1,447,109
Equipment purchases	-
	<u>1,526,332</u>

Excess (deficiency) of revenues over (under) expenditures (1,485,327)

Other Finance Sources (Uses)

Transfers out	<u>(41,005)</u>
Total other financing sources (uses)	<u>(41,005)</u>

Net change in fund balance (1,526,332)

Fund balance - beginning 3,451,675

Fund balance - ending 1,925,343

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Window Replacement Project
Fiscal Year Ended June 30, 2009

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	370,527		370,527	370,527
Bond proceeds and transfers	855,000		855,000	855,000
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>1,225,527</u>	<u>-</u>	<u>1,225,527</u>	<u>1,225,527</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	37,053		37,053	37,053
Land and improvements			-	
Construction services	1,059,661		1,059,661	1,188,474
Equipment purchases				
	<u>1,096,714</u>	<u>-</u>	<u>1,096,714</u>	<u>1,225,527</u>
Excess (deficiency) of revenues over (under) expenditures	<u>128,813</u>	<u>-</u>	<u>128,813</u>	<u>-</u>
Additional project information:				
Project number	xxxxxxx			
Grant Date	2/9/1999			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	855,000			
Additional authorized cost	370,527			
Revised authorized cost	1,225,527			
Percentage increase over original authorized cost	0.43			
Percentage completion	89%			
Original target completion date				
Revised target completion date				

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Other Improvements
Fiscal Year Ended June 30, 2009

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers	1,945,000		1,945,000	1,945,000
Transfers from Capital Reserve			-	
Transfers from Capital Outlay			-	
	<u>1,945,000</u>	<u>-</u>	<u>1,945,000</u>	<u>1,945,000</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services			-	
Land and improvements			-	
Construction services	475,370		475,370	1,857,678
Equipment purchases	<u>87,322</u>		<u>87,322</u>	<u>87,322</u>
	<u>562,692</u>	<u>-</u>	<u>562,692</u>	<u>1,945,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,382,308</u>	<u>-</u>	<u>1,382,308</u>	<u>-</u>
Additional project information:				
Project number	1860-050-03-0816			
Grant Date	2/9/1999			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	1,945,000			
Additional authorized cost				
Revised authorized cost	1,945,000			
Percentage increase over original authorized cost	-			
Percentage completion	29%			
Original target completion date				
Revised target completion date				

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Nellie K. Parker Chiller Project
Fiscal Year Ended June 30, 2009

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	95,364		95,364	95,364
Bond proceeds and transfers			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay	143,047		143,047	143,047
	<u>238,411</u>	<u>-</u>	<u>238,411</u>	<u>238,411</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	27,126		27,126	27,126
Land and improvements			-	
Construction services	195,409		195,409	211,285
Equipment purchases			-	
	<u>222,535</u>	<u>-</u>	<u>222,535</u>	<u>238,411</u>
Excess (deficiency) of revenues over (under) expenditures	<u>15,876</u>	<u>-</u>	<u>15,876</u>	<u>-</u>
Additional project information:				
Project number	1860-090-02-0216			
Grant Date	2/15/2003			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	238,411			
Additional authorized cost				
Revised authorized cost	238,411			
Percentage increase over original authorized cost	-			
Percentage completion	93%			
Original target completion date	6/30/2006			
Revised target completion date				

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Balcony Project
Fiscal Year Ended June 30, 2009

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant	388,038		388,038	388,038
Bond proceeds and transfers			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay	430,012		430,012	633,515
	<u>818,050</u>	<u>-</u>	<u>818,050</u>	<u>1,021,553</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	68,972		68,972	68,972
Land and improvements			-	
Construction services	944,545		944,545	944,677
Equipment purchases	7,904		7,904	7,904
	<u>1,021,421</u>	<u>-</u>	<u>1,021,421</u>	<u>1,021,553</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(203,371)</u>	<u>-</u>	<u>(203,371)</u>	<u>-</u>
Additional project information:				
Project number	1860-050-03-0816			
Grant Date	8/13/2003			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	818,050			
Additional authorized cost	203,503			
Revised authorized cost	1,021,553			
Percentage increase over original authorized cost	0.25			
Percentage completion	100%			
Original target completion date	6/30/2006			
Revised target completion date				

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
High School Fire Alarm Replacement
Fiscal Year Ended June 30, 2009

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers			-	
Transfers from Capital Reserve			-	
Transfers from Capital Outlay	421,150		421,150	498,281
	<u>421,150</u>	<u>-</u>	<u>421,150</u>	<u>498,281</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services	78,400		78,400	78,400
Land and improvements			-	
Construction services	331,600		331,600	419,881
Equipment purchases			-	
	<u>410,000</u>	<u>-</u>	<u>410,000</u>	<u>498,281</u>
Excess (deficiency) of revenues over (under) expenditures	<u>11,150</u>	<u>-</u>	<u>11,150</u>	<u>-</u>
Additional project information:				
Project number	1860-050-04-1000			
Grant Date	6/1/2004			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	498,281			
Additional authorized cost				
Revised authorized cost	498,281			
Percentage increase over original authorized cost	-			
Percentage completion	82%			
Original target completion date	6/30/2006			
Revised target completion date				

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Schedule of Project Revenues, Expenditures, Project Balances and Project Status-Budgetary Basis
Carl E. Padovano Education Center
Fiscal Year Ended June 30, 2009

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
State Sources - SCC Grant			-	
Bond proceeds and transfers			-	
Transfers from Capital Reserve	2,116,899		2,116,899	2,116,899
Transfers from Capital Outlay			-	
	<u>2,116,899</u>	<u>-</u>	<u>2,116,899</u>	<u>2,116,899</u>
Expenditures and Other Financing Uses				
Purchased professional and technical services		79,223	79,223	79,223
Land and improvements			-	
Construction services		1,447,109	1,447,109	2,037,676
Equipment purchases			-	
	<u>-</u>	<u>1,526,332</u>	<u>1,526,332</u>	<u>2,116,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,116,899</u>	<u>(1,526,332)</u>	<u>590,567</u>	<u>-</u>
Additional project information:				
Project number	1860-N01-07-1000			
Grant Date	1/12/2007			
Bond authorization date	N/A			
Bonds authorized	N/A			
Bonds issued	N/A			
Original authorization cost	2,116,899			
Additional authorized cost				
Revised authorized cost	2,116,899			
Percentage increase over original authorized cost	-			
Percentage completion	72%			
Original target completion date				
Revised target completion date				

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Summary Statement of Project Expenditures
Fiscal Year Ended June 30, 2009

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2009
			Prior Years	Current Year	
Various School Improvements	February 9, 1999				
High School Window Replacement Project		1,225,527	1,096,714		128,813
Other Improvements					
Other Improvements		1,945,000	562,692		1,382,308
		<u>3,170,527</u>	<u>1,659,406</u>	<u>-</u>	<u>1,511,121</u>
Nellie K. Parker Chiller Project	February 15, 2003	238,411	222,535		15,876
High School Balcony Project	August 13, 2003	1,021,553	1,021,421		132
High School Fire Alarm Replacement	June 1, 2004	498,281	410,000		88,281
Carl E. Padovano Education Center	January 12, 2007	2,116,899		1,526,332	590,567
		<u>7,045,671</u>	<u>3,313,362</u>	<u>1,526,332</u>	<u>2,205,977</u>
Analysis					
			Project Balance - June 30, 2008		2,205,977
			Unfunded Authorizations		280,634
			Fund Balance (Deficit) - June 30, 2009		<u>1,925,343</u>

PROPRIETARY FUNDS

HACKENSACK BOARD OF EDUCATION
Combining Statement of Net Assets
Enterprise Funds
June 30, 2009

