

**SCHOOL DISTRICT OF THE
CITY OF HACKENSACK
COUNTY OF BERGEN, NEW JERSEY
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2010**

**School District
of
Hackensack**

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

**Comprehensive Annual Financial Report
Year Ended June 30, 2010**

Comprehensive Annual Financial Report

of the

HACKENSACK BOARD OF EDUCATION
Hackensack, New Jersey

Year Ended June 30, 2010

Prepared by

Fred D. Martens, CPA
Business Administrator/Board Secretary

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INTRODUCTORY SECTION

Frank W. Albolino
President
Mark Stein
Vice President
Rhonda Williams Bemby
Philip Carroll
Jeanne Dressler
Clarissa B. Gilliam Gardner
Jonathan Gilmore
Carolyn Hayer
Veronica Bolcik McKenna
Garry Schultz

HACKENSACK PUBLIC SCHOOLS

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Superintendent
Raymond Gonzalez
Assistant Superintendent

Fred D. Martens, CPA
Business Administrator/
Board Secretary
Robert Corrado
Assistant Superintendent for
Curriculum & Instruction

November 24, 2010

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, 2010, 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 2009-2010 fiscal year with an average daily enrollment of 5,033 students, which is 131 students above 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>
2005-06	4,852	-1.60%
2006-07	4,949	1.99%
2007-08	4,922	-0.05%
2008-09	4,902	-0.04%
2009-10	5,033	2.67%

2. Major Initiatives 2009-2010:

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 including Pearson Nova Net for the new HHS SAT review 5-credit course.
- 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.
- Additional opportunities for dual-credit (HS/College) programs.
- The new HHS Hackensack Academy for Second Success alternative HS program.

PROFESIONAL DEVELOPMENT FOR SY2009-2010:

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 2009-2010 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,



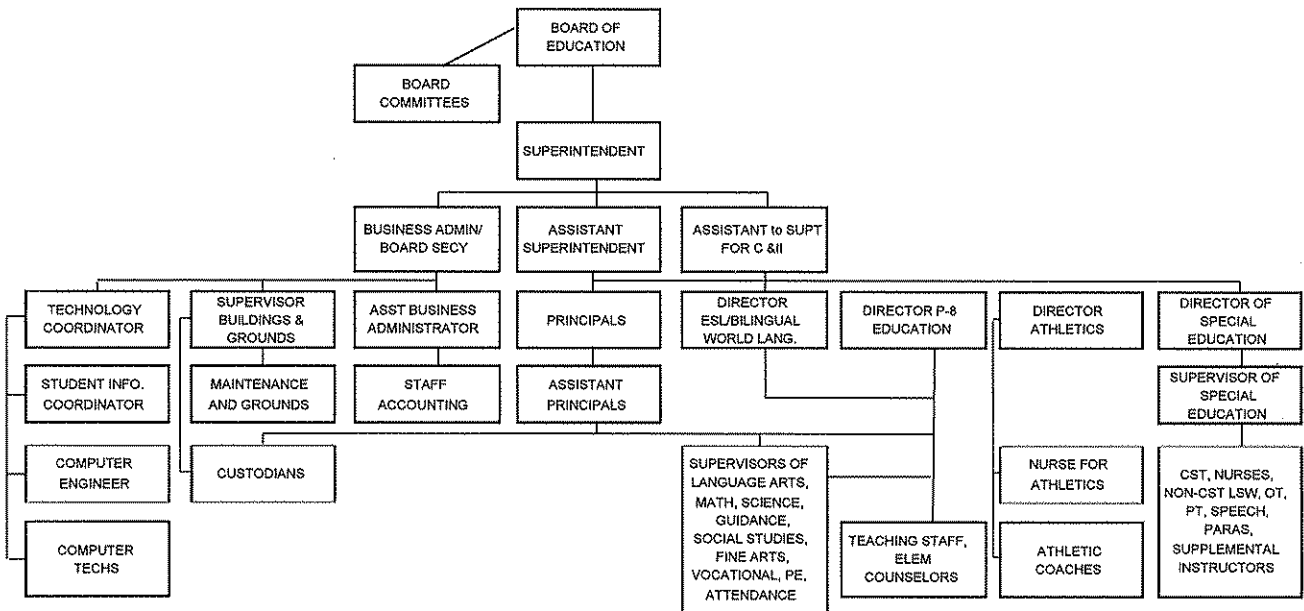
Dr. Edward Kliszus, Superintendent



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, 2010

<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
Carolyn D. Hayer	2011
Tenya Pierce	2010
Jeanne Dressler	2012
Robert Mortorano	2012
Mark Stein	2012
Jonathan Gilmore	2011
Gary Schultz, Maywood Representative	2012

Other Officials

Dr. Edward Kliszus, Superintendent

Dr. Robert Gamper, Assistant Superintendent

Fred Martens, School Business Administrator/Board Secretary

Ray Carnevale, Treasurer of School Monies

HACKENSACK BOARD OF EDUCATION

CONSULTANTS & ADVISORS

JUNE 30, 2010

Attorney

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Attorney
50 Main Street
Hackensack, New Jersey 07601

District Auditor

STEVEN D. WIELKOTZ, C.P.A.
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Official Depository

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Hackensack, New Jersey

FINANCIAL SECTION

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Steven D. Wielkott, CPA, RMA
James J. Cerullo, CPA, RMA
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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, 2010, 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, 2010, 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.

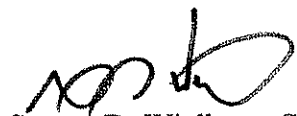


In accordance with *Government Auditing Standards*, we have also issued our report dated September 1, 2010 on our consideration of the City of Hackensack Board of Education's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts 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 60 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. Wielkotz, C.P.A.
Licensed Public School Accountant
No. 816



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

September 1, 2010



**REQUIRED SUPPLEMENTARY
INFORMATION - PART I**

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
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, 2010.

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 \$(2,627,162). Net assets of governmental activities decreased \$(2,856,536) while net assets of business-type activity increased by \$229,374.
- General revenues accounted for \$86,245,012 in revenue or 92 percent of all district revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$7,874,227 or 8 percent of total revenues of \$94,119,239.
- The School District had \$94,817,828 in expenses related to governmental activities; only \$5,716,280 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily grants, entitlements and property taxes) of \$86,245,012 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, 2010
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, 2010
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, 2010
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, 2010
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

The School District's net assets were \$18,571,078 at June 30, 2010 and \$21,198,240 at June 30, 2009. 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 2010 compared to 2009 (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>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Assets						
Current and Other Assets	7,876,627	14,754,065	620,414	560,427	8,497,041	15,314,492
Capital Assets	<u>19,764,269</u>	<u>18,172,919</u>	<u>143,633</u>	<u>113,064</u>	<u>19,907,902</u>	<u>18,285,983</u>
Total Assets	<u>27,640,896</u>	<u>32,926,984</u>	<u>764,047</u>	<u>673,491</u>	<u>28,404,943</u>	<u>33,600,475</u>
Liabilities						
Current Liabilities	924,684	3,710,738		138,818	924,684	3,849,556
Noncurrent Liabilities	<u>8,909,181</u>	<u>8,552,679</u>	<u>—</u>	<u>—</u>	<u>8,909,181</u>	<u>8,552,679</u>
Total Liabilities	<u>9,833,865</u>	<u>12,263,417</u>	<u>—</u>	<u>138,818</u>	<u>9,833,865</u>	<u>12,402,235</u>
Net Assets						
Invested in Capital Assets-						
Net of Debt	13,384,709	11,554,919	143,633	113,064	13,528,342	11,667,983
Restricted	5,742,198	10,520,528			5,742,198	10,520,528
Unrestricted	<u>(1,319,876)</u>	<u>(1,411,880)</u>	<u>620,414</u>	<u>421,609</u>	<u>(699,462)</u>	<u>(990,271)</u>
Total Net Assets	<u>17,807,031</u>	<u>20,663,567</u>	<u>764,047</u>	<u>534,673</u>	<u>18,571,078</u>	<u>21,198,240</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

Table 2 below shows the changes in net assets for fiscal year 2010 compared to 2009.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Revenues						
Program Revenues:						
Charges for Services and						
Sales			447,814	464,452	447,814	464,452
Operating Grants and						
Contributions	5,716,280	4,823,073	1,710,133	1,428,043	7,426,413	6,251,116
Capital Grants and						
Contributions	305,552				305,552	
General Revenues:						
Taxes:						
Property taxes	62,031,694	59,791,494			62,031,694	59,791,494
Federal and State Aid not						
Restricted	17,217,310	18,505,940			17,217,310	18,505,940
Tuition Received	6,281,947	5,712,114			6,281,947	5,712,114
Miscellaneous Income	312,863	381,670			312,863	381,670
Investment Earnings	<u>95,646</u>	<u>100,057</u>			<u>95,646</u>	<u>100,057</u>
Total Revenues and Transfers	<u>91,961,292</u>	<u>89,314,348</u>	<u>2,157,947</u>	<u>1,892,495</u>	<u>94,119,239</u>	<u>91,206,843</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
UNAUDITED (continued)**

DISTRICT-WIDE FINANCIAL ANALYSIS, (continued)

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Functions/Program Expenses						
Instruction:						
Regular	37,187,411	33,248,841			37,187,411	33,248,841
Special Education	7,028,221	6,523,168			7,028,221	6,523,168
Other Special Instruction	2,127,599	2,084,806			2,127,599	2,084,806
Other Instruction	1,434,801	1,146,402			1,434,801	1,146,402
Support Services:						
Tuition	6,469,010	8,326,732			6,469,010	8,326,732
Student & Instruction						
Related Services	10,646,432	10,083,677			10,646,432	10,083,677
School Administrative						
Services	4,169,690	3,826,379			4,169,690	3,826,379
General Administrative						
Services	1,189,885	1,224,772			1,189,885	1,224,772
Central Services and Admin.						
Info. Tech.	1,374,370	1,165,427			1,374,370	1,165,427
Plant Operations and						
Maintenance	6,802,338	7,950,463			6,802,338	7,950,463
Pupil Transportation	1,819,573	1,961,481			1,819,573	1,961,481
Unallocated Benefits	6,543,098	4,478,053			6,543,098	4,478,053
Allocated Benefits	5,785,254	5,477,494			5,785,254	5,477,494
Charter Schools	691,043	565,787			691,043	565,787
Capital Outlay-						
Non-depreciable	258,309	391,229			258,309	391,229
Interest on Long-Term Debt	174,538	343,314			174,538	343,314
Unallocated depreciation	644,696	595,148			644,696	595,148
Amortization	471,560				471,560	
Food Service			1,928,573	1,815,586	1,928,573	1,815,586
Total Expenses and Transfers	<u>94,817,828</u>	<u>89,393,173</u>	<u>1,928,573</u>	<u>1,815,586</u>	<u>96,746,401</u>	<u>91,208,759</u>
Increase or (Decrease) in						
Net Assets	<u>(2,856,536)</u>	<u>(78,825)</u>	<u>229,374</u>	<u>76,909</u>	<u>(2,627,162)</u>	<u>(1,916)</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
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 \$96,746,401. However, the amount that our taxpayers ultimately financed for these activities through School District taxes was only \$62,031,694 because some of the cost was paid by those who benefitted from the programs \$447,814, by other governments and organizations who subsidized certain programs with grants and contributions \$7,426,413, unrestricted federal and state aid \$17,217,310, federal and state aid capital outlay \$305,552, tuition received \$6,281,947, investment income \$95,646, and by miscellaneous sources \$312,863.

The following schedules present a summary of governmental fund revenues and expenditures for the fiscal year ended June 30, 2010, 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 2009</u>	<u>Percent of Increase/ (Decrease)</u>
Local Source	\$68,730,361	74.8%	\$2,733,285	4.14%
State Source	16,665,590	18.1	(3,311,006)	(16.57)
Federal Source	<u>6,565,341</u>	<u>7.1</u>	<u>3,224,665</u>	96.53
Total	<u>\$91,961,292</u>	<u>100.0</u>	<u>\$2,646,944</u>	2.96%

<u>Expenditures</u>	<u>Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) from 2009</u>	<u>Percent of Increase/ (Decrease)</u>
Current Expenditures:				
Instruction	\$44,161,035	46.0%	\$4,360,351	10.96%
Undistributed	48,512,748	50.5	204,578	0.42
Debt Service	898,273	0.9	(194,450)	(17.79)
Capital Outlay	<u>2,494,355</u>	<u>2.6</u>	<u>104,366</u>	<u>4.37</u>
Total	<u>\$96,066,411</u>	<u>100.0%</u>	<u>\$4,474,845</u>	42.33%

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, 2010
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, 2010, the School District amended the special revenue fund by \$4,779,071 for increases in federal and state grants.

General Fund

The general fund actual revenue was \$85,154,683. That amount is \$3,790,771 above the final amended budget of \$81,363,912. The variance between the actual revenues and final budget was the result of non-budgeted on-behalf payments of \$5,984,156 for TPAF pension and social security reimbursements, a \$1,473,522 excess in miscellaneous anticipated revenues and \$3,572,199 reduction in state aid.

The actual expenditures of the general fund were \$87,977,210 including transfers which is \$2,601,509 above the final amended budget of \$85,386,443. The variance between the actual expenditures and final budget was due to non-budget on-behalf payments of \$5,984,156 for TPAF pension and social security reimbursements, and \$3,382,647 of unexpended budgeted funds.

General fund had total revenues and other financing sources of \$85,154,683 and total expenditures of \$87,977,210 with an ending fund balance of \$7,178,183 on the budgetary basis of accounting.

Special Revenue Fund

The special revenue fund actual revenue was \$6,130,053. That amount is \$1,606,567 below the final amended budget of \$7,736,620. 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 \$6,130,053, which is \$1,606,567 below the final amended budget of \$7,736,620. 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, 2010
UNAUDITED (continued)**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of fiscal year 2010 the School District had \$43,372,174 invested in sites, buildings, equipment and construction in progress. Of this amount \$23,464,272 in depreciation has been taken over the years. We currently have a net book value of \$19,907,902. Total additions for the year were \$2,283,409, 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 2010 balances compared to 2009.

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

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	68,800	68,800			68,800	68,800
Buildings and Improvements	16,774,737	15,697,483			16,774,737	15,697,483
Furniture, Equipment and Vehicles	1,041,326	880,305	143,633	113,064	1,184,959	993,369
Construction in Progress	<u>1,879,406</u>	<u>1,526,331</u>			<u>1,879,406</u>	<u>1,526,331</u>
	<u>19,764,269</u>	<u>18,172,919</u>	<u>143,633</u>	<u>113,064</u>	<u>19,907,902</u>	<u>18,285,983</u>

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

Debt Administration

At June 30, 2010, the District had \$8,909,181 of long-term debt. Of this amount, \$2,529,621 is for compensated absences; and \$6,379,560 of serial bonds for school construction.

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

	<u>2010</u>	<u>2009</u>
2001 School Improvement Bonds	600,000	6,618,000
2009 Refunding School Improvement Bonds	<u>5,440,000</u>	<u>-0-</u>
	<u>6,040,000</u>	<u>6,618,000</u>

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

**MANAGEMENT DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010
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 2010-2011 school year that is slightly higher than the level of the 2009-2010 school year.

These factors were considered in preparing the City of Hackensack School District's budgets for the 2010-2011 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, 2010

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	2,543,423	463,643	3,007,066
Receivables, net	4,829,318	141,535	4,970,853
Inventory		15,236	15,236
Restricted assets:			
Capital reserve account - cash	503,886		503,886
Capital assets, net: land and construction in progress	1,948,206		1,948,206
Capital assets, net :	17,816,063	143,633	17,959,696
Total Assets	<u>27,640,896</u>	<u>764,047</u>	<u>28,404,943</u>
LIABILITIES			
Accounts payable and accrued liabilities	724,759		724,759
Payable to state government	86,514		86,514
Deferred revenue	113,411		113,411
Noncurrent liabilities:			
Due within one year	663,956		663,956
Due beyond one year	8,245,225		8,245,225
Total liabilities	<u>9,833,865</u>	<u>-</u>	<u>9,833,865</u>
NET ASSETS			
Invested in capital assets, net of related debt	13,384,709	143,633	13,528,342
Restricted for:			
Debt service	76,199		76,199
Capital projects	1,260,133		1,260,133
Other purposes	4,405,866		4,405,866
Unrestricted (Deficit)	(1,319,876)	620,414	(699,462)
Total net assets	<u>17,807,031</u>	<u>764,047</u>	<u>18,571,078</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, 2010

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets				
	Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:								
Instruction:								
Regular	34,449,221	2,738,190		4,050,838		(33,136,573)		(33,136,573)
Special education	6,421,294	606,927				(7,028,221)		(7,028,221)
Other special instruction	1,945,035	182,564				(2,127,599)		(2,127,599)
Other instruction	1,345,485	89,316				(1,434,801)		(1,434,801)
Support services:								
Tuition	6,469,010					(6,469,010)		(6,469,010)
Student & instruction related services	9,996,991	649,441		1,665,442		(8,980,990)		(8,980,990)
School administrative services	3,815,545	354,145				(4,169,690)		(4,169,690)
General administrative services	1,135,434	54,451				(1,189,885)		(1,189,885)
Central services and administrative information technology	1,269,576	104,794				(1,374,370)		(1,374,370)
Plant operations and maintenance	6,486,289	316,049				(6,802,338)		(6,802,338)
Pupil transportation	1,819,573					(1,819,573)		(1,819,573)
Allocated benefits	5,785,254					(5,785,254)		(5,785,254)
Unallocated benefits	6,543,098					(6,543,098)		(6,543,098)
Charter schools	691,043					(691,043)		(691,043)
Capital outlay - non-depreciable	258,309					(258,309)		(258,309)
Interest on long-term debt	174,538					(174,538)		(174,538)
Unallocated depreciation	644,696					(644,696)		(644,696)
Amortization	471,560					(471,560)		(471,560)
Total governmental activities	89,721,951	5,095,877	-	5,716,280	-	(89,101,548)	-	(89,101,548)
Business-type activities:								
Food Service	1,928,573		447,814	1,710,133	-		229,374	229,374
Total business-type activities	1,928,573		447,814	1,710,133	-		229,374	229,374
Total primary government	91,650,524		447,814	7,426,413	-	(89,101,548)	229,374	(88,872,174)
General revenues:								
Taxes:								
Levied for general purposes								
Taxes levied for debt service								
Federal and State aid not restricted								
Federal and State aid - Capital Outlay								
Tuition received								
Investment Earnings								
Miscellaneous Income								
Total general revenues, special items, extraordinary items and transfers								
Change in Net Assets								
Net Assets—beginning								
Net Assets—ending								

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

FUND FINANCIAL STATEMENTS

HACKENSACK BOARD OF EDUCATION
Balance Sheet
Governmental Funds
June 30, 2010

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents					
Checking	3,938,528		1,226,089		5,164,617
Accounts Receivable -					
Interfunds	659,470		44,720	539,054	1,243,244
Intergovernmental - Federal	31,370	3,217,958			3,249,328
Intergovernmental - State	644,390		74,801		719,191
Other receivables	815,030	45,769			860,799
Restricted cash and cash equivalents					
Capital reserve	503,886				503,886
Total assets	6,592,674	3,263,727	1,345,610	539,054	11,741,065
LIABILITIES AND FUND BALANCES					
Liabilities:					
Deficit in cash		2,621,194			2,621,194
Accounts payable	433,512	251,582			685,094
Intergovernmental accounts payable - State		86,514			86,514
Interfund payables		191,026	589,363	462,855	1,243,244
Deferred revenue		113,411			113,411
Total liabilities	433,512	3,263,727	589,363	462,855	4,749,457
Fund Balances:					
Reserved for:					
Encumbrances	244,361				244,361
Excess surplus - designated for subsequent year's expenditures	3,899,859				3,899,859
Capital reserve account		503,886			503,886
Excess Surplus	261,646				261,646
Unreserved, reported in:					
General fund	1,249,410				1,249,410
Capital projects fund			756,247		756,247
Debt service fund				76,199	76,199
Total Fund balances	6,159,162	-	756,247	76,199	6,991,608
Total liabilities and fund balances	6,592,674	3,263,727	1,345,610	539,054	

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 \$43,062,615 and the accumulated depreciation is \$23,298,346.

19,764,269

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

(39,665)

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)

(8,909,181)

Net assets of governmental activities

17,807,031

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, 2010

	<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	61,239,258			792,436	62,031,694
Tuition charges	6,281,947				6,281,947
Interest Earned on Capital Reserve Funds	61				61
Miscellaneous	395,382	8,211	3,065	10,001	416,659
Total - Local Sources	67,916,648	8,211	3,065	802,437	68,730,361
State sources	15,383,611	1,281,979			16,665,590
Federal sources	1,833,699	4,731,642			6,565,341
Total revenues	85,133,958	6,021,832	3,065	802,437	91,961,292
EXPENDITURES					
Current:					
Regular instruction	30,398,383	4,050,838			34,449,221
Special education instruction	6,421,294				6,421,294
Other special instruction	1,945,035				1,945,035
School sponsored/other instructional	1,345,485				1,345,485
Support services and undistributed costs:					
Tuition	6,469,010				6,469,010
Attendance and social work services	426,066				426,066
Health services	903,832				903,832
Student & instruction related services	7,001,651	1,665,442			8,667,093
School administrative services	3,815,545				3,815,545
General administrative services	1,135,434				1,135,434
Central services & administrative information technology	1,269,576				1,269,576
Plant operations and maintenance	6,486,289				6,486,289
Pupil transportation	1,819,573				1,819,573
Allocated benefits	5,785,254				5,785,254
Unallocated benefits	5,095,877				5,095,877
On-behalf contributions	5,948,156				5,948,156
Transfer to charter school	691,043				691,043
Debt service:					
Principal				710,000	710,000
Interest and other charges				188,273	188,273
Capital outlay	1,019,707	305,552	1,169,096		2,494,355
Total expenditures	87,977,210	6,021,832	1,169,096	898,273	96,066,411
Excess (Deficiency) of revenues	(2,843,252)	-	(1,166,031)	(95,836)	(4,105,119)
OTHER FINANCING SOURCES (USES)					
Transfers in				3,065	3,065
Transfers out			(3,065)		(3,065)
Total other financing sources and uses	-	-	(3,065)	3,065	-
Net change in fund balances	(2,843,252)	-	(1,169,096)	(92,771)	(4,105,119)
Fund balance—July 1	9,002,414	-	1,925,343	168,970	11,096,727
Fund balance—June 30	6,159,162	-	756,247	76,199	6,991,608

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, 2010

Total net change in fund balances - governmental funds (from B-2) (4,105,119)

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	(644,696)	
Depreciable Capital outlays	<u>2,236,046</u>	
		1,591,350

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

In the current year, these amounts consist of:

General Bond Obligations - Principal	710,000	
Refunding Bond Issuance	<u>5,418,000</u>	
		6,128,000

Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.

General Bond Obligations	(5,550,000)	
Amortization Expense - Premium	(421,565)	
Amortization Expense - Cost of Issuance	<u>82,005</u>	
		<u>(5,889,560)</u>

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	53,400	
General Bond Obligations	<u>(39,665)</u>	
		13,735

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

Increase in compensated absences payable		(594,942)
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Change in net assets of governmental activities		<u><u>(2,856,536)</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, 2010

	Business-type Activities - Enterprise Fund
	Food Service Program
ASSETS	
Current assets:	
Cash and cash equivalents	463,643
Accounts receivable:	
State	10,337
Federal	122,351
Other	3,308
Inventories	15,236
Total current assets	<u>614,875</u>
Noncurrent assets:	
Capital assets:	
Equipment	309,559
Less accumulated depreciation	<u>(165,926)</u>
Total capital assets (net of accumulated depreciation)	<u>143,633</u>
Total assets	<u>758,508</u>
NET ASSETS	
Invested in capital assets net of related debt	143,633
Unrestricted	614,875
Total net assets	<u><u>758,508</u></u>

HACKENSACK BOARD OF EDUCATION
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
Fiscal Year Ended June 30, 2010

	<u>Business-type Activities - Enterprise Fund</u>
	<u>Food Service Program</u>
Operating revenues:	
Charges for services:	
Daily sales - reimbursable programs	287,729
Daily sales - non-reimbursable programs	160,085
Total operating revenues	<u>447,814</u>
Operating expenses:	
Cost of sales	817,858
Salaries	518,104
Supplies and materials	72,210
Employee benefits	182,386
Depreciation expense	16,795
Repairs and other expenses	112,964
Purchased services	208,256
Total Operating Expenses	<u>1,928,573</u>
Operating income (loss)	<u>(1,480,759)</u>
Nonoperating revenues (expenses):	
State sources:	
School lunch program	39,252
Snack program	43,309
Breakfast program	46,832
Federal sources:	
National school lunch program	917,908
Breakfast program	551,538
ARRA - National School Lunch Program - Equip.	45,945
U.S.D.A. Commodities	59,678
Interest Income	132
Total nonoperating revenues (expenses)	<u>1,704,594</u>
Income (loss) before contributions & transfers	<u>223,835</u>
Total net assets—beginning	<u>534,673</u>
Total net assets—ending	<u><u>758,508</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, 2010

**Business-type
Activities -
Enterprise Fund**

**Food Service
Program**

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	447,814
Payments to suppliers	<u>(2,000,167)</u>
Net cash provided by (used for) operating activities	<u>(1,552,353)</u>

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

State Sources	128,296
Federal Sources	1,493,327
Interest Income	<u>132</u>
Net cash provided by (used for) non-capital financing activities	<u>1,621,755</u>

CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES

Acquisition of capital assets	<u>(47,363)</u>
Net cash provided by (used for) capital and related financing activities	<u>(47,363)</u>
Net increase (decrease) in cash and cash equivalents	<u>22,039</u>
Balances—beginning of year	<u>441,604</u>
Balances—end of year	<u><u>463,643</u></u>

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

Operating income (loss)	(1,480,759)
Adjustments to reconcile operating income (loss) to net cash provided by	
Depreciation and net amortization	16,795
Food Distribution Program	59,678
(Increase) decrease in accounts receivable, net	(3,308)
(Increase) decrease in inventories	(5,941)
Increase (decrease) in accounts payable	<u>(138,818)</u>
Total adjustments	<u>(71,594)</u>
Net cash provided by (used for) operating activities	<u><u>(1,552,353)</u></u>

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

HACKENSACK BOARD OF EDUCATION**Statement of Fiduciary Net Assets****Fiduciary Funds****June 30, 2010**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Fund</u>
ASSETS			
Cash and cash equivalents	33,770	167,126	652,563
Deficit in reserve for scholarships		10,807	
Total assets	<u>33,770</u>	<u>177,933</u>	<u>652,563</u>
LIABILITIES			
Payable to student groups			174,751
Due to State of NJ - Unemployment	23,306		
Payroll deductions and withholdings			477,812
Total liabilities	<u>23,306</u>	<u>-</u>	<u>652,563</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	10,464		
Reserved for scholarships		177,933	
	<u>33,770</u>	<u>177,933</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, 2010

	Unemployment Compensation Trust Fund	Scholarship and Memorial Funds
ADDITIONS		
Contributions:		
Donations		21,560
Payroll withholdings	74,225	
Total Contributions	<u>74,225</u>	<u>21,560</u>
Investment earnings:		
Interest	442	3,207
Net investment earnings	<u>442</u>	<u>3,207</u>
Total additions	<u>74,667</u>	<u>24,767</u>
DEDUCTIONS		
Unemployment claims	140,014	
Scholarships awarded		32,150
Total deductions	<u>140,014</u>	<u>32,150</u>
Change in net assets	(65,347)	(7,383)
OTHER CHANGES TO FIDUCIARY NET ASSETS		
Net changes to deficit in reserve for scholarships		(414)
Total changes to fiduciary net assets	<u>-</u>	<u>(414)</u>
Change in net assets	(65,347)	(7,797)
Net assets—beginning of the year	75,811	185,730
Net assets—end of the year	<u>10,464</u>	<u>177,933</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, 2010**

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, 2010**

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 funds³³ -

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2010**

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

GOVERNMENTAL FUNDS: (continued)

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

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

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

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

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

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

PROPRIETARY FUNDS

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

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2010**

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, 2010**

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, 2010**

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.