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and cash equivalents	441,604	441,604
Accounts receivable:		-
State	9,240	9,240
Federal	100,287	100,287
Inventories	9,296	9,296
Total current assets	<u>560,427</u>	<u>560,427</u>
Noncurrent assets:		
Capital assets:		
Equipment	262,196	262,196
Less accumulated depreciation	<u>(149,132)</u>	<u>(149,132)</u>
Total capital assets (net of accumulated depreciation)	<u>113,064</u>	<u>113,064</u>
Total assets	<u>673,491</u>	<u>673,491</u>
LIABILITIES		
Current Liabilities:		
Accounts Payable	<u>138,818</u>	<u>138,818</u>
Total Liabilities	<u>138,818</u>	<u>138,818</u>
NET ASSETS		
Invested in capital assets net of related debt	113,064	113,064
Unrestricted	421,609	421,609
Total net assets	<u>534,673</u>	<u>534,673</u>

HACKENSACK BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
Fiscal Year Ended June 30, 2009

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	291,904	291,904
Daily sales - non-reimbursable programs	172,548	172,548
Total operating revenues	<u>464,452</u>	<u>464,452</u>
Operating expenses:		
Cost of food	856,090	856,090
Salaries	488,755	488,755
Supplies and materials	79,504	79,504
Employee benefits	164,415	164,415
Depreciation	14,547	14,547
Repairs and other expenses	77,380	77,380
Purchased services	134,895	134,895
Total Operating Expenses	<u>1,815,586</u>	<u>1,815,586</u>
Operating income (loss)	<u>(1,351,134)</u>	<u>(1,351,134)</u>
Nonoperating revenues (expenses):		
State sources:		
School lunch program	36,217	36,217
School snack program	39,796	39,796
School breakfast program	41,418	41,418
Federal sources:		
School lunch program	790,600	790,600
School breakfast program	442,464	442,464
U.S.D.A. Commodities	77,130	77,130
Interest Income	418	418
Total nonoperating revenues (expenses)	<u>1,428,043</u>	<u>1,428,043</u>
Income (loss) before contributions & transfers	<u>76,909</u>	<u>76,909</u>
Total net assets—beginning	<u>457,764</u>	<u>457,764</u>
Total net assets—ending	<u><u>534,673</u></u>	<u><u>534,673</u></u>

HACKENSACK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2009

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	464,452	464,452
Payments to suppliers	(1,718,685)	(1,718,685)
Net cash provided by (used for) operating activities	(1,254,233)	(1,254,233)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	118,087	118,087
Federal Sources	1,211,410	1,211,410
Interest Income	418	418
Net cash provided by (used for) non-capital financing activities	1,329,915	1,329,497
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(8,541)	(8,541)
Net cash used for capital and related financing activities	(8,541)	(8,541)
Net increase (decrease) in cash and cash equivalents	67,141	67,141
Balances—beginning of year	374,463	374,463
Balances—end of year	441,604	441,604
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(1,351,134)	(1,351,134)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	14,547	14,547
Food distribution program	77,130	77,130
(Increase) decrease in inventories	(3,386)	(3,386)
Increase (decrease) in accounts payable	8,610	8,610
Total adjustments	96,901	96,901
Net cash provided by (used for) operating activities	(1,254,233)	(1,254,233)

FIDUCIARY FUND

HACKENSACK BOARD OF EDUCATION
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2009

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	93,410	174,509	556,783
Deficit in reserve for scholarships		11,221	
Total assets	<u>93,410</u>	<u>185,730</u>	<u>556,783</u>
LIABILITIES			
Payable to student groups			125,643
Due to State of NJ - Unemployment	17,599		
Payroll deductions and withholdings			431,140
Total liabilities	<u>17,599</u>	<u>-</u>	<u>556,783</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	<u>75,811</u>		
Reserved for scholarships		<u>185,730</u>	

HACKENSACK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2009

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>
ADDITIONS		
Contributions:		
Donations		16,316
Payroll withholdings	66,241	
Total Contributions	<u>66,241</u>	<u>16,316</u>
Investment earnings:		
Interest	1,080	5,497
Net investment earnings	<u>1,080</u>	<u>5,497</u>
Total additions	<u>67,321</u>	<u>21,813</u>
DEDUCTIONS		
Quarterly contribution reports	84,139	
Scholarships awarded		27,233
Total deductions	<u>84,139</u>	<u>27,233</u>
OTHER CHANGES TO FIDUCIARY NET ASSETS		
Net changes to deficit in reserve for scholarships		3,009
Total changes to fiduciary net assets	<u>-</u>	<u>3,009</u>
Change in net assets	(16,818)	(2,411)
Net assets—beginning of the year	<u>92,629</u>	<u>188,141</u>
Net assets—end of the year	<u><u>75,811</u></u>	<u><u>185,730</u></u>

HACKENSACK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2009

	<u>Balance July 1, 2008</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2009</u>
Elementary Schools:				
Fairmount Avenue School	2,401	3,719	2,873	3,247
Jackson Avenue School	1,737	3,292	3,584	1,445
Fanny M. Hillers School	761	3,752	2,499	2,014
Fanny M. Hillers School - School Store	465		465	-
Nellie Parker School	1,144	8,788	8,522	1,410
Nellie Parker School Donation	1,377	1,365	1,291	1,451
Total Elementary Schools	<u>7,885</u>	<u>20,916</u>	<u>19,234</u>	<u>9,567</u>
Middle School:				
5/6 Middle School	535	6,051	6,366	220
Middle School	22,628	36,466	42,919	16,175
Total Middle Schools	<u>23,163</u>	<u>42,517</u>	<u>49,285</u>	<u>16,395</u>
High School:				
High School	107,178	205,109	222,551	89,736
Varsity H	25,767	59,819	80,809	4,777
Total High Schools	<u>132,945</u>	<u>264,928</u>	<u>303,360</u>	<u>94,513</u>
Athletic Departments:				
Athletic Department	4,128	116,920	115,880	5,168
Total Athletic Department	<u>4,128</u>	<u>116,920</u>	<u>115,880</u>	<u>5,168</u>
Total All Schools	<u>168,121</u>	<u>445,281</u>	<u>487,759</u>	<u>125,643</u>

HACKENSACK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2009

	<u>Balance July 1, 2008</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2009</u>
Net Payroll	71,654	33,070,124	33,072,588	69,190
Payroll Deductions and Withholdings	348,137	23,818,563	23,804,750	361,950
	<u>419,791</u>	<u>56,888,687</u>	<u>56,877,338</u>	<u>431,140</u>

LONG-TERM DEBT

HACKENSACK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
Fiscal Year Ended June 30, 2009

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance, July 1, 2008	Retired	Balance, June 30, 2009
			Date	Amount				
School Improvement bonds	May 1, 2001	8,998,000	5/1/2010	600,000	4.625	7,203,000	585,000	6,618,000
			5/1/2011	600,000	4.625			
			5/1/2012	600,000	4.625			
			5/1/2013	600,000	4.75			
			5/1/2014	600,000	4.75			
			5/1/2015	600,000	4.875			
			5/1/2016	600,000	4.875			
			5/1/2017	600,000	5.00			
			5/1/2018	600,000	5.00			
			5/1/2019	600,000	5.00			
			5/1/2020	618,000	5.00			
						<u>\$ 7,203,000</u>	<u>585,000</u>	<u>6,618,000</u>

HACKENSACK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Long-Term Loans
Fiscal Year Ended June 30, 2009

<u>Issue</u>	<u>Date of Loan</u>	<u>Amount of Loan</u>	<u>Principal Payment</u>		<u>Interest Rate</u>	<u>Balance, June 30, 2008</u>	<u>Retired</u>
			<u>Date</u>	<u>Amount</u>			
School improvement loans	8/17/1989	\$ 811,550	7/15/2008	57,967	1.50%	\$ 57,967	57,967
School improvement loans	8/17/1989	1,022,300	7/15/2008	56,902	5.04%	56,902	56,902
School improvement loans	1/29/2004	157,716	7/15/2008	42,459	5.04%	42,459	42,459
						<u>\$ 157,328</u>	<u>157,328</u>