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, 2010**

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, 2010**

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

I. Prepaid Items:

Payments made to vendors for services that will benefit periods beyond June 30, 2010, 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, 2010**

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, 2010**

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, 2010**

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, 2010, \$-0- of the District's bank balance of \$9,144,167 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, 2010

NOTE 4. RECEIVABLES:

Receivables at June 30, 2010, consisted of accounts receivable and intergovernmental. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	Governmental Fund Financial Statements	Enterprise Fund	District Wide Financial Statements
Interfunds	\$1,243,244		
State Aid	719,191	\$10,337	\$729,528
Federal Aid	3,249,330	127,890	3,377,220
Other	<u>860,799</u>	<u>3,308</u>	<u>864,107</u>
Gross Receivables	6,072,564	141,535	4,970,855
Less: Allowance for Uncollectibles			
Total Receivables, Net	<u>\$6,072,564</u>	<u>\$141,535</u>	<u>\$4,970,855</u>

NOTE 5. INTERFUND BALANCE AND ACTIVITY:

Balances due to/from other funds at June 30, 2010 consist of the following:

\$95,835	Due to the General Fund from the Debt Service Fund to cover debt payment for FY10.
97,812	Due to the General Fund from the Debt Service Fund to cover debt payment for FY09.
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.
3,065	Due to the Debt Service Fund from the Capital Projects Fund for interest earnings FY10.
<u>\$1,243,244</u>	

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2010

NOTE 5. INTERFUND BALANCE AND ACTIVITY: (continued)

Interfund transfers for the year ended June 30, 2010 consisted of the following:

\$3,065 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, 2010 was as follows:

	Balance 6/30/2009	Additions	Deletions	Balance 6/30/2010
Governmental Activities				
Capital assets that are not being depreciated:				
Land	68,800			68,800
Construction in progress	<u>1,526,331</u>	<u>1,879,406</u>	<u>(1,526,331)</u>	<u>1,879,406</u>
Total capital assets not being depreciated	<u>1,595,131</u>	<u>1,879,406</u>	<u>(1,526,331)</u>	<u>1,948,206</u>
 Building and building improvements	36,349,084	1,526,331		37,875,415
Machinery and equipment	<u>2,882,354</u>	<u>356,640</u>		<u>3,238,994</u>
Totals at historical cost	<u>39,231,438</u>	<u>1,882,971</u>		<u>41,114,409</u>
Less accumulated depreciation for:				
Buildings and improvements	(20,651,601)	(449,077)		(21,100,678)
Equipment	<u>(2,002,049)</u>	<u>(195,619)</u>		<u>(2,197,668)</u>
Total accumulated depreciation	<u>(22,653,650)</u>	<u>(644,696)</u>		<u>(23,298,346)</u>
Total capital assets being depreciated, net of accumulation	<u>16,577,788</u>	<u>1,238,275</u>		<u>17,816,063</u>
Governmental activities capital assets, net	<u>18,172,919</u>	<u>3,117,681</u>	<u>(1,526,331)</u>	<u>19,764,269</u>
 Business-type activities:				
Equipment	262,196	47,363		309,559
Less accumulated depreciation for:				
Equipment	<u>(149,132)</u>	<u>(16,794)</u>		<u>(165,926)</u>
Business-type activities capital assets, net	<u>113,064</u>	<u>30,569</u>		<u>143,633</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, 2010

NOTE 7. LONG-TERM OBLIGATION ACTIVITY:

Advance and Current Refundings of Debt

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

Changes in long-term obligations for the fiscal year ended June 30, 2010 were as follows:

	<u>Balance</u> <u>June 30, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance</u> <u>June 30, 2010</u>	<u>Amount Due</u> <u>Within</u> <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$6,618,000	\$5,550,000	(\$6,128,000)	\$6,040,000	\$630,000
Add:					
Unamortized Premium		421,565		421,565	42,157
Less:					
Unamortized Amount on Refunding		(82,005)		(82,005)	(8,201)
	<u>6,618,000</u>	<u>5,889,560</u>	<u>(6,128,000)</u>	<u>6,379,560</u>	<u>663,956</u>
Compensated Absences Payable	<u>1,934,679</u>	<u>806,692</u>	<u>(211,750)</u>	<u>2,529,621</u>	
	<u>\$8,552,679</u>	<u>\$6,696,252</u>	<u>(\$6,339,750)</u>	<u>\$8,909,181</u>	<u>\$663,956</u>

A. Bonds and Loans Payable:

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

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2010

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

Outstanding bonds payable at June 30, 2010, consisted of the following:

<u>Issue</u>	<u>Issue Date</u>	<u>Interest Rate</u>	<u>Date of Maturity</u>	<u>Principal Balance June 30, 2010</u>
School Improvement Bonds 2001	05/01/2001	4.50%-5.00%	05/01/2011	\$600,000
School Improvement Bonds 2009	09/09/2009	2.00%-5.00%	05/01/2020	<u>5,440,000</u>
				<u>\$6,040,000</u>

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

<u>Year</u>	<u>Total</u>	<u>Principal</u>	<u>Interest</u>
2011	\$867,988	\$630,000	\$237,988
2012	839,638	630,000	209,638
2013	810,100	620,000	190,100
2014	783,863	615,000	168,863
2015	758,025	610,000	148,025
2016-2020	<u>3,346,075</u>	<u>2,935,000</u>	<u>411,075</u>
	<u>\$7,405,689</u>	<u>\$6,040,000</u>	<u>\$1,365,689</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2010 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, 2010 were \$266,713. Future minimum lease payments are as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$285,820
2012	274,710
2013	268,497
2014	343,800
2015	127,163
2016	<u>10,597</u>
	<u>\$1,310,587</u>

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2010**

NOTE 9. PENSION PLANS:

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

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

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

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.

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2010

NOTE 9. PENSION PLANS: (continued)

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.

During the year ended June 30, 2010 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:

<u>Year</u> <u>Ending</u>	
6/30/10	\$744,104
6/30/09	618,662
6/30/08	437,782

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2010

NOTE 9. PENSION PLANS: (continued)

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

<u>Year</u> <u>Ending</u>	<u>Pension</u> <u>Contributions</u>	<u>Post-Retirement</u> <u>Medical</u> <u>Contributions</u>	<u>NCGI</u> <u>Premium</u>
6/30/10	\$	\$2,594,634	\$138,149
6/30/09		2,437,695	127,779
6/30/08	2,739,506	2,731,845	127,363

During the year ended June 30, 2010, the State of New Jersey contributed \$2,732,783 to the TPAF for NCGI Premium contributions and post-retirement medical benefits on behalf of the Board. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$3,215,373 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included in the district-wide financial statements, and the fund-based statements as revenues and expenditures in accordance with GASB 24.

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, 2009, there were 84,590 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 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 2009, the State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members.

City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2010

NOTE 11. DEFERRED COMPENSATION:

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

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

NOTE 12. RISK MANAGEMENT:

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

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

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

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

<u>Fiscal Year</u>	<u>Interest Earnings/ District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2009-2010	\$442	\$74,225	\$140,014	\$10,464
2008-2009	1,080	66,241	84,139	75,811
2007-2008	3,211	64,103	88,699	92,629

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2010**

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 \$503,886 in the capital reserve account at June 30, 2010.

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

The activity of the capital reserve for the July 1, 2009 to June 30, 2010 fiscal year is as follows:

Beginning balance, July 1, 2009	\$503,825
Interest Earnings	<u>61</u>
Ending balance, June 30, 2010	<u>\$503,886</u>

NOTE 14. SUBSEQUENT EVENTS:

On October 26, 2010, the Board of Education entered into Municipal Sublease Purchase Agreement between The Bergen County Improvement Authority, ("Sublessor"), Hackensack Board of Education, ("Sublessee") and TD Equipment Finance, Inc. ("Lessor") in the amount of \$1,338,250. The purpose of the lease is for the purchase of the following: Roof Replacement - Nellie K. Parker Elementary, Science Lab Renovation, lab equipment, furniture, fixtures, and flooring - Hackensack High School, Security Cameras and Digital Video Recorders and Smart Boards and Computers.

NOTE 15. FUND BALANCE APPROPRIATED:

General Fund [Exhibit B-1] - Of the \$6,159,162 General Fund fund balance at June 30, 2010, \$244,361 is reserved for encumbrances; \$4,161,505 is reserved as excess surplus in accordance with N.J.S.A. 18A:7F-7 (\$3,899,859 of the total reserve for excess surplus has been appropriated and included as anticipated revenue for the year ending June 30, 2011); \$503,886 has been reserved in the Capital Reserve Account; \$-0- of unreserved and undesignated has been appropriated and included as anticipated revenue for the year ending June 30, 2010; and \$1,249,410 is unreserved and undesignated.

**City of Hackensack School District
Notes to the Basic Financial Statements
for the fiscal year ended June 30, 2010**

NOTE 15. FUND BALANCE APPROPRIATED: (continued)

Debt Service Fund - The Debt Service Fund balance at June 30, 2010 of \$76,199 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, 2010 is \$4,161,505 of which \$261,646 is the result of current year operations.

NOTE 17. INVENTORY:

Inventory in the Food Service Fund at June 30, 2010 consisted of the following:

Food	\$8,461
Supplies	<u>6,775</u>
	<u>\$15,236</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, 2010

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
General Fund:					
Revenues from Local Sources:					
Local Tax Levy	61,239,258		61,239,258	61,239,258	
Tuition	5,320,000		5,320,000	6,281,947	961,947
Interest Earned on Capital Reserve Funds	36,718		36,718	61	(36,657)
Unrestricted Miscellaneous Revenues	475,000		475,000	395,382	(79,618)
Total - Local Sources	67,070,976		67,070,976	67,916,648	845,672
Revenues from State Sources:					
Categorical Special Education Aid	2,551,071		2,551,071	2,551,071	
Equalization Aid	9,845,637	(1,786,452)	8,059,185	4,486,986	(3,572,199)
Categorical Security Aid	1,369,698		1,369,698	1,369,698	
Categorical Transportation Aid	420,575		420,575	420,575	
Extraordinary Aid				627,850	627,850
On-behalf TPAF Pension and Post Retirement					
Medical Contributions (non-budgeted)				2,594,634	2,594,634
On-behalf TPAF Pension NCGI Premium				138,149	138,149
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,215,373	3,215,373
Total - State Sources	14,186,981	(1,786,452)	12,400,529	15,404,336	3,003,807
Revenues from Federal Sources:					
ARRA - SFSF - ESF (Educ. State Grants)		66,579	66,579	66,579	
ARRA - SFSF - GSF (Government Services)		1,719,873	1,719,873	1,719,873	
Special Education Medicaid Initiative	105,955		105,955	47,247	(58,708)
Total - Federal Sources	105,955	1,786,452	1,892,407	1,833,699	(58,708)
TOTAL REVENUES	81,363,912		81,363,912	85,154,683	3,790,771
EXPENDITURES:					
Current Expense:					
Regular Programs - Instruction					
Preschool/Kindergarten - Salaries of Teachers	1,271,525	27,166	1,298,691	1,296,151	2,540
Grades 1-5 - Salaries of Teachers	9,133,358	(135,482)	8,997,876	8,997,305	571
Grades 6-8 - Salaries of Teachers	5,869,053	218,127	6,087,180	6,086,879	301
Grades 9-12 - Salaries of Teachers	10,062,217	(24,435)	10,037,782	10,037,780	2
Regular Programs - Home Instruction:					
Salaries of Teachers	400,000	113,401	513,401	513,046	355
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	760,000	1,037,808	1,797,808	1,794,560	3,248
Purchased Technical Services	30,868	15,000	45,868	37,629	8,239
Other Purchased Services (400-500 series)	208,306	165,809	374,115	304,259	69,856
General Supplies	929,448	73,285	1,002,733	893,049	109,684
Textbooks	500,093	(25,050)	475,043	432,394	42,649
Other Objects	13,724	(1,313)	12,411	5,331	7,080
TOTAL REGULAR PROGRAMS - INSTRUCTION	29,178,592	1,464,316	30,642,908	30,398,383	244,525
SPECIAL EDUCATION - INSTRUCTION					
Learning and/or Language Disabilities					
Salaries of Teachers	189,152	(64,744)	124,408	124,408	
Other Salaries for Instruction	82,355	(30,577)	51,778	51,778	
General Supplies	2,912	(512)	1,500	589	911
Textbooks		512	512	495	17
Total Learning and/or Language Disabilities	273,519	(95,321)	178,198	177,270	928
Multiple Disabilities					
Salaries of Teachers	352,123	60,370	412,493	412,493	
Other Salaries for Instruction	247,645	77,457	325,102	325,050	52
General Supplies	3,000	5,500	8,500	5,959	2,541
Textbooks	5,000	(3,500)	1,500	1,057	443
Total Multiple Disabilities	607,768	139,827	747,595	744,559	3,036
Resource Room/Resource Center:					
Salaries of Teachers	3,822,441	32,556	3,854,997	3,854,997	
Other Salaries for Instruction	1,008,030	(201,943)	806,087	791,547	14,540
General Supplies	15,000	16,690	31,690	19,346	12,344
Textbooks	10,000	5,275	15,275	6,013	9,262
Total Resource Room/Resource Center	4,855,471	(147,422)	4,708,049	4,671,903	36,146
Preschool Disabilities - Part-Time:					
Salaries of Teachers	308,131	108,020	416,151	416,104	47
Other Salaries for Instruction	209,340	(769)	208,571	198,769	9,802
Other Purchased Services (400-500 Series)	7,712	(1,400)	6,312	4,629	1,683
General Supplies	4,000	11,000	15,000	14,739	261
Total Preschool Disabilities - Part Time	529,183	116,851	646,034	634,241	11,793

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

	<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	126,320	(63,000)	63,320	63,070	250
Other Salaries for Instruction	161,508	(32,200)	129,308	128,914	394
Professional Svcs-Educational Services	9,600	(9,600)			
General Supplies	4,770	(500)	4,270	584	3,686
Textbooks		100	100	44	56
Other Objects	500	400	900	709	191
Total Preschool Disabilities - Full-Time	302,698	(104,800)	197,898	193,321	4,577
TOTAL SPECIAL EDUCATION - INSTRUCTION	6,568,639	(90,865)	6,477,774	6,421,294	56,480
Bilingual Education - Instruction					
Salaries of Teachers	1,813,802	75,012	1,888,814	1,883,586	5,228
Other Salaries for Instruction	33,000		33,000	31,650	1,350
General Supplies	12,000	10,020	22,020	18,708	3,312
Textbooks	15,000	755	15,755	11,091	4,664
Total Bilingual Education - Instruction	1,873,802	85,787	1,959,589	1,945,035	14,554
School-Sponsored Cocurricular Activities - Instruction					
Salaries	164,100	95,149	259,249	234,599	24,650
Purchased Services (300-500 series)	11,000	16,000	27,000	24,227	2,773
Supplies and Materials	49,020	(17,327)	31,693	24,671	7,022
Other Objects	8,280		8,280	5,288	2,992
Total School-Sponsored Cocurricular Activities - Instruction	232,400	93,822	326,222	288,785	37,437
School-Sponsored Athletics - Instruction					
Salaries	836,617	(79,767)	756,850	702,399	54,451
Purchased Services (300-500 series)	187,017	35,000	222,017	219,836	2,181
Supplies and Materials	121,513		121,513	117,765	3,748
Other Objects	17,000		17,000	16,700	300
Total School-Sponsored Athletics - Instruction	1,162,147	(44,767)	1,117,380	1,056,700	60,680
TOTAL INSTRUCTION	39,015,580	1,508,293	40,523,873	40,110,197	413,676
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	236,047	293,670	529,717	528,304	1,413
Tuition to County Voc. School Dist. - Regular	478,640	(15,500)	463,140	455,117	8,023
Tuition to County Voc. School Dist. - Special	466,950	(129,500)	337,450	336,888	562
Tuition to CSSD & Regional Day Schools	5,343,640	(1,758,611)	3,585,029	3,291,751	293,278
Tuition to Private Schools for the Handicapped - Within State	2,492,062	(585,608)	1,906,454	1,607,490	298,964
Tuition - State Facilities	217,265	14,000	231,265	230,890	375
Tuition - Other	47,066	(28,021)	19,045	18,570	475
Total Undistributed Expenditures - Instruction:	9,281,670	(2,209,570)	7,072,100	6,469,010	603,090
Undistributed Expend. - Attend. & Social Work					
Salaries	500,000	(107,823)	392,177	391,594	583
Purchased Professional and Technical Services	24,400	14,000	38,400	34,472	3,928
Total Undistributed Expend. - Attend. & Social Work	524,400	(93,823)	430,577	426,066	4,511
Undist. Expend. - Health Services					
Salaries	720,140	124,574	844,714	839,364	5,350
Purchased Professional and Technical Services	1,600	(1,000)	600		600
Other Purchased Services (400-500 series)	1,200		1,200	550	650
Supplies and Materials	10,000	56,107	66,107	63,918	2,189
Total Undistributed Expenditures - Health Services	732,940	179,681	912,621	903,832	8,789
Undist. Expend. - Speech, OT, PT & Related Svcs.					
Salaries	669,533	234,564	904,097	897,746	6,351
Purchased Prof. Services-Educational Services	7,500		7,500	7,052	448
Supplies and Materials	4,000		4,000	2,942	1,058
Total Undist. Expend. - Speech, OT, PT, & Related Svcs	681,033	234,564	915,597	907,740	7,857
Undist. Expend. - Other Supp. Serv. Students-Extra Serv.					
Salaries		16,380	16,380	16,380	
Purchased Prof. Services-Educational Services		60,000	60,000	60,000	
Total Undist. Expend. - Other Supp. Serv. Students-Extra Svcs.		76,380	76,380	76,380	
Undist. Expend. - Guidance					
Salaries of Other Professional Staff	1,178,713	(276,979)	901,734	901,064	670
Salaries of Secretarial and Clerical Assistants	130,000	(29,109)	100,891	100,891	
Supplies and Materials	40,000	1,700	41,700	41,630	70
Other Objects	8,000		8,000		8,000
Total Undist. Expend. - Guidance	1,356,713	(304,388)	1,052,325	1,051,585	740
Undist. Expend. - Other Supp. Serv. Students-Special					
Salaries of Other Professional Staff	1,616,893	675,491	2,292,384	2,288,212	4,172
Salaries of Secretarial and Clerical Assistants	190,000	57,166	247,166	245,640	1,526
Other Purchased Professional and Technical Services	700,000	(18,000)	682,000	543,594	138,406
Misc. Pur Services (400-500 Series)	5,700		5,700	5,614	86
Supplies and Materials	48,000		48,000	47,125	875
Other Objects	2,100		2,100	2,095	5
Total Undist. Expend. - Other Supp. Serv. Students-Special	2,562,693	714,657	3,277,350	3,132,280	145,070

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

	<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	153,700	32,975	186,675	186,667	8
Salaries of Other Professional Staff	78,689	280,296	358,985	358,984	1
Salaries of Secretarial and Clerical Assistants	75,663	4,541	80,204	80,204	
Purchased Prof/Ed Services	6,000		6,000	5,857	143
Other Purch Services (400-500)	1,000	1,000	2,000	317	1,683
Supplies and Materials	42,000	600	42,600	31,356	11,244
Other Objects	42,000	750	42,750	25,833	16,917
Total Undist. Expend. - Improvement of Inst. Services	399,052	320,162	719,214	689,218	29,996
Undist. Expend. - Educational Media Serv./Sch. Library					
Salaries	651,385	(55,690)	595,695	586,129	9,566
Supplies and Materials	76,655	300	76,955	70,849	6,106
Total Undist. Expend. - Educational Media Serv./Sch. Library	728,040	(55,390)	672,650	656,978	15,672
Undist. Expend. - Instructional Staff Training Serv.					
Salaries of Supervisors of Instruction	137,000	(137,000)			
Salaries-Other Prof. Staff	52,150	105,850	158,000	155,815	2,185
Other Salaries		156,045	156,045	156,045	
Purchased Professional - Educational Serv	32,000		32,000	21,341	10,659
Other Purchased Prof. and Tech. Services	85,000	(30,850)	54,150	37,395	16,755
Other Purchased Services (400-500 series)	8,992	2,500	11,492	10,613	879
Supplies and Materials	110,000	(7,500)	102,500	96,198	6,302
Other Objects	15,000	5,000	20,000	10,063	9,937
Total Undist. Expend. - Instructional Staff Training Serv.	440,142	94,045	534,187	487,470	46,717
Undist. Expend. - Supp. Serv. - General Administration					
Salaries	625,100	(51,000)	574,100	571,235	2,865
Legal Services	100,000		100,000	76,367	23,633
Audit Fees	45,000	(250)	44,750	44,750	
Other Purchased Professional Services	7,000	250	7,250	6,764	486
Purchased Technical Services	80,000	7,500	87,500	75,461	12,039
Communications/Telephone	267,270	(36,950)	230,320	205,756	24,564
Other Purch Services (400-500 Series)	20,000	(13,300)	6,700	3,077	3,623
General Supplies	7,000	82,000	89,000	81,177	7,823
BOE In-House Training/Meeting Supplies	30,000	(17,000)	13,000	5,668	7,332
Misc. Expenditures	20,000	11,000	31,000	27,647	3,353
BOE Membership Dues and Fees	36,000	3,000	39,000	37,532	1,468
Total Undist. Expend. - Supp. Serv. - General Administration	1,237,370	(14,750)	1,222,620	1,135,434	87,186
Undist. Expend. - Support Serv. - School Administration					
Salaries of Principals/Assistant Principals	2,626,230	65,260	2,691,490	2,689,264	2,226
Salaries of Other Professional Staff	75,000	(64,199)	10,801	10,801	
Salaries of Secretarial and Clerical Assistants	940,980	74,205	1,015,185	1,015,185	
Other Purchased Services (400-500 series)	108,000	(47,000)	61,000	3,342	57,658
Supplies and Materials	129,707	1	129,708	78,757	50,951
Other Objects	26,384	999	27,383	18,196	9,187
Total Undist. Expend. - Support Serv. - School Administration	3,906,301	29,266	3,935,567	3,815,545	120,022
Undist. Expend. - Support Serv. - Central Services					
Salaries	684,671	14,933	699,604	699,155	449
Purchased Professional Services	20,000	14,000	34,000		34,000
Purchased Technical Services	75,000		75,000	61,935	13,065
Misc. Pur Services (400-500 Series)	5,000	10,000	15,000	12,614	2,386
Supplies and Materials	25,114		25,114	11,064	14,050
Misc. Expenditures	50,000		50,000	3,214	46,786
Total Undist. Expend. - Support Serv. - Central Services	859,785	38,933	898,718	787,982	110,736

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

	<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	205,000	195,217	400,217	400,217	
Purchased Technical Services	40,000	6,000	46,000	33,925	12,075
Supplies and Materials	20,000	31,000	51,000	47,408	3,592
Other Objects	500	(400)	100	44	56
Total Undist. Expend. - Support Serv. - Administrative	<u>265,500</u>	<u>231,817</u>	<u>497,317</u>	<u>481,594</u>	<u>15,723</u>
Information Technology					
Undist. Expend. - Required Maint. for School Facilities (261)					
Salaries	752,720	(423,292)	329,428	328,877	551
Cleaning, Repair and Maintenance Services	857,447	(239,605)	617,842	585,744	32,098
General Supplies	350,000	(155,000)	195,000	103,762	91,238
Undist. Expend. - Required Maint. for School Facilities	<u>1,960,167</u>	<u>(817,897)</u>	<u>1,142,270</u>	<u>1,018,383</u>	<u>123,887</u>
Undist. Expend. - Oth. Oper. & Maint. of Plant (262)					
Salaries	3,025,764	(31,465)	2,994,299	2,986,711	7,588
Purchased Prof. And Tech. Services	155,000	(83,598)	71,402	70,698	704
Cleaning, Repair and Maintenance Services	538,961	(308,888)	230,073	159,991	70,082
Other Purchased Property Services	107,000		107,000	52,712	54,288
Insurance	600,000	(154,803)	445,197	445,197	
Miscellaneous Purchased Services	80,000	(1,000)	79,000	49,292	29,708
General Supplies	200,000	77,000	277,000	237,402	19,598
Energy (Energy and Electricity)	1,964,928	(632,001)	1,332,927	1,062,885	270,042
Energy (Natural Gas)		632,000	632,000	383,018	248,982
Total Undist. Expend. - Other Oper. & Maint. Of Plant	<u>6,671,653</u>	<u>(502,755)</u>	<u>6,168,898</u>	<u>5,467,906</u>	<u>700,992</u>
Undist. Expend. - Student Transportation Services (270)					
Salaries for Pupil Trans (Other than Bet. Home & Sch.)	37,000	(37,000)			
Management fee- ECS&CTSA Trans.	109,272		109,272	77,542	31,730
Other Purchased Prof. and Tech. Services	1,500		1,500	1,331	169
Cleaning, Repair and Maintenance Services	4,500	9,000	13,500	4,461	9,039
Contract Services (Between Home & School)-Vendors	57,704	(50,000)	7,704	7,518	186
Contract Services (Other than Between Home & School)-Vendors	185,530	27,500	213,030	177,317	35,713
Contract Services (Sp. Ed. Students)-Vendors	417,100		417,100	377,762	39,338
Contract Services (Spl. Ed. Students)-ECS&CTSA	1,617,737	(277,000)	1,340,737	1,161,427	179,310
Supplies and Materials	12,000	3,000	15,000	12,215	2,785
Total Undist. Expend. - Student Transportation Services	<u>2,442,343</u>	<u>(324,500)</u>	<u>2,117,843</u>	<u>1,819,573</u>	<u>298,270</u>
Regular Programs-Instruction-Employee Benefits					
Health Benefits	5,430,000	555,425	5,985,425	5,785,254	200,171
TOTAL ALLOCATED BENEFITS	<u>5,430,000</u>	<u>555,425</u>	<u>5,985,425</u>	<u>5,785,254</u>	<u>200,171</u>
UNALLOCATED BENEFITS					
Social Security Contributions	980,000	88,000	1,068,000	1,049,169	18,831
Other Retirement Contributions-Regular	480,000	264,104	744,104	744,104	
Unemployment Compensation	15,000		15,000	1,493	13,507
Workmen's Compensation	619,000	(36,604)	582,396	551,083	31,313
Health Benefits	2,700,000	36,350	2,736,350	2,736,350	
Other Employee Benefits	25,000		25,000	13,678	11,322
TOTAL UNALLOCATED BENEFITS	<u>4,819,000</u>	<u>351,850</u>	<u>5,170,850</u>	<u>5,095,877</u>	<u>74,973</u>
On-behalf TPAF pension Contributions (non-budgeted)				2,594,634	(2,594,634)
On-behalf TPAF NCGI Premium (non-budgeted)				138,149	
Reimbursed TPAF Social Security Contributions (non-budgeted)				3,215,373	(3,215,373)
TOTAL ON-BEHALF CONTRIBUTIONS				<u>5,948,156</u>	<u>(5,948,156)</u>
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS	<u>10,249,000</u>	<u>907,275</u>	<u>11,156,275</u>	<u>16,829,287</u>	<u>(5,673,012)</u>
TOTAL UNDISTRIBUTED EXPENDITURES	<u>44,298,802</u>	<u>(1,496,293)</u>	<u>42,802,509</u>	<u>46,156,263</u>	<u>(3,353,754)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>83,314,382</u>	<u>12,000</u>	<u>83,326,382</u>	<u>86,266,460</u>	<u>(2,940,078)</u>