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2009

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	994,911		994,911	994,912	1
Total Revenues	994,911	-	994,911	994,912	1
EXPENDITURES:					
Regular Debt Service:					
Interest	350,395	-	350,395	350,395	-
Redemption of Principal	742,328	-	742,328	742,328	-
Total Regular Debt Service	1,092,723	-	1,092,723	1,092,723	-
Total expenditures	1,092,723	-	1,092,723	1,092,723	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(97,812)	-	(97,812)	(97,811)	1
Other Financing Sources:					
Operating Transfers In:					
Excess Bond Proceeds - Capital Projects Fund	-	-	-	41,005	41,005
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(97,812)	-	(97,812)	(56,806)	41,006
Fund Balance, July 1	225,776	-	225,776	225,776	-
Fund Balance, June 30	127,964	-	127,964	168,970	41,006
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(97,812)	-	(97,812)	(56,807)	41,005

STATISTICAL SECTION

STATISTICAL SECTION (UNAUDITED)

Introduction to the Statistical Section

Financial Trends

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

Revenue Capacity

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

Debt Capacity

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

Demographic and Economic Information

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

Operating Information

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

STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

Contents

Page

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 to J-15

Operating Information

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

J-16 to J-20

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

Source: CAFR Schedule A-1

- 88 -

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

	Fiscal Year Ending June 30,					
	2003	2004	2005	2006	2007	2008
						2009
Business-type activities:						
Charges for services						
Food service	525,987	608,509	585,142	569,155	501,936	523,087
Operating grants and contributions	719,118	772,643	1,089,100	1,132,924	1,202,162	1,262,610
Capital grants and contributions						
Total business type activities program revenues	1,245,105	1,381,152	1,674,242	1,702,079	1,704,098	1,785,697
Total district program revenues	\$ 9,812,512	\$ 11,273,364	\$ 12,112,673	\$ 12,426,343	\$ 12,165,681	\$ 12,894,882
						\$ 1,892,495
						\$ 6,715,568
Net (Expense)/Revenue						
Governmental activities	\$(61,048,222)	\$(64,914,828)	\$(66,192,207)	\$(69,182,283)	\$(75,226,534)	\$(77,527,997)
Business-type activities	(63,790)	47,303	84,251	24,413	77,937	64,792
Total district-wide net expense	\$(61,112,012)	\$(64,867,525)	\$(66,107,956)	\$(69,157,870)	\$(75,148,597)	\$(77,463,205)
						\$ (84,570,100)
						76,909.00
						\$ (84,493,191)
General Revenues and Other Changes in Net Assets						
Governmental activities:						
Property taxes levied for general purposes, net	\$ 46,625,009	\$ 48,760,747	\$ 49,879,303	\$ 50,953,742	\$ 53,452,727	\$ 56,693,791
Taxes levied for debt service	1,045,523	1,017,520	1,084,591	1,082,034	1,053,774	820,098
Unrestricted grants and contributions	8,786,752	10,129,837	11,019,986	12,071,563	14,673,639	15,183,297
Tuition Received	4,176,793	4,371,631	4,745,492	4,909,035	5,273,917	5,170,100
Investment earnings	155,917	132,701	318,333	606,367	763,868	387,639
Miscellaneous income	744,834	1,571,629	743,123	930,780	318,740	301,309
Excess Refinanced Loan Proceeds			23,800			
State Aid- State Facilities Grant	95,364	388,038		6,426,366		
Local Aid - Port Authority Grant						
Transfers	(70,000)					
Federal and State Aid - Capital outlay						
Total governmental activities	61,560,192	66,372,103	67,814,628	76,979,887	75,536,665	78,556,234
						84,491,275
Business-type activities:						
Investment earnings	106					
Miscellaneous Income	70,000					
Transfers	70,106					
Total business-type activities	\$ 61,630,298	\$ 66,372,103	\$ 67,814,628	\$ 76,979,887	\$ 75,536,665	\$ 78,556,234
Total district-wide						\$ 84,491,275
						-
						\$ 84,491,275
Change in Net Assets						
Governmental activities	\$ 511,970	\$ 1,457,275	\$ 1,622,421	\$ 7,797,604	\$ 310,131	\$ 1,028,237
Business-type activities	6,316	47,303	84,251	24,413	77,937	64,792
Total district	\$ 518,286	\$ 1,504,578	\$ 1,706,672	\$ 7,822,017	\$ 388,068	\$ 1,093,029
						\$ (78,825)
						76,909
						\$ (1,916)

Source: CAFR Schedule A-2

Source: CAFR Schedule B-1

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

	2004	2005	2006	2007	2008	2009
Revenues						
Tax levy	\$ 49,778,267	\$ 50,963,894	\$ 52,035,776	\$ 54,506,501	\$ 57,513,889	\$ 59,791,494
Tuition	4,371,631	4,745,492	4,909,035	5,273,917	5,170,100	5,712,114
Interest earnings	132,701	265,266	606,367	763,868	387,639	100,057
Miscellaneous	1,804,584	846,631	7,357,146	352,267	312,741	393,411
State sources	15,167,607	15,879,405	17,390,538	19,792,837	21,246,188	19,976,596
Federal sources	4,601,475	5,528,571	5,405,289	5,308,858	5,034,862	3,340,676
Total revenue	<u>75,856,265</u>	<u>78,229,259</u>	<u>87,704,151</u>	<u>85,998,248</u>	<u>89,665,419</u>	<u>89,314,348</u>
Expenditures						
Instruction						
Regular Instruction	25,861,496	26,487,509	27,651,202	28,946,580	29,735,325	30,817,940
Special education instruction	4,543,289	4,829,682	5,013,079	5,247,901	5,982,963	5,985,526
Other special instruction	1,262,912	1,475,842	1,509,043	1,622,204	1,621,041	1,912,361
Other instruction	998,637	1,004,203	1,000,555	1,067,762	1,085,131	1,084,857
Support Services:						
Instruction	7,094,482	7,206,461	7,563,097	7,400,345	7,739,692	8,326,732
Attendance and social work services	20,880	22,438	21,756	22,035	22,759	548,261
Health Services	508,387	549,478	597,869	604,129	668,384	743,941
Student & instruction related services	7,224,777	8,561,976	8,426,190	9,162,112	10,136,858	8,274,784
General administrative services	932,141	983,500	1,037,811	1,229,298	1,070,555	1,165,577
School Administrative services	2,947,373	2,979,368	3,315,969	3,435,137	3,463,251	3,522,021
Business and other support services	910,078	981,632				
Central administrative services		879,960	942,653	1,048,764	872,791	1,091,236
Plant operations and maintenance	5,960,569	5,910,196	6,504,115	6,874,013	6,799,696	7,639,165
Pupil transportation	1,898,257	1,655,893	1,882,435	1,866,036	2,062,025	1,960,860
Allocated employee benefits						4,478,053
Unallocated employee benefits	5,831,968	5,321,091	6,298,732	7,812,424	7,600,842	4,468,887
TPAF Pension / Social Security	4,499,831	4,758,500	5,559,226	8,133,399	8,423,780	5,522,866
Charter Schools	25,606	45,995	51,551		405,936	565,787
Capital outlay	1,322,524	1,237,617	7,798,904	1,456,226	700,916	2,389,989
Special Revenue Fund						
Debt service:						
Principal	580,285	595,380	643,298	672,835	707,485	742,328
Interest and other charges	490,300	459,191	438,735	410,960	381,820	350,395
Total expenditures	<u>72,913,792</u>	<u>75,945,912</u>	<u>86,256,160</u>	<u>87,012,160</u>	<u>89,481,250</u>	<u>91,591,566</u>
Excess (Deficiency) of revenues over (under) expenditures	2,942,473	2,283,347	1,447,991	(1,013,912)	184,169	(2,277,218)

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

	2004	2005	2006	2007	2008	2009
Other financing sources (uses)						
Transfers in	-		269,209	2,214,710	127,963	41,005
Transfers out	(421,150)	(410,000)	(269,209)	(2,214,710)	(127,963)	(41,005)
Total other financing sources (uses)	<u>(421,150)</u>	<u>(410,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 2,521,323</u>	<u>\$ 1,873,347</u>	<u>\$ 1,447,991</u>	<u>\$ (1,013,912)</u>	<u>\$ 184,169</u>	<u>\$ (2,277,218)</u>
Debt service as a percentage of noncapital expenditures	1.5%	1.4%	1.4%	1.3%	1.2%	1.2%