Exhibit C-1

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2010

	<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	36,718		36,718		36,718
Total	<u>36,718</u>		<u>36,718</u>		<u>36,718</u>
Equipment					
Regular Programs - Instruction:					
Grades 1-5	60,265		60,265	29,169	31,096
Grades 6-8	65,850	(12,000)	53,850	37,190	16,660
Grades 9-12	41,591		41,591	32,909	8,682
Undist. Expend.-Support Serv. - Support Serv. - Students - Spl.	30,900	(10,000)	20,900		20,900
Undist. Expend.-Support Serv. - Inst. Staff	21,270	(21,270)			
Undist. Expend.-Support Serv. - General Admin.	10,600	(6,730)	3,870		3,870
Undist. Expend. - Other Support Serv.		38,000	38,000	37,660	340
Total Equipment	<u>230,476</u>	<u>(12,000)</u>	<u>218,476</u>	<u>136,928</u>	<u>81,548</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	75,000		75,000	64,258	
Construction Services	893,533		893,533	818,521	75,012
Total Facilities Acquisition and Construction Services	<u>968,533</u>		<u>968,533</u>	<u>882,779</u>	<u>75,012</u>
TOTAL CAPITAL OUTLAY	<u>1,235,727</u>	<u>(12,000)</u>	<u>1,223,727</u>	<u>1,019,707</u>	<u>193,278</u>
Transfer of Funds to Charter Schools	836,334		836,334	691,043	145,291
TOTAL EXPENDITURES	<u>85,386,443</u>		<u>85,386,443</u>	<u>87,977,210</u>	<u>(2,601,509)</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(4,022,531)		(4,022,531)	(2,822,527)	1,200,004
Excess (Deficiency) of Revenues and Other Financing Sources					
Over (Under) Expenditures and Other Financing Sources (Uses)	(4,022,531)		(4,022,531)	(2,822,527)	1,200,004
Fund Balance, July 1	10,000,710		10,000,710	10,000,710	
Fund Balance, June 30	<u>5,978,179</u>		<u>5,978,179</u>	<u>7,178,183</u>	<u>1,200,004</u>
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	(179,353)		(179,353)	(179,353)	
Increase in Capital Reserve:					
Interest Deposit to Capital Reserve	36,718		36,718	61	36,657
Budgeted Fund Balance	<u>(3,879,896)</u>		<u>(3,879,896)</u>	<u>(2,643,235)</u>	<u>1,163,347</u>
	<u>(4,022,531)</u>		<u>(4,022,531)</u>	<u>(2,822,527)</u>	<u>1,200,004</u>
Recapitulation:					
Reserve for Encumbrances				244,361	
Capital Reserve				503,886	
Excess Surplus - Designated for Subsequent Year's Expenditures				3,899,859	
Excess Surplus				261,646	
Unreserved - Undesignated Fund Balance				<u>2,268,431</u>	
Total Fund Balance per Governmental Funds (Budgetary)				<u>7,178,183</u>	
Recapitulation to Governmental Fund Statement (GAAP):					
Less: Last State Aid Payment not Recognized GAAP Basis				<u>1,019,021</u>	
Total Fund Balance per Governmental Funds (GAAP)				<u>6,159,162</u>	

HACKENSACK BOARD OF EDUCATION
American Recovery and Reinvestment Act - Budget and Actual
Budgetary Comparison Schedule
General Fund
For the Fiscal Year Ended June 30, 2010

	<u>Original Budget</u>	<u>Budget Transfers/ Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Federal Sources:					
Equalization Aid - ARRA - ESF		1,719,873	1,719,873	1,719,873	-
Equalization Aid - ARRA - GSF		66,579	66,579	66,579	-
Total - Federal Sources	-	1,786,452	1,786,452	1,786,452	-
TOTAL REVENUES	-	1,786,452	1,786,452	1,786,452	-
EXPENDITURES:					
ARRA Funds:					
Regular Programs - Instruction					
ARRA - ESF					
Tuition to CDDS & Regular Day Schools		1,719,873	1,719,873	1,719,873	-
ARRA - GSF					
Tuition to CDDS & Regular Day Schools		66,579	66,579	66,579	-
TOTAL REGULAR PROGRAMS - INSTRUCTION	-	1,786,452	1,786,452	1,786,452	-

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
Special Revenue Fund
Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers/ Adjustments	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		8,222	8,222	8,211	(11)
State Sources	757,060	883,304	1,640,364	1,282,205	(358,159)
Federal Sources	2,200,489	3,887,545	6,088,034	4,839,637	(1,248,397)
Total Revenues	2,957,549	4,779,071	7,736,620	6,130,053	(1,606,567)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	1,076,650	979,181	2,055,831	1,644,933	410,898
Other Salaries for Instruction	159,619	71,185	230,804	228,131	2,673
Purchased Professional and Technical Services	273,470	390,263	663,733	371,269	292,464
Other Purchased Services (400-500 series)	925,780	352,457	1,278,237	1,194,287	83,950
General Supplies	52,138	756,809	808,947	693,476	115,471
Textbooks		28,319	28,319	26,349	1,970
Other Objects		1,150	1,150	614	536
Total instruction	2,487,657	2,579,364	5,067,021	4,159,059	907,962
Support services:					
Salaries of Program Directors	35,715	475,208	510,923	462,235	48,688
Other Salaries		6,000	6,000	6,000	-
Personal Services - Employee Benefits	259,548	541,713	801,261	448,399	352,862
Other Purchased Professional Services	137,006	510,093	647,099	523,941	123,158
Travel		38,210	38,210	12,678	25,532
Other Purchased Services (400-500 series)	30,473	133,334	163,807	91,694	72,113
Supplies & Materials	7,150	136,792	143,942	120,495	23,447
Total support services	469,892	1,841,350	2,311,242	1,665,442	645,800
Facilities acquisition and const. serv.:					
Buildings		250,000	250,000	216,876	33,124
Noninstructional Equipment		108,357	108,357	88,676	19,681
Total facilities acquisition and const. serv.	-	358,357	358,357	305,552	52,805
Total Expenditures	2,957,549	4,779,071	7,736,620	6,130,053	1,606,567
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, 2010

**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]	85,154,683	6,130,053
Difference - budget to GAAP:			
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.			(108,221)
State aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes.		998,296	75,706
The last state aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the state recognizes the related expense (GASB 33).		(1,019,021)	(75,706)
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	<u>85,133,958</u>	<u>6,021,832</u>
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1]&[C-2]	87,977,210	6,130,053
Differences - budget to GAAP			
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for <i>budgetary</i> purposes, but in the year the supplies are received for <i>financial reporting</i> purposes.			(108,221)
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	<u>87,977,210</u>	<u>6,021,832</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, 2010

	Total Brought Forward (Ex. E-1a)	Reading is Fundamental	MSG Grant	ARRA - IDEA Part - B	ARRA - IDEA Part - B	ARRA - IDEA Part - B Preschool	IDEA Part - B Preschool	Totals 2010
REVENUES								
Local Sources	-	5,212	2,999					8,211
State Sources	1,282,205							1,282,205
Federal Sources	2,330,377			1,190,385	1,273,017	481	45,377	4,839,637
Total Revenues	3,612,582	5,212	2,999	1,190,385	1,273,017	481	45,377	6,130,053
EXPENDITURES:								
Instruction:								
Salaries of Teachers	1,470,344		1,000		173,389			1,644,933
Other Salaries for Instruction	228,131							228,131
Purchased Professional and Technical Services	371,269							371,269
Other Purchased Services (400-500 series)	-			540,894	608,016		45,377	1,194,287
General Supplies	374,177	5,212	1,999	229,358	82,249	481		693,476
Textbooks	26,349							26,349
Other Objects	614							614
Total Instruction	2,470,884	5,212	2,999	770,252	863,854	481	45,377	4,159,059
Support services:								
Salaries of Program Directors	462,235							462,235
Other Salaries	6,000							6,000
Personal Services - Employee Benefits	262,105				186,294			448,399
Other Purchased Professional Services	182,678			118,394	222,869			523,941
Travel	12,678							12,678
Other Purchased Services (400-500 series)	87,656			4,038				91,694
Supplies & Materials	119,276			1,219				120,495
Total support services	1,132,628	-	-	123,651	409,163	-	-	1,665,442
Facilities acquisition and const. serv.:								
Buildings	-			216,876				216,876
Noninstructional Equipment	9,070			79,606				88,676
Total facilities acquisition and const. serv.	9,070	-	-	296,482	-	-	-	305,552
Total Expenditures	3,612,582	5,212	2,999	1,190,385	1,273,017	481	45,377	6,130,053
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, 2010

	Total Brought Forward (Ex. E-1b)	ARRA - NCLB Title I	NCLB Title I	ARRA - NCLB Title I SIA	NCLB Title I SIA	Title II, Part A Training & Recruiting	Title II, Part D Enhanced Education	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	1,282,205	329,145	923,852	4,500	30,284	212,916	2,500	1,282,205
Federal Sources	827,180							2,330,377
Total Revenues	2,109,385	329,145	923,852	4,500	30,284	212,916	2,500	3,612,582
EXPENDITURES:								
Instruction:								
Salaries of Teachers	903,728	80,473	479,680			6,463		1,470,344
Other Salaries for Instruction	228,131							228,131
Purchased Professional and Technical Services	155,585		215,684					371,269
Other Purchased Services (400-500 series)	-				30,284			-
General Supplies	248,885	79,893	15,115					374,177
Textbooks	26,349							26,349
Other Objects	614							614
Total Instruction	1,563,292	160,366	710,479	-	30,284	6,463	-	2,470,884
Support services:								
Salaries of Program Directors	198,230	136,894				127,111		462,235
Other Salaries	6,000							6,000
Personal Services - Employee Benefits	174,609		56,812			30,684		262,105
Other Purchased Professional Services	102,489	9,000	62,989	4,500		1,200	2,500	182,678
Travel	6,422		4,664			1,592		12,678
Other Purchased Services (400-500 series)	21,373		35,328			30,955		87,656
Supplies & Materials	27,900	22,885	53,580			14,911		119,276
Total support services	537,023	168,779	213,373	4,500	-	206,453	2,500	1,132,628
Facilities acquisition and const. serv.:								
Buildings	-							-
Noninstructional Equipment	9,070							9,070
Total facilities acquisition and const. serv.	9,070	-	-	-	-	-	-	9,070
Total Expenditures	2,109,385	329,145	923,852	4,500	30,284	212,916	2,500	3,612,582
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, 2010

	Total Brought Forward (Ex. E-1c)	NCLB Title III	NCLB Title III Immigrant	Title IV Drug Free Schools	Title V Innovative Education	ARRA - Workforce Year Round Youth Program - Drop-in	Workforce Year Round Youth Program - Drop-in	Total Carried Forward
REVENUES								
Local Sources	-							-
State Sources	1,282,205	79,380	79,229	4,631	4,747	6,000	30,798	1,282,205
Federal Sources	622,395							827,180
Total Revenues	1,904,600	79,380	79,229	4,631	4,747	6,000	30,798	2,109,385
EXPENDITURES:								
Instruction:								
Salaries of Teachers	846,307		31,650				25,771	903,728
Other Salaries for Instruction	198,011	30,120						228,131
Purchased Professional and Technical Services	155,585							155,585
Other Purchased Services (400-500 series)	-							-
General Supplies	184,817	24,458	30,232	4,631	4,747			248,885
Textbooks	26,349							26,349
Other Objects	-		614					614
Total Instruction	1,411,069	54,578	62,496	4,631	4,747	-	25,771	1,563,292
Support services:								
Salaries of Program Directors	197,618	612						198,230
Other Salaries	-					6,000	2,284	6,000
Personal Services - Employee Benefits	140,538	17,287	14,500					174,609
Other Purchased Professional Services	102,489							102,489
Travel	6,422							6,422
Other Purchased Services (400-500 series)	17,487	1,653	2,233				2,743	21,373
Supplies & Materials	19,507	5,250						27,900
Total support services	484,461	24,802	16,733	-	-	6,000	5,027	537,023
Facilities acquisition and const. serv.:								
Buildings	-							-
Noninstructional Equipment	9,070							9,070
Total facilities acquisition and const. serv.	9,070	-	-	-	-	-	-	9,070
Total Expenditures	1,904,600	79,380	79,229	4,631	4,747	6,000	30,798	2,109,385
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, 2010

	Total Brought Forward (Ex. E-1d)	Project Aces	Reaching Everyone By Exposing Lies	Reading First	Perkins - Vocational Education	School Based Youth Service Program	Family Friendly	Total Carried Forward
REVENUES								
Local Sources	-	-	-	-	-	-	-	-
State Sources	979,732	14,351	500	553,541	54,003	269,660	32,813	1,282,205
Federal Sources	-	-	-	-	-	-	-	622,395
Total Revenues	979,732	14,351	500	553,541	54,003	269,660	32,813	1,904,600
EXPENDITURES:								
Instruction:								
Salaries of Teachers	431,023	-	-	-	-	-	-	846,307
Other Salaries for Instruction	193,827	-	500	393,290	-	-	21,494	198,011
Purchased Professional and Technical Services	155,585	-	-	-	-	-	4,184	155,585
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-	-
General Supplies	25,400	-	-	111,957	44,933	-	2,527	184,817
Textbooks	26,349	-	-	-	-	-	-	26,349
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	832,184	-	500	505,247	44,933	-	28,205	1,411,069
Support services:								
Salaries of Program Directors	-	12,697	-	-	-	-	-	197,618
Other Salaries	-	-	-	-	-	-	1,000	-
Personal Services - Employee Benefits	81,472	1,099	-	-	-	-	2,908	140,538
Other Purchased Professional Services	62,589	-	-	28,800	-	-	700	102,489
Travel	3,487	-	-	2,652	-	-	-	6,422
Other Purchased Services (400-500 series)	-	-	-	1,392	-	-	-	17,487
Supplies & Materials	-	555	-	15,450	-	-	-	19,907
Total support services	147,548	14,351	-	48,294	-	269,660	4,608	484,461
Facilities acquisition and const. serv.:								
Buildings	-	-	-	-	9,070	-	-	9,070
Noninstructional Equipment	-	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	9,070	-	-	9,070
Total Expenditures	979,732	14,351	500	553,541	54,003	269,660	32,813	1,904,600
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, 2010

	Total Brought Forward (Ex. E-1e)	Chapter 194 Nonpublic Textbook	Chapter 192 Compensatory Education	Chapter 192 ESL	Chapter 193 Supplemental Instruction	Chapter 193 Exam & Classification	Chapter 193 Corrective Speech	Total Carried Forward
REVENUES								
Local Sources	-	-	-	-	-	-	-	-
State Sources	789,041	26,349	100,824	17,560	13,959	17,822	14,177	979,732
Federal Sources	-	-	-	-	-	-	-	-
Total Revenues	789,041	26,349	100,824	17,560	13,959	17,822	14,177	979,732
EXPENDITURES:								
Instruction:								
Salaries of Teachers	431,023	-	-	-	-	-	-	431,023
Other Salaries for Instruction	193,827	-	-	-	-	-	-	193,827
Purchased Professional and Technical Services	23,024	-	100,824	17,560	-	-	14,177	155,585
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-	-
General Supplies	25,400	-	-	-	-	-	-	25,400
Textbooks	-	26,349	-	-	-	-	-	26,349
Other Objects	-	-	-	-	-	-	-	-
Total Instruction	673,274	26,349	100,824	17,560	-	-	14,177	832,184
Support services:								
Salaries of Program Directors	-	-	-	-	-	-	-	-
Other Salaries	-	-	-	-	-	-	-	-
Personal Services - Employee Benefits	81,472	-	-	-	-	-	-	81,472
Other Purchased Professional Services	30,808	-	-	-	13,959	17,822	-	62,589
Travel	3,487	-	-	-	-	-	-	3,487
Other Purchased Services (400-500 series)	-	-	-	-	-	-	-	-
Supplies & Materials	-	-	-	-	-	-	-	-
Total support services	115,767	-	-	-	13,959	17,822	-	147,548
Facilities acquisition and const. serv.:								
Buildings	-	-	-	-	-	-	-	-
Noninstructional Equipment	-	-	-	-	-	-	-	-
Total facilities acquisition and const. serv.	-	-	-	-	-	-	-	-
Total Expenditures	789,041	26,349	100,824	17,560	13,959	17,822	14,177	979,732
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, 2010

	Nonpublic Nursing	Preschool Education Aid	Total Carried Forward
REVENUES			
Local Sources			-
State Sources	33,582	755,459	789,041
Federal Sources			-
Total Revenues	33,582	755,459	789,041
EXPENDITURES:			
Instruction:			
Salaries of Teachers		431,023	431,023
Other Salaries for Instruction		193,827	193,827
Purchased Professional and Technical Services	23,024		23,024
Other Purchased Services (400-500 series)			-
General Supplies		25,400	25,400
Textbooks			-
Other Objects			-
Total Instruction	23,024	650,250	673,274
Support services:			
Salaries of Program Directors			-
Other Salaries			-
Personal Services - Employee Benefits		81,472	81,472
Other Purchased Professional Services	10,558	20,250	30,808
Travel		3,487	3,487
Other Purchased Services (400-500 series)			-
Supplies & Materials			-
Total support services	10,558	105,209	115,767
Facilities acquisition and const. serv.:			
Buildings			-
Noninstructional Equipment			-
Total facilities acquisition and const. serv.	-	-	-
Total Expenditures	33,582	755,459	789,041
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, 2010

	<u>District Wide Total</u>		
	<u>Budget</u>	<u>Actual</u>	<u>Variance</u>
Expenditures:			
Instruction:			
Salaries of teachers	425,260	431,023	(5,763)
Other salaries for instruction	159,619	193,827	(34,208)
General supplies	22,184	25,400	(3,216)
Total instruction	<u>607,063</u>	<u>650,250</u>	<u>(43,187)</u>
Support services:			
Salaries of Program Directors	35,715		35,715
Personal Services - Employee Benefits	114,282	81,472	32,810
Other purchased professional services		20,250	(20,250)
Travel		3,487	(3,487)
Total support services	<u>149,997</u>	<u>105,209</u>	<u>44,788</u>
Total expenditures	<u>757,060</u>	<u>755,459</u>	<u>1,601</u>

Summary of Location Totals

Total revised 2009-10 Preschool Education Aid	757,060
Add: Actual ECPA Carryover (June 30, 2009)	109,692
Add: Budgeted Transfer from the General Fund 2009-10	
Total Preschool Education Aid Funds Available for 2009-10 Budget	<u>866,752</u>
Less: 2009-10 Budgeted Preschool Education Aid	
prior year budgeted carryover)	<u>757,060</u>
Available & Unbudgeted Preschool Education Aid Funds as of June 30, 2010	<u>109,692</u>
Add: June 30, 2010 Unexpended Preschool Education Aid	<u>1,601</u>
2009-10 Carryover - Preschool Education Aid/Preschool	<u>111,293</u>
2009-10 Preschool Education Aid Carryover	
Budgeted for Preschool Programs 2010-11	<u></u>

CAPITAL PROJECTS FUND

HACKENSACK BOARD OF EDUCATION
Capital Projects Fund
Summary Schedule of Revenues, Expenditures, and Changes
in Fund Balance-Budgetary Basis
Fiscal Year Ended June 30, 2010

Revenues and Other Financing Sources

State Sources - SCC Grant	-
Bond proceeds and transfers	-
Transfers from Capital Reserve	-
Transfers from Capital Outlay	-
Interest on Investments	3,065
	<u>3,065</u>

Expenditures and Other Financing Uses

Purchased professional and technical services	11,209
Land and improvements	-
Construction services	1,157,887
Equipment purchases	-

Total expenditures	<u>1,169,096</u>
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Excess (deficiency) of revenues over (under) expenditures	(1,166,031)
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Other Finance Sources (Uses)

Transfers out	<u>(3,065)</u>
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Total other financing sources (uses)	<u>(3,065)</u>
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Net change in fund balance	(1,169,096)
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Fund balance - beginning	<u>1,925,343</u>
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Fund balance - ending	<u><u>756,247</u></u>
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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, 2010

	<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	xxxxxx			
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, 2010

	<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	860,496	1,335,866	1,857,678
Equipment purchases	87,322		87,322	87,322
	<u>562,692</u>	<u>860,496</u>	<u>1,423,188</u>	<u>1,945,000</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,382,308</u>	<u>(860,496)</u>	<u>521,812</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	73%			
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, 2010

	<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, 2010

	<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, 2010

	<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, 2010

	<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	11,209	90,432	79,223
Land and improvements			-	
Construction services	1,447,109	297,391	1,744,500	2,037,676
Equipment purchases			-	
	<u>1,526,332</u>	<u>308,600</u>	<u>1,834,932</u>	<u>2,116,899</u>
Excess (deficiency) of revenues over (under) expenditures	<u>590,567</u>	<u>(308,600)</u>	<u>281,967</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	87%			
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, 2010

Project Title/Issue	Date	Appropriations	Expenditures to Date		Unexpended Balance June 30, 2010
			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		1,945,000	562,692	860,496	521,812
Other Improvements		3,170,527	1,659,406	860,496	650,625
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	308,600	281,967
		7,045,671	4,839,694	1,169,096	1,036,881
Analysis					
			Project Balance - June 30, 2010		1,036,881
			Unfunded Authorizations		280,634
			Fund Balance (Deficit) - June 30, 2010		756,247

PROPRIETARY FUNDS

HACKENSACK BOARD OF EDUCATION
Combining Statement of Net Assets
Enterprise Funds
June 30, 2010

	<u>Food Service Program</u>	<u>Totals</u>
ASSETS		
Current assets:		
Cash and cash equivalents	463,643	463,643
Accounts receivable:		
State	10,337	10,337
Federal	122,351	122,351
Other	3,308	3,308
Inventories	15,236	15,236
Total current assets	<u>614,875</u>	<u>614,875</u>
Noncurrent assets:		
Capital assets:		
Equipment	309,559	309,559
Less accumulated depreciation	<u>(165,926)</u>	<u>(165,926)</u>
Total capital assets (net of accumulated depreciation)	<u>143,633</u>	<u>143,633</u>
Total assets	<u>758,508</u>	<u>758,508</u>
NET ASSETS		
Invested in capital assets net of related debt	143,633	143,633
Unrestricted	614,875	614,875
Total net assets	<u>758,508</u>	<u>758,508</u>

HACKENSACK BOARD OF EDUCATION
Combining Statement of Revenues, Expenses, and Changes in Fund Net Assets
Enterprise Funds
Fiscal Year Ended June 30, 2010

	Food Service Program	Totals
Operating revenues:		
Charges for services:		
Daily sales - reimbursable programs	287,729	287,729
Daily sales - non-reimbursable programs	160,085	160,085
Total operating revenues	<u>447,814</u>	<u>447,814</u>
Operating expenses:		
Cost of food	817,858	817,858
Salaries	518,104	518,104
Supplies and materials	72,210	72,210
Employee benefits	182,386	182,386
Depreciation	16,795	16,795
Repairs and other expenses	112,964	112,964
Purchased services	208,256	208,256
Total Operating Expenses	<u>1,928,573</u>	<u>1,928,573</u>
Operating income (loss)	<u>(1,480,759)</u>	<u>(1,480,759)</u>
Nonoperating revenues (expenses):		
State sources:		
School lunch program	39,252	39,252
School snack program	43,309	43,309
School breakfast program	46,832	46,832
Federal sources:		
School lunch program	917,908	917,908
School breakfast program	551,538	551,538
ARRA - National School Lunch Program - Equip.	45,945	45,945
U.S.D.A. Commodities	59,678	59,678
Interest Income	132	132
Total nonoperating revenues (expenses)	<u>1,704,594</u>	<u>1,704,594</u>
Income (loss) before contributions & transfers	<u>223,835</u>	<u>223,835</u>
Total net assets—beginning	<u>534,673</u>	<u>534,673</u>
Total net assets—ending	<u><u>758,508</u></u>	<u><u>758,508</u></u>

HACKENSACK BOARD OF EDUCATION
Combining Statement of Cash Flows
Enterprise Funds
Fiscal Year Ended June 30, 2010

	Food Service Program	Totals
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	447,814	447,814
Payments to suppliers	(2,000,167)	(2,000,167)
Net cash provided by (used for) operating activities	<u>(1,552,353)</u>	<u>(1,552,353)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
State Sources	128,296	128,296
Federal Sources	1,493,327	1,493,327
Interest Income	132	132
Net cash provided by (used for) non-capital financing activities	<u>1,621,755</u>	<u>1,621,623</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition of Capital Assets	(47,363)	(47,363)
Net cash used for capital and related financing activities	<u>(47,363)</u>	<u>(47,363)</u>
Net increase (decrease) in cash and cash equivalents	<u>22,039</u>	<u>22,039</u>
Balances—beginning of year	441,604	441,604
Balances—end of year	<u>463,643</u>	<u>463,643</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:		
Operating income (loss)	(1,480,759)	(1,480,759)
Adjustments to reconcile operating income (loss) to net cash provided by		
Depreciation and net amortization	16,795	16,795
Food distribution program	59,678	59,678
(Increase) decrease in accounts receivable	(3,308)	(3,308)
(Increase) decrease in inventories	(5,941)	(5,941)
Increase (decrease) in accounts payable	(138,818)	(138,818)
Total adjustments	<u>(71,594)</u>	<u>(71,594)</u>
Net cash provided by (used for) operating activities	<u>(1,552,353)</u>	<u>(1,552,353)</u>

FIDUCIARY FUND

HACKENSACK BOARD OF EDUCATION
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2010

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>	<u>Agency Funds</u>
ASSETS			
Cash and cash equivalents	33,770	167,126	652,563
Deficit in reserve for scholarships		10,807	
Total assets	<u>33,770</u>	<u>177,933</u>	<u>652,563</u>
LIABILITIES			
Payable to student groups			174,751
Due to State of NJ - Unemployment	23,306		
Payroll deductions and withholdings			477,812
Total liabilities	<u>23,306</u>	<u>-</u>	<u>652,563</u>
NET ASSETS			
Held in trust for unemployment claims and other purposes	<u>10,464</u>		
Reserved for scholarships	<u>33,770</u>	<u>177,933</u>	

HACKENSACK BOARD OF EDUCATION
Combining Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
Fiscal Year Ended June 30, 2010

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship and Memorial Funds</u>
ADDITIONS		
Contributions:		
Donations		21,560
Payroll withholdings	74,225	
Total Contributions	<u>74,225</u>	<u>21,560</u>
Investment earnings:		
Interest	442	3,207
Net investment earnings	442	3,207
Total additions	<u>74,667</u>	<u>24,767</u>
DEDUCTIONS		
Quarterly contribution reports	140,014	
Scholarships awarded		32,150
Total deductions	<u>140,014</u>	<u>32,150</u>
OTHER CHANGES TO FIDUCIARY NET ASSETS		
Net changes to deficit in reserve for scholarships		(414)
Total changes to fiduciary net assets	-	(414)
Change in net assets	(65,347)	(7,797)
Net assets—beginning of the year	75,811	185,730
Net assets—end of the year	<u>10,464</u>	<u>177,933</u>

HACKENSACK BOARD OF EDUCATION
Student Activity Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2010