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

Source: CAFR Schedule B-2 and C-2

Exhibit J-5

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition Revenue	Rentals	Refunds	Misc.	Total
1999	276,476	3,794,643	187,136	203,782	96,868	4,558,905
2000	371,135	3,860,569	155,593	237,227	111,361	4,735,885
2001	538,155	3,657,164	90,135	156,119	44,692	4,486,265
2002	321,119	3,764,991	127,113	75,963	99,231	4,388,417
2003	190,966	4,176,793	107,218	193,478	102,269	4,770,724
2004	132,701	4,371,631	260,299	463,820	41,840	5,270,291
2005	265,266	4,745,492	250,984	157,999	12,404	5,432,145
2006	510,077	4,909,035	250,377	619,925	93,409	6,382,823
2007	763,868	5,273,917	51,097	267,643		6,356,525
2008	387,639	5,170,100	25,911	134,978	12,457	5,731,085
2009	100,057	5,712,114	-	54,667	285,998	6,152,836

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.	Ofarm	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
1999	\$ 30,200,200	\$ 886,645,800			\$ 768,810,500	\$ 151,733,100	\$ 385,919,400	\$ 2,223,309,000	\$ -		\$ 2,223,309,000	1.810		
2000	\$ 25,735,500	\$ 887,291,600			\$ 760,813,300	\$ 151,429,600	\$ 385,088,200	\$ 2,210,358,200	\$ -		\$ 2,210,358,200	1.890		
2001	\$ 22,094,600	\$ 899,530,300			\$ 757,508,500	\$ 151,423,700	\$ 385,594,900	\$ 2,216,152,000	\$ -		\$ 2,216,152,000	1.960		
2002	\$ 26,663,000	\$ 904,832,100			\$ 753,744,900	\$ 151,209,900	\$ 388,554,400	\$ 2,225,004,300	\$ -		\$ 2,225,004,300	2.050		
2003	\$ 23,466,000	\$ 924,858,900			\$ 769,171,300	\$ 150,876,700	\$ 385,242,400	\$ 2,253,615,300	\$ -		\$ 2,253,615,300	2.140		
2004	\$ 23,818,600	\$ 926,098,000			\$ 775,313,800	\$ 150,708,400	\$ 386,132,400	\$ 2,262,071,200	\$ -		\$ 2,262,071,200	2.210		
2005	\$ 24,754,500	\$ 928,798,000			\$ 773,001,000	\$ 150,088,200	\$ 386,106,300	\$ 2,262,748,000	\$ -		\$ 2,262,748,000	2.260		
2006	\$ 24,413,900	\$ 954,256,400			\$ 766,726,700	\$ 140,085,800	\$ 374,163,800	\$ 2,259,646,600	\$ -		\$ 2,259,646,600	2.350		
2007	\$ 52,587,500	\$ 2,749,255,400			\$ 2,007,826,000	\$ 342,569,200	\$ 1,121,889,200	\$ 6,274,127,300	\$ -		\$ 6,274,127,300	0.890		
2008	\$ 57,457,000	\$ 2,728,447,600			\$ 1,987,365,400	\$ 337,615,700	\$ 1,079,890,500	\$ 6,190,776,200	\$ -		\$ 6,190,776,200	1.015	\$ 5,943,910,052	104.15%

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		Total Direct	Town of Hackensack	Bergen County	
	Basic Rate ^a	Obligation Debt Service ^b				
2000	1.83	0.06	1.89	1.72	0.29	3.90
2001	1.90	0.06	1.96	1.72	0.26	3.94
2002	2.00	0.05	2.05	1.76	0.32	4.13
2003	2.09	0.05	2.14	1.85	0.31	4.30
2004	2.16	0.05	2.21	1.93	0.34	4.48
2005	2.21	0.05	2.26	2.04	0.39	4.69
2006	2.30	0.05	2.35	2.27	0.40	5.02
2007	0.76	0.13	0.89	0.93	0.17	1.99
2008	0.93	0.01	0.94	0.98	0.18	2.097
2009	1.00	0.02	1.02	1.00	0.20	2.215

Source: District Records and Municipal Tax Collector

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

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

^b Rates for debt service are based on each year's requirements. Sched. J-9 2005

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

Taxpayer	2009			2000		
	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	\$ 186,029,800	1	3.00%			
HUMC	\$ 134,097,400	2	2.17%			
Quail Heights	\$ 82,928,000	3	1.34%	\$ 30,770,500	3	1.38%
ERP Operating	\$ 75,509,900	4	1.22%			
Hackensack VF, LLC	\$ 71,639,700	5	1.16%			
Stellar Capital Mgmt	\$ 68,203,000	6	1.10%			
Court Plaza Assoc.	\$ 65,915,800	7	1.06%	\$ 28,771,400	4	1.29%
MSNW Continental	\$ 48,884,800	8	0.79%			
Riverside II, LLC	\$ 47,488,000	9	0.77%			
3 University Plaza	\$ 46,882,400	10	0.76%	\$ 17,599,000	8	0.79%
JMB Properties				\$ 59,500,000	1	2.68%
Continental Plaza Corp.				\$ 35,607,000	2	1.60%
Continental Investors				\$ 26,151,500	5	1.18%
Hackbridge Corp				\$ 24,796,800	6	1.12%
Sommer (Pierre)				\$ 16,800,000	9	
Bloomingtondale's				\$ 22,377,500	7	1.01%
Bergen Record				\$ 16,073,500	10	0.72%
Total	<u>\$ 827,578,800</u>		<u>13.37%</u>	<u>\$ 278,447,200</u>		<u>11.77%</u>

Net Assessed Valuation: \$ 6,190,776,200 2,223,309,000

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	
2000	\$41,026,164	\$41,026,164	100.00%	\$ -
2001	\$43,728,083	\$43,728,083	100.00%	\$ -
2002	\$44,136,534	\$44,136,534	100.00%	\$ -
2003	\$47,670,532	\$47,670,532	100.00%	\$ -
2004	\$49,778,267	\$49,778,267	100.00%	\$ -
2005	\$50,963,894	\$50,963,894	100.00%	\$ -
2006	\$52,035,776	\$52,035,776	100.00%	\$ -
2007	\$54,506,501	\$54,506,501	100.00%	\$ -
2008	\$57,513,889	\$56,010,195	97.39%	\$1,503,694
2009	\$59,791,494	\$59,791,494	100.00%	\$0

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	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases		
					Total District		
2000	3,221,269	-	-	-	3,221,269	0.00%	\$ 51,249
2001	11,685,987	-	24,103	-	11,710,090	0.45%	\$ 52,189
2002	11,144,743	-	16,500	-	11,161,243	0.46%	\$ 51,620
2003	10,583,411	-	8,474	-	10,591,885	0.48%	\$ 50,820
2004	10,003,126	-	276,400	-	10,279,526	0.53%	\$ 54,288
2005	9,383,946	-	223,100	-	9,607,046	0.59%	\$ 56,877
2006	8,740,648	-	168,700	-	8,909,348	0.70%	\$ 62,007
2007	8,067,814	-	122,378	-	8,190,192	0.82%	\$ 67,125
2008	7,360,328	-	-	-	7,360,328	Not Available	Not Available
2009	6,618,000	-	-	-	6,618,000	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		
2000	\$ 3,221,269	-	3,221,269	0.15%	\$ 63
2001	\$ 11,685,987	-	11,685,987	0.53%	\$ 224
2002	\$ 11,144,743	-	11,144,743	0.50%	\$ 216
2003	\$ 10,583,411	-	10,583,411	0.47%	\$ 208
2004	\$ 10,003,126	-	10,003,126	0.44%	\$ 184
2005	\$ 9,383,946	-	9,383,946	0.41%	\$ 165
2006	\$ 8,740,648	-	8,740,648	0.39%	\$ 141
2007	\$ 8,067,814	-	8,067,814	0.13%	\$ 120
2008	\$ 7,360,328	-	7,360,328	Not Available	Not Available
2009	\$ 6,618,000	-	6,618,000	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, 2009**

<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, 2009			\$ 6,618,000
Net overlapping debt of School District:			
City of Hackensack	100.000%	\$ 24,511,359	
County of Bergen - City's Share	4.004%	\$ 25,251,689	
Bergen County Utility Authority-City's Share	9.806%	\$ 28,246,042	
Subtotal, overlapping debt			\$ 78,009,090
Total direct and overlapping debt			<u>\$ 84,627,090</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.

Equalized valuation basis		
2008	\$	6,571,949,257
2007		5,930,737,593
2006		5,767,347,116
[A]		<u>\$ 11,698,084,709</u>
[A/3]	\$	3,899,361,570
[B]		155,974,463
[C]		6,618,000
[B-C]	\$	<u>149,356,463</u>

[illegible]

a Limit set by NISA 18A:24-19 for a K through 12 district; other % limits would be applicable for other districts

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

Year	Population ^a	Personal Income (thousands of dollars) ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2000	42,837	\$ 2,195,353,413	51,249	4.00%
2001	43,389	\$ 2,264,428,521	52,189	4.80%
2002	43,334	\$ 2,236,901,080	51,620	6.50%
2003	43,237	\$ 2,197,304,340	50,820	6.40%
2004	43,184	\$ 2,344,372,992	54,288	5.30%
2005	43,154	\$ 2,454,470,058	56,877	4.60%
2006	42,956	\$ 2,663,572,692	62,007	4.60%
2007	42,796	\$ 2,872,681,500	67,125	4.60%
2008	42,804	Not Available	Not Available	4.60%
2009	Not Available	Not Available	Not Available	6.00%

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 **

	2009		2000	
	Employer	Employees	Rank (Optional)	Percentage of Total Employment

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

Source: Town of Hackensack

** Data was only provided for years noted

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

<u>Function/Program</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Instruction										
Regular		457	472	495	521	543	530	533	533	536
Special education	NOT AVAILABLE	19	19	22	26	23	24	26	27	30
Other special education	-	-	-	-	-	-	-	-	-	-
Vocational	-	-	-	-	-	-	-	-	-	-
Other instruction	-	-	-	-	-	-	-	-	-	-
Nonpublic school programs	-	-	-	-	-	-	-	-	-	-
Adult/continuing education programs	-	-	-	-	-	-	-	-	-	-
Support Services:										
Tuition	-	-	-	-	-	-	-	-	-	-
Student & instruction related services	-	2	2	5	6	16	17	17	17	18
General administrative services	-	4	4	5	5	5	5	6	6	6
School administrative services	-	33	34	37	36	39	40	40	40	37
Business administrative services	-	1	1	13	13	12	13	13	13	15
Plant operations and maintenance	-	56	51	57	57	57	56	57	57	55
Pupil transportation	-	-	-	-	-	-	1	-	-	-
Total	-	572	583	633	664	695	686	692	693	697

Source: District Personnel Records

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

Fiscal Year	Pupil/Teacher Ratio											
	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Elementary	Middle School	High School	Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
2000	4,767.0	56,609,924	11,875	-2.02%	418	1:23	1:25	1:25	4,767	4,502	2.85%	94.44%
2001	4,879.0	58,918,978	12,076	1.69%	421	1:23	1:25	1:25	4,879	4,607	2.35%	94.43%
2002	4,783.0	61,457,992	12,849	6.40%	430	1:23	1:25	1:25	4,783	4,538	-1.97%	94.88%
2003	4,854.0	67,345,657	13,874	7.98%	470	1:23	1:25	1:25	4,854	4,594	1.48%	94.64%
2004	4,894.0	71,163,610	14,541	4.81%	485	1:23	1:25	1:25	4,894	4,629	0.82%	94.59%
2005	4,931.0	74,226,493	15,053	3.52%	485	1:23	1:25	1:25	4,931	4,639	0.76%	94.08%
2006	4,984.0	77,095,012	15,469	2.76%	485	1:23	1:25	1:25	4,852	4,596	-1.60%	94.72%
2007	4,992.0	85,061,777	17,040	13.20%	485	1:23	1:25	1:25	4,949	4,632	0.37%	93.59%
2008	4,902.0	87,691,029	17,889	15.65%	485	1:23	1:25	1:25	4,922	4,586	1.44%	93.17%
2009	4,970.0	88,108,854	17,728	4.04%	536	1:23	1:25	1:25	4,902	4,633	-0.41%	94.51%

Sources: District records, ASSA and Schedules J-2

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-2

^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**

District Buildings	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
<u>Elementary</u>										
<u>Nellie K. Parker School</u>										
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	500	480	420	444	449	442	426	415	415	440
<u>Fairmount School</u>										
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	569	570	569	573	563	532	544	539	539	559
<u>Fanny M. Hillers School</u>										
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	484	489	484	484	463	434	454	494	494	516
<u>Jackson Avenue School</u>										
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	395	400	405	427	431	407	417	398	398	430
<u>Middle School</u>										
<u>Middle School</u>										
Square Feet	103,293	103,293	103,293	103,293	103,293	103,293	103,293	103,293	103,293	103,293
Capacity (students)	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445	1,445
Enrollment	1,250	701	705	700	699	715	684	654	654	673
<u>High School</u>										
<u>Hackensack High School</u>										
Square Feet	158,243	158,243	158,243	158,243	158,243	158,243	158,243	158,243	158,243	158,243
Capacity (students)	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064	2,064
Enrollment	1,597	1,610	1,690	1,714	1,837	1,848	1,812	1,748	1,783	1,712
<u>Other</u>										
<u>Administration Building</u>										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
<u>5/6 School</u>										
Square Feet	N/A	29,977	29,977	29,977	29,977	29,977	29,977	29,977	29,977	29,977
Capacity (students)		837	837	837	837	837	837	837	837	837
Enrollment a				721	677	646	645	654	619	589

Number of Schools at June 30, 2009

Elementary = 4
Middle School = 1
High School = 1
Other School = 2

Source: District records, ASSA

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

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

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

School Facilities	Project # (s)	2009	2008	2007	2006	2005	2004	2003	2002
Hackensack High School	N/A	499,850	398,937	323,981	384,195	279,830	318,926	231,778	174,006
Middle School	N/A	242,878	430,508	468,897	80,812	246,242	265,234	259,373	113,586
Nellie K. Parker School		153,104	65,913	99,440	52,727	118,104	111,635	99,550	88,277
Fairmount School		136,496	66,577	138,421	68,837	53,768	155,794	112,568	66,857
Fanny M. Hillers School		208,755	51,664	60,088	62,998	84,768	273,050	83,996	87,969
Jackson Avenue School		95,343	26,608	61,580	297,344	48,256	229,910	83,637	67,077
Administration Building	N/A	44,683	39,258	47,434	44,596	61,167	54,098	361,332	67,077
Total School Facilities		1,381,109	1,079,465	1,199,861	991,509	892,135	1,408,647	1,232,434	664,849
Other Facilities									
Grand Total		\$ 1,381,109	\$ 1,079,465	\$ 1,199,861	\$ 991,509	\$ 892,135	\$ 1,408,647	\$ 1,232,434	\$ 664,849

**Hackensack Board of Education
Insurance Schedule
For the Fiscal Year Ended June 30, 2009
Unaudited**

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

Source: District Records

SINGLE AUDIT SECTION

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

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K-1
Page 1 of 2

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

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

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Board of Education of the City of Hackensack School District in the County of Bergen as of and for the fiscal year ended June 30, 2009 which collectively comprise the basic financial statements of the Board of Education of the City of Hackensack School District in the County of Bergen, and have issued our report thereon dated November 12, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affect the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.



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

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

Compliance and Other Matters

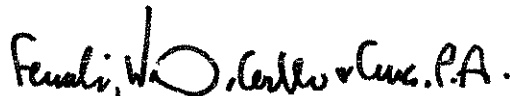
As part of obtaining reasonable assurance about whether the City of Hackensack School District Board of Education's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance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

We noted certain matters that we reported to the Board of Education of the City of Hackensack School District in a separate report entitled, *Auditor's Management Report on Administrative Findings - Financial, Compliance and Performance* dated November 12, 2009.