	<u>Balance July 1, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2010</u>
Elementary Schools:				
Fairmount Avenue School	3,247	5,066	2,435	5,878
Jackson Avenue School	1,445	5,215	4,675	1,985
Fanny M. Hillers School	2,014	1,353	1,951	1,416
Nellie Parker School	1,410	9,913	6,521	4,802
Nellie Parker School Donation	1,451	11		1,462
Total Elementary Schools	<u>9,567</u>	<u>21,558</u>	<u>15,582</u>	<u>15,543</u>
Middle School:				
5/6 Middle School	220	2,640	2,806	54
Middle School	16,175	57,257	63,442	9,990
Total Middle Schools	<u>16,395</u>	<u>59,897</u>	<u>66,248</u>	<u>10,044</u>
High School:				
High School	89,736	235,020	188,838	135,918
Varsity H	4,777	47,775	46,710	5,842
Total High Schools	<u>94,513</u>	<u>282,795</u>	<u>235,548</u>	<u>141,760</u>
Athletic Departments:				
Athletic Department	5,168	111,305	109,069	7,404
Total Athletic Department	<u>5,168</u>	<u>111,305</u>	<u>109,069</u>	<u>7,404</u>
Total All Schools	<u>125,643</u>	<u>475,555</u>	<u>426,447</u>	<u>174,751</u>

HACKENSACK BOARD OF EDUCATION
Payroll Agency Fund
Schedule of Receipts and Disbursements
Fiscal Year Ended June 30, 2010

	<u>Balance July 1, 2009</u>	<u>Cash Receipts</u>	<u>Cash Disbursed</u>	<u>Balance June 30, 2010</u>
Net Payroll	69,190	36,684,101	36,668,432	84,859
Payroll Deductions and Withholdings	361,950	25,036,620	25,005,617	392,953
	<hr/>	<hr/>	<hr/>	<hr/>
	<u>431,140</u>	<u>61,720,721</u>	<u>61,674,049</u>	<u>477,812</u>

LONG-TERM DEBT

HACKENSACK BOARD OF EDUCATION
General Long-Term Debt Account Group
Schedule of Serial Bonds
Fiscal Year Ended June 30, 2010

	<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2009</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2010</u>
				<u>Date</u>	<u>Amount</u>					
School Improvement bonds		May 1, 2001	8,998,000	5/1/2011	600,000	4.625	6,618,000		6,018,000	600,000
Refunding School Improvement bonds		Sept. 9, 2009	5,550,000	5/1/2011	30,000	2.000		5,550,000	110,000	5,440,000
				5/1/2012	630,000	3.250				
				5/1/2013	620,000	4.000				
				5/1/2014	615,000	4.000				
				5/1/2015	610,000	3.250				
				5/1/2016	595,000	3.375				
				5/1/2017	585,000	5.000				
				5/1/2018	580,000	5.000				
				5/1/2019	580,000	4.750				
				5/1/2020	595,000	4.750				
							<u>\$ 6,618,000</u>	<u>5,550,000</u>	<u>6,128,000</u>	<u>6,040,000</u>
							<u>Cash \$ 710,000</u>			
							<u>Refunding Bond Issuance 5,418,000</u>			
							<u>\$ 6,128,000</u>			

HACKENSACK BOARD OF EDUCATION
Budgetary Comparison Schedule
Debt Service Fund
Fiscal Year Ended June 30, 2010

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	792,436		792,436	792,436	10,001
Refund of escrow				10,001	
Total Revenues	792,436	-	792,436	802,437	10,001
EXPENDITURES:					
Regular Debt Service:					
Interest	320,400	(110,000)	210,400	188,273	(22,127)
Redemption of Principal	600,000	110,000	710,000	710,000	-
Total Regular Debt Service	920,400	-	920,400	898,273	(22,127)
Total expenditures	920,400	-	920,400	898,273	(22,127)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(127,964)	-	(127,964)	(95,836)	32,128
Other Financing Sources:					
Operating Transfers In:					
Excess Bond Proceeds - Capital Projects Fund	-	-	-	3,065	3,065
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(127,964)	-	(127,964)	(92,771)	35,193
Fund Balance, July 1	168,970	-	168,970	168,970	-
Fund Balance, June 30	41,006	-	41,006	76,199	35,193
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Budgeted Fund Balance	(127,964)	-	(127,964)	(92,771)	35,193

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
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Debt Capacity

- J-10 Ratios of Outstanding Debt by Type
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Demographic and Economic Information

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Operating Information

- J-16 Full-time Equivalent District Employees by Function/Program
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STATISTICAL SECTION (UNAUDITED) - INTRODUCTION

J SERIES

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Financial Trends These schedules contain trend information to help the reader understand how the district's financial performance and well-being have changes over time.	J-1 to J-5
Revenue Capacity These schedules contain information to help the reader assess the district's most significant local revenue sources, the property tax.	J-6 to J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the district's current levels of outstanding debt and the district's ability to issue additional debt in the future.	J-10 to J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the district's financial activities take place.	J-14 to J-15
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the district's financial report relates to the services the district provides and the activities it performs.	J-16 to J-20
Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports (CAFR) for the relevant year. The district implemented GASB Statement 34 in the fiscal year ending June 30, 2003; schedules presenting district-wide information include information beginning in that year.	

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

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
Governmental activities								
Invested in capital assets, net of related debt	\$ 681,324	\$ 268,767	\$ (383,406)	\$ 6,001,034	\$ 8,813,583	\$ 9,408,979	\$ 11,554,919	\$ 13,384,709
Restricted	4,636,223	8,313,996	11,111,514	12,270,231	11,069,478	11,798,879	10,520,528	5,742,198
Unrestricted	1,532,464	(272,060)	(794,984)	(540,537)	(168,906)	(465,466)	(1,411,880)	(1,319,876)
Total governmental activities net assets	\$ 6,850,011	\$ 8,310,703	\$ 9,933,124	\$ 17,730,728	\$ 19,714,155	\$ 20,742,392	\$ 20,663,567	\$ 17,807,031
Business-type activities								
Invested in capital assets, net of related debt	\$ 54,034	\$ 33,295	\$ 42,143	\$ 76,284	\$ 123,386	\$ 119,071	\$ 113,064	\$ 143,633
Restricted	105,054	173,096	248,499	238,751	269,586	338,693	421,609	620,414
Unrestricted	\$ 159,088	\$ 206,391	\$ 290,642	\$ 315,035	\$ 392,972	\$ 457,764	\$ 534,673	\$ 764,047
Total business-type activities net assets								
District-wide								
Invested in capital assets, net of related debt	\$ 735,358	\$ 302,062	\$ (341,263)	\$ 6,077,318	\$ 8,936,969	\$ 9,528,050	\$ 11,667,983	\$ 13,528,342
Restricted	4,636,223	8,313,996	11,111,514	12,270,231	11,069,478	11,798,879	10,520,528	5,742,198
Unrestricted	1,637,518	(98,964)	(546,485)	(301,786)	100,680	(126,773)	(990,271)	(699,462)
Total district net assets	\$ 7,009,099	\$ 8,517,094	\$ 10,223,766	\$ 18,045,763	\$ 20,107,127	\$ 21,200,156	\$ 21,198,240	\$ 18,571,078

Source: CAFR Schedule A-1

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

	Fiscal Year Ending June 30,				
	2003	2004	2005	2006	2007
				2008	2009
					2010
Expenses					
Governmental activities					
Instruction					
Regular	\$ 24,082,200	\$ 28,839,153	\$ 29,722,525	\$ 30,941,044	\$ 33,248,841
Special education	4,391,270	5,275,334	5,625,742	5,821,140	6,523,168
Other special education	1,248,895	1,464,612	1,719,429	1,756,818	2,084,806
Other instruction	933,403	1,109,127	1,123,570	1,125,674	1,146,402
Support Services:					
Tuition	7,576,845	7,094,482	7,206,461	7,563,097	7,739,692
Student & instruction related services	7,760,187	8,459,610	9,893,130	9,739,489	10,654,734
General administrative services	919,656	994,963	1,061,435	1,123,149	1,173,600
School administrative services	2,844,388	3,408,196	3,462,532	3,850,389	4,064,188
Central Administration			975,257	942,653	1,004,906
Business administrative services	840,529	1,032,551			8,326,732
Plant operations and maintenance	5,684,012	6,401,793	6,277,415	6,999,156	7,950,463
Pupil transportation	1,704,227	1,902,695	1,661,685	1,888,254	1,961,481
Unallocated Benefits	9,134,144	4,366,605	4,846,463	5,616,007	4,478,053
Allocated Benefits					5,477,494
Special Schools	43,082	25,606	45,995	51,551	
Charter Schools					691,043
Interest on long-term debt	608,934	490,649	451,157	430,364	343,314
Unallocated depreciation	599,397	1,701,292	1,505,836	1,565,246	595,148
Amortization					471,560
Capital Outlay - nondepreciable	1,244,460	2,240,372	1,052,006	492,516	391,229
Total governmental activities expenses	69,615,629	74,807,040	76,630,638	79,906,547	89,393,173
Business-type activities:					
Food service	1,308,895	1,333,849	1,589,991	1,677,666	1,815,586
Academy School					
Total business-type activities expense	1,308,895	1,333,849	1,589,991	1,677,666	1,815,586
Total district expenses	\$ 70,924,524	\$ 76,140,889	\$ 78,220,629	\$ 81,584,213	\$ 91,208,759
				\$ 90,358,087	\$ 96,746,401
Program Revenues					
Governmental activities:					
Charges for services:					
Operating grants and contributions	8,567,407	9,892,212	10,438,431	10,724,264	11,109,185
Capital grants and contributions	-	-	-	-	-
Total governmental activities program revenues	8,567,407	9,892,212	10,438,431	10,724,264	4,823,073
				11,109,185	4,823,073
					5,716,280
					305,552
					6,021,832

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

	Fiscal Year Ending June 30,				
	2003	2004	2005	2006	2007
				2008	2009
					2010
Business-type activities:					
Charges for services					
Food service	525,987	608,509	585,142	569,155	501,936
Operating grants and contributions	719,118	772,643	1,089,100	1,132,924	1,202,162
Capital grants and contributions					
Total business type activities program revenues	1,245,105	1,381,152	1,674,242	1,702,079	1,704,098
Total district program revenues	\$ 9,812,512	\$ 11,273,364	\$ 12,112,673	\$ 12,426,343	\$ 12,165,681
Net (Expense)/Revenue					
Governmental activities	\$ (61,048,222)	\$ (64,914,828)	\$ (66,192,207)	\$ (69,182,283)	\$ (75,226,534)
Business-type activities	(63,790)	47,303	84,251	24,413	77,937
Total district-wide net expense	\$ (61,112,012)	\$ (64,867,525)	\$ (66,107,956)	\$ (69,157,870)	\$ (75,148,597)
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
Taxes levied for debt service	1,045,523	1,017,520	1,084,591	1,082,034	1,053,774
Unrestricted grants and contributions	8,786,752	10,129,837	11,019,986	12,071,563	14,673,639
Tuition Received	4,176,793	4,371,631	4,745,492	4,909,035	5,273,917
Investment earnings	155,917	132,701	318,333	606,367	763,868
Miscellaneous income	744,834	1,571,629	743,123	930,780	318,740
Excess Refinanced Loan Proceeds			23,800		
State Aid- State Facilities Grant	95,364	388,038			
Local Aid - Port Authority Grant				6,426,366	
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
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
Total district-wide					
Change in Net Assets					
Governmental activities	\$ 511,970	\$ 1,457,275	\$ 1,622,421	\$ 7,797,604	\$ 310,131
Business-type activities	6,316	47,303	84,251	24,413	77,937
Total district	\$ 518,286	\$ 1,504,578	\$ 1,706,672	\$ 7,822,017	\$ 388,068

Source: CAFR Schedule A-2

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

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	\$ 1,829,818	\$ 5,153,502	\$ 8,653,573	\$ 9,589,036	\$ 7,095,676	\$ 8,121,428	\$ 8,232,971	\$ 4,909,752
Unreserved	4,144,583	3,357,637	1,688,135	1,933,457	2,089,495	1,673,252	769,443	1,249,410
Total general fund	<u>\$ 5,974,401</u>	<u>\$ 8,511,139</u>	<u>\$ 10,341,708</u>	<u>\$ 11,522,493</u>	<u>\$ 9,185,171</u>	<u>\$ 9,794,680</u>	<u>\$ 9,002,414</u>	<u>\$ 6,159,162</u>
All Other Governmental Funds								
Reserved								
Unreserved, reported in:								
Special revenue fund	(94,358)	(56,708)	(43,950)	(72,318)	(67,009)	(98,186)	-	-
Capital projects fund	2,753,338	2,384,657	2,427,919	2,454,283	3,704,594	3,451,675	1,925,343	756,247
Debt service fund	53,067	2	30,022	299,230	367,020	225,776	168,970	76,199
Total all other governmental funds	<u>\$ 2,712,047</u>	<u>\$ 2,327,951</u>	<u>\$ 2,413,991</u>	<u>\$ 2,681,195</u>	<u>\$ 4,004,605</u>	<u>\$ 3,579,265</u>	<u>\$ 2,094,313</u>	<u>\$ 832,446</u>