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



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



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

November 12, 2009



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K-2

Page 1 of 3

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

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

Compliance

We have audited the compliance of the Board of Education of the City of Hackensack School District in the County of Bergen with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* and the *New Jersey State Office of Management and Budget's State Aid/Grant Compliance Supplement* that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2009. City of Hackensack School District Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the City of Hackensack School District Board of Education's management. Our responsibility is to express an opinion on the City of Hackensack School District Board of Education's compliance based on our audit.

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



In our opinion, the City of Hackensack School District Board of Education complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal and state programs for the fiscal year ended June 30, 2009.

Internal Control Over Compliance

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

A *control deficiency* is an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal or state program that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

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



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



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

November 12, 2009

K-3

HACKENSACK
BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
Year ended June 30, 2009

Federal Grant/Pass-through Grant/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2008	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2009		MEMO
										(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Cumulative Total Expenditures Due to Grantor
U.S. Department of Agriculture												
Enterprise Fund:												
Passed-through State Department of Education:												
USDA Commodities	10.565	7/1/08-6/30/09	\$ 77,130			77,130	77,130			(63,740)		77,130
National School Lunch Program	10.555	7/1/08-6/30/09	790,600			790,600	790,600					790,600
National School Lunch Program	10.555	7/1/07-6/30/08	666,339	(48,179)		48,179						666,339
National Breakfast Program	10.553	7/1/08-6/30/09	442,464			442,464	442,464			(36,547)		442,464
National Breakfast Program	10.553	7/1/07-6/30/08	380,138	(30,454)		30,454						380,138
				(78,633)		1,288,540	1,310,194			(100,287)		2,356,871
Total U.S. Department of Agriculture												
U.S. Department of Education												
Passed-through State Department of Education:												
Special Revenue Fund:												
Title I	84.010	9/1/08-8/31/09	1,027,622				680,712			(14,957)		690,515
Title I, Carryover	84.010	9/1/07-8/31/08	185,026		185,026		185,026					185,026
Title I	84.010	9/1/07-8/31/08	718,038	160,337		24,689						533,012
Title I, Carryover	84.010	9/1/06-8/31/07	244,432	55,343			55,343					244,432
Title I, Carryover	84.010	9/1/05-8/31/06	325,724	37,313								288,411
Title I, Carryover	84.010	9/1/04-8/31/05	128,296	1,229								127,067
Title I	84.010	9/1/03-8/31/04	1,107,275	403								1,106,872
Title I - SEA	84.010	9/1/08-8/31/09	42,234									
Title I - SEA, Carryover	84.010	9/1/07-8/31/08	66,339		66,339		33,515				32,824	33,515
Title I - SEA	84.010	9/1/07-8/31/08	68,673	66,339	(66,339)		10,947					2,334
Title I - SEA, Carryover	84.010	9/1/06-8/31/07	50,552	10,947								50,552
Title I - SEA, Carryover	84.010	9/1/05-8/31/06	65,529	2,291								63,138
Title I - SEA, Carryover	84.010	9/1/04-8/31/05	30,823	4,557								4,557
Title I - SEA, Carryover	84.010	9/1/03-8/31/04	3,923	2,823								900
Title I - SEA, Carryover	84.027	9/1/08-8/31/09	1,218,183									
Title I - SEA, Part B, Carryover	84.027	9/1/07-8/31/08	73,651		73,651		73,651			(396,491)		947,007
Title I - SEA, Part B, Carryover	84.027	9/1/06-8/31/07	1,214,384									73,651
Title I - SEA, Part B, Carryover	84.027	9/1/05-8/31/06	45,577	4,790			4,790					45,577
Title I - SEA, Part B, Carryover	84.027	9/1/04-8/31/05	37,219	2,513								2,513
Title I - SEA, Part B, Carryover	84.027	9/1/03-8/31/04	34,951	265								265
Title I - SEA, Part B, Carryover	84.173	9/1/08-8/31/09	47,069			30,382	39,821			(9,439)		39,821
Title I - SEA, Part B, Carryover	84.173	9/1/07-8/31/08	25,012	5,120			5,120					25,012
Title I - SEA, Part B, Carryover	84.173	9/1/06-8/31/07	19,980	6,106								13,874
Title I - SEA, Part B, Carryover	84.173	9/1/05-8/31/06	6,235				3,295				2,940	3,295
Title I - SEA, Part B, Carryover	84.173	9/1/04-8/31/05	10,644	6,235								4,409
Title I - SEA, Part B, Carryover	84.298A	9/1/07-8/31/08	3,330	21			21					3,330
Title I - SEA, Part B, Carryover	84.298A	9/1/06-8/31/07	5,334	17								5,317
Title I - SEA, Part B, Carryover	84.298A	9/1/05-8/31/06	9,679	243								9,436
Title I - SEA, Part B, Carryover	84.151	9/1/04-8/31/05	24,205	1,887								22,318
Title I - SEA, Part B, Carryover	84.151	9/1/03-8/31/04	239,198			130,909	119,796				11,113	119,796
Title I - SEA, Part B, Carryover	84.168	9/1/08-8/31/09	60,827		60,827		60,827					60,827
Title I - SEA, Part B, Carryover	84.168	9/1/07-8/31/08	224,706	60,827	(60,827)							163,879
Title I - SEA, Part B, Carryover	84.168	9/1/06-8/31/07	19,834	13,134			13,134					19,834
Title I - SEA, Part B, Carryover	84.168	9/1/05-8/31/06	5,382	2,579								2,803
Title I - SEA, Part B, Carryover	84.168	9/1/04-8/31/05	14,340	3,620								6,434
Title I - SEA, Part B, Carryover	84.168	9/1/03-8/31/04	8,136			5,511	1,379				4,132	1,379
Title I - SEA, Part B, Carryover	84.168	9/1/02-8/31/03	4,314		4,314		4,314					4,314
Title I - SEA, Part B, Carryover	84.168	9/1/01-8/31/02	3,869	7								3,869
Title I - SEA, Part B, Carryover	84.168	9/1/00-8/31/01	1,512	121								1,391
Title I - SEA, Part B, Carryover	84.168	9/1/00-8/31/00	4,912	1,378								2,634
Title I - SEA, Part B, Carryover	84.168	9/1/00-8/31/00	1,322	253								1,069
Title I - SEA, Part B, Carryover	84.168	9/1/00-8/31/00	1,101,184			79,186	108,548			(21,362)		180,548
Title I - SEA, Part B, Carryover	84.168	9/1/00-8/31/00	96,312	1,070			1,070					96,312
Title I - SEA, Part B, Carryover	84.168	9/1/00-8/31/00	68,321	7								68,314
Title I - SEA, Part B, Carryover	84.168	9/1/00-8/31/00	22,236	2,245								19,991
Title I - SEA, Part B, Carryover	84.168	9/1/00-8/31/00	1,280	280								1,000
Title I - SEA, Part B, Carryover	84.168	9/1/00-8/31/00	64,212			26,948	52,320			(25,372)		52,320

K-3

HACKENSACK
BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
Year ended June 30, 2009

Federal Grantor/Pass-through Grantor/ Program Title	Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2008	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2009			MEMO
										(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Cumulative Total Expenditures
Title IV	84.186	9/1/08-8/31/09	20,569										14,048
Title IV, Carryover (continue from prior page)	84.186	9/1/07-8/31/08	5,703		5,703	18,672	14,048				4,624		5,703
Title IV	84.186	9/1/07-8/31/08	24,221	5,703	(5,703)		5,703						18,518
Title IV, Carryover	84.186	9/1/06-8/31/07	2,155	224			224						2,155
Title IV, Carryover	84.186	9/1/05-8/31/06	1,420	401								401	1,063
Title IV, Carryover	84.186	9/1/04-8/31/05	4,906	1,688								1,688	3,218
Title IV, Carryover	84.186	9/1/03-8/31/04	7,055	1,036								1,036	6,019
Vocational Education - Perkins	84.048	9/1/08-8/31/09	39,083			53,295	35,202			(35,202)			35,202
Vocational Education - Perkins	84.048	9/1/07-8/31/08	55,493	(33,295)									33,295
Vocational Education - Perkins	84.048	9/1/06-8/31/07	41,720	41,485								41,485	235
Vocational Education - Perkins	84.048	9/1/05-8/31/06	39,132	235								235	34,215
Vocational Education - Perkins	84.048	9/1/04-8/31/05	34,237	22								22	19,260
Star-W	84.203	7/1/05-6/30/06	154,260	55								55	8,341
Teacher Quality Mentoring	84.287	7/1/06-6/30/07	8,810	469								469	3,939
21st Century Grant	84.287	7/1/07-6/30/08	535,000	(50,505)		45,372	12,192			(21,264)		17,325	517,675
21st Century Grant	84.287	7/1/06-6/30/07	535,000	17,325		17,325						12,888	522,112
21st Century Grant	84.287	7/1/05-6/30/06	535,000	12,888									994,310
The People of American: Our Nations Heritage - Teaching American History	84.215X	7/1/04-6/30/08	996,130	(171,149)		172,989						1,840	134,650
Smaller Learning Communities - Carryover	84.215L	10/1/04-4/30/08	135,000	350								350	852,399
Reading First	84.357	7/1/08-6/30/09	1,007,378			827,137	852,399			(180,241)			1,493,748
Reading First	84.357	7/1/07-6/30/08	1,518,339	(108,080)		101,876				(30,795)		24,591	1,518,885
Reading First	84.357	7/1/06-6/30/07	1,522,141	(17,893)						(21,149)		3,256	1,476,706
Reading First	84.357	7/1/05-6/30/06	1,594,597	17,891								17,891	13,879
Workforce Year Round Youth Program - Drop-in		7/1/08-6/30/09	13,879			6,897	13,879			(6,982)		856	17,848
Workforce Year Round Youth Program - Drop-in		7/1/07-6/30/08	18,081	(8,946)			5			(9,807)		24	20,066
Workforce Year Round Youth Program - Drop-in		7/1/06-6/30/07	20,090	(632)						(656)		90	24,114
Workforce Year Round Youth Program - Drop-in		7/1/05-6/30/06	24,265	90								9	20,120
Workforce Year Round Youth Program - Drop-in		7/1/04-6/30/05	29,129	9								711	181,288
Comprehensive School Reform Carryover		9/1/06-8/31/07	182,000	(975)						(1,686)		19	14,381
Project ACES		7/1/08-6/30/09	14,460			6,897	14,381			(7,503)		306	16,419
Project ACES		7/1/07-6/30/08	16,725	(7,762)						(8,068)		254	22,756
Project ACES		7/1/06-6/30/07	23,010	254								388	31,271
Project ACES		7/1/05-6/30/06	31,659	388								554	149,446
Local Capacity Building & Improvement Project	84.027A	10/1/04-9/30/06	250,000	(869)						(1,423)		4,942	10,761
Local Capacity Building & Improvement Project, C/O	84.027A	10/1/03-9/30/05	15,703	4,942		1,500					1,500		1,000
Reaching Everyone By Exposing Lies		9/1/07-6/15/08	3,000								991		2,009
Reaching Everyone By Exposing Lies		9/1/06-6/15/08	3,000	991									15,431,584
Total U.S. Department of Education				201,378		2,635,856	3,340,676			(922,397)	58,124	360,831	17,788,455
Total Federal Financial Assistance				122,745		1,924,396	4,650,870			(1,022,684)	58,124	360,831	

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, 2009

State Grants/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2008			Balance at June 30, 2009			MEMO						
				Deferred Revenue (Assets Receivable)	Due to Grantee	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments		Reversal of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantee	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:																
General Fund:																
Equalization Aid	495-034-5120-078	7/1/08-6/30/09	9,475,591			103,467	9,372,124	9,475,591							(704,102)	9,475,591
Transportation Aid	495-034-5120-014	7/1/08-6/30/09	360,713				360,713	360,713							(26,803)	360,713
Special Education aid	495-034-5120-089	7/1/08-6/30/09	2,430,567				2,430,567	2,430,567							(180,608)	2,430,567
Security Aid	495-034-5120-084	7/1/08-6/30/09	1,167,894				1,167,894	1,167,894							(86,793)	1,167,894
Extraordinary Aid	495-034-5120-084	7/1/08-6/30/09	391,867					391,867			(391,867)					391,867
Extraordinary Aid	495-034-5120-044	7/1/07-6/30/08	262,513	(262,513)			262,513									262,513
TPAF Social Security	495-034-5095-051	7/1/08-6/30/09	2,957,392				2,957,392	2,957,392								2,957,392
TPAF Social Security	495-034-5095-051	7/1/07-6/30/08	2,825,066	(145,967)			145,967									2,679,098
TPAF Pension	495-034-5095-001	7/1/08-6/30/09	2,565,474				2,565,474	2,565,474								2,565,474
				(408,480)		103,467	19,262,644	19,349,498			(391,867)				(998,729)	22,291,109
Special Revenue Fund:																
Preschool Education Aid	495-034-5120-086	7/1/08-6/30/09	741,919			109,692	667,727	741,919				35,500			(74,192)	741,919
Demonstrably Effective Program Aid	495-034-5064-002	7/1/07-6/30/08	1,890,343	(82,488)		(11,529)	94,017									1,898,844
Early Childhood Program Aid	495-034-5120-025	7/1/07-6/30/08	2,507,807	(15,688)		(109,692)	125,390									2,520,482
Targeted At-Risk Aid	495-034-5064-003	7/1/07-6/30/08	921,000	45,888		(91,938)	46,030						9,748			829,062
Nonpublic Text Chapter 194	100-034-5210-064	7/1/08-6/30/09	29,566		5,415		29,566	19,818		5,415						19,818
Nonpublic Text Chapter 194	100-034-5210-064	7/1/07-6/30/08	34,261													34,261
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/08-6/30/09	166,320		28,168		153,281	127,402		28,168			25,879			127,402
Chapter 192 - Compensatory Education	100-034-5120-067	7/1/07-6/30/08	34,510				34,510	34,510								34,510
Chapter 192 - ESEL	100-034-5120-067	7/1/08-6/30/09	30,450		3,350					3,350						27,100
Chapter 192 - ESEL	100-034-5120-067	7/1/07-6/30/08	4,000		4,000					4,000						4,000
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/08-6/30/09	19,824				19,824	19,824								19,824
Chapter 193 - Supplemental Instruction	100-034-5120-066	7/1/07-6/30/08	23,954		8,508					8,508			14,818			15,446
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/08-6/30/09	35,636		7,964		35,636	20,818								20,818
Chapter 193 - Examination and Classification	100-034-5120-066	7/1/07-6/30/08	32,417						2,000	9,964			13,950			24,453
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/08-6/30/09	36,270				36,270	22,320								22,320
Chapter 193 - Corrective Speech	100-034-5120-066	7/1/07-6/30/08	40,827		16,740					16,740						24,087
Nonpublic Nursing	100-034-5120-070	7/1/08-6/30/09	39,913				39,913	39,913					9,855			39,913
Technology Grant	100-034-5120-328	7/1/08-6/30/09	21,280		2,366											21,280
Technology Grant	100-034-5120-328	7/1/07-6/30/08	24,840		2,384								2,584			22,474
Early Launch to Learning Initiative	495-034-5120-062	7/1/07-6/30/08	171,600	(33,330)	2,384		21,280	11,425								169,016
Character Education	495-034-5120-053	7/1/08-6/30/09	13,260		260		33,330									8,262
Friendly Family	7/1/08-6/30/09		44,139	(25,850)	4,527		45,463	39,436					6,027			39,436
Friendly Family	7/1/08-6/30/08		47,702		12,933								4,527			39,612
Friendly Family	7/1/08-6/30/06		43,702		6,437								12,933			34,769
Friendly Family	7/1/08-6/30/04		51,000		5,552								6,437			37,285
Friendly Family	7/1/08-6/30/03		50,800		1,797								5,552			45,448
Friendly Family	7/1/08-6/30/02		15,000		2								1,797			49,003
Transition Program	7/1/08-6/30/07		30,000		218								2			14,998
Transition Program	7/1/08-6/30/05		30,000		205								218			29,782
Advanced Placement Incentive Program	7/1/08-6/30/06		6,930		205								205			6,725
School Based Youth Service Program	7/1/08-6/30/09		299,540	(97,456)	1,037		299,540	295,085					4,455			295,085
School Based Youth Service Program	7/1/07-6/30/08		296,234				97,456						1,037			295,170
School Based Youth Service Program	7/1/06-6/30/07		187,482		1											187,481
NEA Foundation Grant	10/18/06-10/17/07		5,000		320								320			4,680
				(208,934)	112,384	(103,467)	1,895,103	1,572,470	2,000	78,511		35,500	120,605	(74,192)		7,833,627
													(continue to next page)			

(continue to next page)

**HACKENSACK
BOARD OF EDUCATION**
Schedule of Expenditures of State Awards and Other Local Awards

Year ended June 30, 2009

		Balance at June 30, 2008					Balance at June 30, 2009					MEMO				
State Grants/Program Title		Grant or State Project Number	Grant Period	Award Amount	Deferred Revenue (Accrued Receivable)	Due to Grants	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Year Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grants	Budgetary Receivable	Cumulative Total Expenditures
(continue from prior page)																
Enterprise Fund:																
	National School Lunch Program (State Share)	100-010-3350-023	7/1/07-6/30/09	36,217				33,334	36,217			(2,883)				36,217
	National School Lunch Program (State Share)	100-010-3350-023	7/1/07-6/30/08	32,868	(2,314)			2,314								32,868
	National School Lunch Program (State Share)	100-010-3350-022	7/1/08-6/30/09	39,796				36,846	39,796			(2,950)				39,796
	National School Snack Program (State Share)	100-010-3350-022	7/1/07-6/30/08	56,940	(4,291)			4,291								56,940
	National Breakfast Program (State Share)	100-010-3350-021	7/1/08-6/30/09	41,418				38,011	41,418			(3,407)				41,418
	National Breakfast Program (State Share)	100-010-3350-021	7/1/07-6/30/08	41,213	(3,293)			3,291								41,213
					(9,896)			118,087	117,431			(9,240)				248,452
Capital Projects Fund:																
	Additional State School Aid/EDA Grant		6/29/08	370,527	(370,527)							(370,527)				370,527
	High School Window Replacement				(370,527)							(370,527)				370,527
Total State Financial Assistance					(997,837)	112,384		21,185,834	20,839,389	2,000	78,511	(771,634)	35,500	120,605	(1,072,488)	30,733,715
Local Sources:																
	Special Revenue Fund:		7/1/08-6/30/09	5,223				5,222	5,200	(1)			22			5,200
	Reading is Fundamental		7/1/07-6/30/08	5,222	1											5,221
	Reading is Fundamental		7/1/06-6/30/07	8,328	5							(45,769)	5			8,328
	Jackson Soundproofing		7/1/02-6/30/06	6,929,550	(45,769)											6,929,580
	Jackson Governor of Excellence		7/1/03-6/30/04	25,000	141								141			24,859
	Freshman Transition Program		7/1/06-6/30/07	1,500	1							(121)	1			1,499
	Teen Pregnancy Prevention Project		7/1/08-6/30/09	2,000				1,000	1,121							1,121
	Other Donations		7/1/08-6/30/09	407				407	407							407
	Mark Wahlberg Youth Foundation		7/1/07-6/30/08	5,000	4,693				4,457				236			4,704
	Team Mickey Ward Charitable Foundation		7/1/07-6/30/08	5,000	556				556							5,000
					(40,372)			6,629	11,741	(1)		(45,890)	405			6,980,779
					(40,372)			6,629	11,741	(1)		(45,890)	405			6,980,779
Total Local Sources					(1,038,209)	112,384		21,192,463	20,851,140	1,999	78,511	(817,524)	35,500	120,605	(1,072,488)	37,724,494
Total State and Local Financial Assistance					\$											

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

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

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$843,558) for the general fund and \$98,186 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Local</u>	<u>Total</u>
General Fund		\$18,505,940		\$18,505,940
Special Revenue Fund	\$3,340,676	1,470,656	\$11,741	4,823,073
Food Service Fund	<u>1,310,194</u>	<u>117,431</u>	<u> </u>	<u>1,427,625</u>
<u>Total Financial Awards</u>	<u>\$4,650,870</u>	<u>\$20,094,027</u>	<u>\$11,741</u>	<u>\$24,756,638</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, 2009. 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, 2009.

**CITY OF HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

Section I - Summary of Auditor's Results

Financial Statements

Type of auditor's report issued: unqualified

Internal control over financial reporting:

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

Noncompliance material to basic financial statements noted? yes X no

Federal Awards

Internal Control over major programs:

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

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

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

Identification of major programs:

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

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, 2009**

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

State Awards

Dollar threshold used to distinguish between type A and type B programs: \$ 625,182

Auditee qualified as low-risk auditee? X yes no

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

Internal Control over major programs:

1. Significant deficiencies identified that are not
considered to be material weaknesses? 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>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5095-051</u>	<u>TPAF Social Security</u>
<u>495-034-5095-001</u>	<u>TPAF Pension</u>
<u>495-034-5120-078</u>	<u>Equalization Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
<u>495-034-5120-086</u>	<u>Preschool Education Aid</u>

Section II - Financial Statement Findings

None

**CITY OF HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

STATE AWARDS

Finding 09-1

Information on the state program:

Special Education Aid, NJCFS number 495-034-5120-089 Grant Period 7/1/08-6/30/09.
Equalization Aid, NJCFS number 495-034-5120-078 Grant Period 7/1/08-6/30/09.

Criteria or specific requirement:

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

Condition:

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

Questioned Costs:

None

Context:

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

Effect:

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

Cause:

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

Management's response:

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

**CITY OF HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

STATE AWARDS

Finding 09-2

Information on the state program:

Special Education Aid, NJCFS number 495-034-5120-089 Grant Period 7/1/08-6/30/09.
Equalization Aid, NJCFS number 495-034-5120-078 Grant Period 7/1/08-6/30/09.

Criteria or specific requirement:

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

Condition:

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

Questioned Costs:

None

Context:

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

Effect:

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

Cause:

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

Management's response:

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

**CITY OF HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

STATE AWARDS

Finding 09-3

Information on the state program:

Special Education Aid, NJCFS number 495-034-5120-089 Grant Period 7/1/08-6/30/09.

Equalization Aid, NJCFS number 495-034-5120-078 Grant Period 7/1/08-6/30/09.

Criteria or specific requirement:

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

Condition:

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

Questioned Costs:

None

Context:

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

Effect:

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

Cause:

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

Management's response:

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

**CITY OF HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

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

FEDERAL AWARDS

Finding 09-4

Information on the state program:

Title I, CFDA number 84.010 Grant Period 9/1/05-8/31/06, 9/1/04-8/31/05 and 9/1/03-8/31/04.

I.D.E.A. Part B, CFDA number 84.027 Grant Period 9/1/04-8/31/05 and 9/1/03-8/31/04.

I.D.E.A. Part B Preschool, CFDA number 84.027 Grant Period 9/1/03-8/31/04.

Title IIA, CFDA number 84.168 Grant Period 9/1/04-8/31/05 and 9/1/03-8/31/04.

Criteria or specific requirement:

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

Condition:

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

Questioned Costs:

None.

Context:

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

Effect:

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

Cause:

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

Management's response:

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

**CITY OF HACKENSACK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2009**

K-7

Status of Prior Year Findings

Finding 08-01

Condition:

The Board of Education did not establish a travel and expense reimbursement maximum for the year.

Current Status:

Corrective action has not been taken.

Finding 08-02

Condition:

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

Current Status:

Corrective action has not been taken.

Finding 08-03

Condition:

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

Current Status:

Corrective action has not been taken.

Finding 08-04

Condition:

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

Current Status:

Corrective action has not been taken.