Source: CAFR Schedule B-1

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Revenues										
Tax levy	\$ 43,728,083	\$ 44,136,534	\$ 47,670,532	\$ 49,778,267	\$ 50,963,894	\$ 52,035,776	\$ 54,506,501	\$ 57,513,889	\$ 59,791,494	\$ 62,031,694
Tuition	3,657,164	3,764,991	4,176,793	4,371,631	4,745,492	4,909,035	5,273,917	5,170,100	5,712,114	6,281,947
Interest earnings	538,155	321,119	190,966	132,701	265,266	606,367	763,868	387,639	100,057	95,646
Miscellaneous	461,969	1,340,231	836,444	1,804,584	846,631	7,357,146	352,267	312,741	393,411	321,074
State sources	12,269,350	12,454,630	14,439,272	15,167,607	15,879,405	17,390,538	19,792,837	21,246,188	19,976,596	16,665,590
Federal sources	1,987,568	2,691,129	2,788,228	4,601,475	5,528,571	5,405,289	5,308,858	5,034,862	3,340,676	6,565,341
Total revenue	62,642,289	64,708,634	70,102,235	75,856,265	78,229,259	87,704,151	85,998,248	89,665,419	89,314,348	91,961,292
Expenditures										
Instruction										
Regular Instruction	21,615,558	22,680,952	24,082,200	25,861,496	26,487,509	27,651,202	28,946,580	29,735,325	30,817,940	34,449,221
Special education instruction	3,844,653	4,107,116	4,391,270	4,543,289	4,829,682	5,013,079	5,247,901	5,982,963	5,985,526	6,421,294
Other special instruction	1,116,537	1,137,846	1,248,895	1,262,912	1,475,842	1,509,043	1,622,204	1,621,041	1,912,361	1,945,035
Other instruction	857,376	903,554	933,403	998,637	1,004,203	1,000,555	1,067,762	1,085,131	1,084,857	1,345,485
Support Services:										
Instruction	6,354,394	7,185,942	7,576,845	7,094,482	7,206,461	7,563,097	7,400,345	7,739,692	8,326,732	6,469,010
Attendance and social work services	20,880	20,880	20,880	20,880	22,438	21,756	22,035	22,759	548,261	426,066
Health Services	552,491	566,200	583,069	508,387	549,478	597,869	604,129	668,384	743,941	903,832
Student & instruction related services	5,865,013	6,692,695	7,156,238	7,224,777	8,561,976	8,426,190	9,162,112	10,136,858	8,274,784	8,667,093
General administrative services	827,523	910,060	919,656	932,141	983,500	1,037,811	1,229,298	1,070,555	1,165,577	1,135,434
School Administrative services	2,317,683	2,732,773	2,844,388	2,947,373	2,979,368	3,315,909	3,435,137	3,463,251	3,522,021	3,815,545
Business and other support services	874,328	902,536	840,529	910,078	981,632					
Central administrative services					879,960	942,653	1,048,764	872,791	1,091,236	1,269,576
Plant operations and maintenance	5,733,777	5,289,926	5,684,012	5,960,569	5,910,196	6,504,115	6,874,013	6,799,696	7,639,165	6,486,289
Pupil transportation	1,589,910	1,678,923	1,704,227	1,898,257	1,655,893	1,882,435	1,866,036	2,062,025	1,960,860	1,819,573
Allocated employee benefits									4,478,053	5,785,254
Unallocated employee benefits	4,202,014	4,430,218	5,319,714	5,831,968	5,321,091	6,298,732	7,812,424	7,600,842	4,468,887	5,095,877
TPAF Pension / Social Security	2,907,729	2,094,525	3,807,029	4,499,831	4,758,500	5,559,226	8,133,399	8,423,780	5,522,866	5,948,156
Charter Schools				25,606	45,995	51,551		405,936	565,787	691,043
Capital outlay	2,466,850	1,467,746	1,050,361	1,322,524	1,237,617	7,798,904	1,456,226	700,916	2,389,989	2,494,355
Debt service:										
Principal	474,280	537,827	561,332	580,285	595,380	643,298	672,835	707,485	742,328	710,000
Interest and other charges	621,457	537,246	514,317	490,300	459,191	438,735	410,960	381,820	350,395	188,273
Total expenditures	62,261,697	63,876,965	69,238,365	72,913,792	75,945,912	86,256,160	87,012,160	89,481,250	91,591,566	96,066,411
Excess (Deficiency) of revenues over (under) expenditures	380,592	831,669	863,870	2,942,473	2,283,347	1,447,991	(1,013,912)	184,169	(2,277,218)	(4,105,119)

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

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Other Financing sources (uses)										
Transfers in	567,865	13,788	-	-	-	269,209	2,214,710	127,963	41,005	3,065
Transfers out	-	-	(213,047)	(421,150)	(410,000)	(269,209)	(2,214,710)	(127,963)	(41,005)	(3,065)
Total other financing sources (uses)	567,865	13,788	(213,047)	(421,150)	(410,000)	-	-	-	-	-
Net change in fund balances	\$ 948,457	\$ 845,457	\$ 650,823	\$ 2,521,323	\$ 1,873,347	\$ 1,447,991	\$ (1,013,912)	\$ 184,169	\$ (2,277,218)	\$ (4,105,119)
Debt service as a percentage of noncapital expenditures	1.8%	1.7%	1.6%	1.5%	1.4%	1.4%	1.3%	1.2%	1.2%	1.0%

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
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
2010	95,646	6,281,947	-	57,486	242,311	6,677,390

Source: District Records

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

Year Ended Dec. 31,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Less: Tax- Exempt Property	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)	% of Net Assessed to Estimated Full Cash Valuations
2000	\$ 25,735,500	\$ 887,291,600			\$ 760,813,300	\$ 151,429,600	\$ 385,088,200	\$ 2,210,358,200	\$ -		\$ 2,210,358,200	1.890		
2001	\$ 22,094,600	\$ 899,330,300			\$ 757,508,500	\$ 151,423,700	\$ 385,594,900	\$ 2,216,152,000	\$ -		\$ 2,216,152,000	1.960		
2002	\$ 26,663,000	\$ 904,832,100			\$ 753,744,900	\$ 151,269,900	\$ 388,554,400	\$ 2,223,004,300	\$ -		\$ 2,223,004,300	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			\$ 775,001,000	\$ 150,088,200	\$ 386,106,300	\$ 2,262,748,000	\$ -		\$ 2,262,748,000	2.260		
2006	\$ 24,413,900	\$ 954,256,400			\$ 766,726,700	\$ 140,085,800	\$ 374,163,800	\$ 2,259,646,600	\$ -		\$ 2,259,646,600	2.350		
2007	\$ 52,587,500	\$ 2,749,255,400			\$ 2,007,826,000	\$ 342,569,200	\$ 1,121,889,200	\$ 6,274,127,300	\$ -		\$ 6,274,127,300	0.890		
2008	\$ 57,457,000	\$ 2,728,447,600			\$ 1,987,365,400	\$ 337,615,700	\$ 1,079,890,500	\$ 6,190,776,200	\$ -		\$ 6,190,776,200	1.015	\$ 5,943,910,052	104.15%
2009	\$ 57,457,000	\$ 2,728,447,600			\$ 1,987,365,400	\$ 337,615,700	\$ 1,079,890,500	\$ 6,190,776,200	\$ -		\$ 6,190,776,200	1.015	\$ 6,096,246,072	101.55%

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

Exhibit J-7

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

Fiscal Year Ended June 30,	Hackensack Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General			Town of Hackensack	Bergen County	
	Basic Rate ^a	Obligation Debt Service ^b	Total Direct			
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: NISA 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	1.39%
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	1.30%
MSNW Continental	\$ 48,884,800	8	0.79%			
Riverside II, LLC	\$ 47,488,000	9	0.77%			
3 University Plaza	\$ 46,885,400	10	0.76%			
JMB Properties				\$ 17,599,000	8	0.80%
Continental Plaza Corp.				\$ 59,500,000	1	2.69%
Continental Investors				\$ 35,607,000	2	1.61%
Hackbridge Corp				\$ 26,151,500	5	1.18%
Sommer (Pierre)				\$ 24,796,800	6	1.12%
Bloomingdale's				\$ 16,800,000	9	0.76%
Excelsior I				\$ 22,377,500	7	1.01%
				\$ 16,073,500	10	0.73%
Total	<u>\$ 827,581,800</u>		<u>13.37%</u>	<u>\$ 278,447,200</u>		<u>12.60%</u>

Net Assessed Valuation: \$ 6,190,776,200 2,210,358,200

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	
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%	\$ -
2010	\$62,031,694	\$62,031,694	100.00%	\$ -

Source: Municipal Tax Collector

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

Fiscal Year Ended June 30,	Governmental Activities			Business-Type Activities		Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds/Loans ^b	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	
2001	11,685,987	-	24,103	-	-	11,710,090	\$ 52,102
2002	11,144,743	-	16,500	-	-	11,161,243	\$ 51,931
2003	10,583,411	-	8,474	-	-	10,591,885	\$ 51,291
2004	10,003,126	-	276,400	-	-	10,279,526	\$ 54,669
2005	9,383,946	-	223,100	-	-	9,607,046	\$ 56,963
2006	8,740,648	-	168,700	-	-	8,909,348	\$ 63,021
2007	8,067,814	-	122,378	-	-	8,190,192	\$ 67,113
2008	7,360,328	-	-	-	-	7,360,328	\$ 67,696
2009	6,618,000	-	-	-	-	6,618,000	Not Available
2010	6,040,000	-	-	-	-	6,040,000	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	Net General Bonded Debt Outstanding		
	Deductions			
2001	\$ 11,685,987	-	0.53%	\$ 224
2002	\$ 11,144,743	-	0.50%	\$ 215
2003	\$ 10,583,411	-	0.47%	\$ 206
2004	\$ 10,003,126	-	0.44%	\$ 183
2005	\$ 9,383,946	-	0.41%	\$ 165
2006	\$ 8,740,648	-	0.39%	\$ 139
2007	\$ 8,067,814	-	0.13%	\$ 120
2008	\$ 7,360,328	-	0.12%	\$ 109
2009	\$ 6,618,000		0.11%	Not Available
2010	\$ 6,040,000	6,040,000	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, 2010

<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, 2010			\$ 6,040,000
Net overlapping debt of School District:			
City of Hackensack	100.000%	\$ 25,075,774	
County of Bergen - City's Share	3.855%	\$ 26,287,743	0.0385521
Bergen County Utility Authority-City's Share	8.938%	\$ 10,793,108	0.0893799
Subtotal, overlapping debt			\$ 62,156,625
Total direct and overlapping debt			<u>\$ 68,196,625</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.

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

Legal Debt Margin Calculation for Fiscal Year 2009

Equalized valuation basis		2009	\$	6,123,139,774	a
		2008		6,571,949,257	
		2007		5,930,737,593	
		[A]	\$	12,502,686,850	
		[A/3]	\$	4,167,562,283	
Average equalized valuation of taxable property					
Debt limit (4 % of average equalization value)					
Net bonded school debt					
Legal debt margin					
		[B]		166,702,491	
		[C]		6,040,000	
		[B-C]	\$	160,662,491	

		2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt limit		\$ 21,390,570	\$ 21,578,460	\$ 21,763,053	\$ 22,005,406	\$ 22,193,428	\$ 174,837,281	201,720,145	155,974,463	155,974,463	166,702,491
Total net debt applicable to limit		11,685,987	11,144,743	10,583,411	10,003,126	9,383,946	8,740,648	8,067,814	7,360,328	6,618,000	6,040,000
Legal debt margin		\$ 9,704,583	\$ 10,433,717	\$ 11,179,642	\$ 12,002,280	\$ 12,809,482	\$ 166,096,633	\$ 193,652,331	\$ 148,614,135	\$ 149,356,463	\$ 160,662,491
Total net debt applicable to the limit		54.63%	51.65%	48.63%	45.46%	42.28%	5.00%	4.00%	4.72%	4.24%	3.62%
as a percentage of debt limit											

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

^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
2001	43,365	\$ 2,259,403,230	52,102	4.80%
2002	43,294	\$ 2,248,300,714	51,931	6.50%
2003	43,177	\$ 2,214,591,507	51,291	6.40%
2004	43,101	\$ 2,356,288,569	54,669	5.30%
2005	43,041	\$ 2,451,744,483	56,963	4.60%
2006	42,788	\$ 2,696,542,548	63,021	4.60%
2007	42,134	\$ 2,827,739,142	67,113	4.60%
2008	42,637	\$ 2,886,354,352	67,696	4.60%
2009	42,839	Not Available	Not Available	9.70%
2010	Not Available	Not Available	Not Available	Not Available

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

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

	2010		2001	
	Employers	Rank (Optional)	Employees	Rank (Optional)
Employer			Percentage of Total Employment	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>	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Instruction	457	472	495	521	543	530	533	533	536	413
Regular	19	19	22	26	23	24	26	27	30	143
Special education	-	-	-	-	-	-	-	-	-	-
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	74
General administrative services	4	4	5	5	5	5	6	6	6	6
School administrative services	33	34	37	36	39	40	40	40	37	39
Business administrative services	1	1	13	13	12	13	13	13	15	16
Plant operations and maintenance	56	51	57	57	57	56	57	57	55	56
Pupil transportation	-	-	-	-	-	1	-	-	-	-
Total	572	583	633	664	695	686	692	693	697	747

Source: District Personnel Records

Sources: District records, ASSA and Schedules J-4

Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4

- a Operating expenditures equal total general fund and special revenue fund expenditures less debt service and capital outlay; Schedule J-4
- b Teaching staff includes only full-time equivalents of certificated staff.

a Operating expenditures to equal total general state expenditures of the state.
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**

<u>District Buildings</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>	<u>2010</u>
<u>Elementary</u>										
Nellie K. Parker School										
Square Feet	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280	80,280
Capacity (students)	539	539	539	539	539	539	539	539	539	539
Enrollment	480	420	444	449	442	426	415	415	440	440
Fairmount School										
Square Feet	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000	61,000
Capacity (students)	611	611	611	611	611	611	611	611	611	611
Enrollment a	570	569	573	563	532	544	539	539	559	559
Fanny M. Hillers School										
Square Feet	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000
Capacity (students)	526	526	526	526	526	526	526	526	526	526
Enrollment a	489	484	484	463	434	454	494	494	516	516
Jackson Avenue School										
Square Feet	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800	60,800
Capacity (students)	434	434	434	434	434	434	434	434	434	434
Enrollment a	400	405	427	431	407	417	398	398	430	430
<u>Middle School</u>										
Middle School										
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	1,161
Enrollment	701	705	700	699	715	684	654	654	673	673
<u>High School</u>										
Hackensack High School										
Square Feet	158,243	158,243	158,243	158,243	158,243	158,243	158,243	158,243	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	1,610	1,690	1,714	1,837	1,848	1,812	1,748	1,783	1,712	1,712
<u>Other</u>										
Administration Building										
Square Feet	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000	10,000
5/6 School										
Square Feet	29,977	29,977	29,977	29,977	29,977	29,977	29,977	29,977	29,977	29,977
Capacity (students)	525	525	525	525	525	525	525	525	525	525
Enrollment a			721	677	646	645	654	619	589	589

Number of Schools at June 30, 2010

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 Nine Fiscal Years
Unaudited

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

School Facilities	Project # (s)	2010	2009	2008	2007	2006	2005	2004	2003	2002
Hackensack High School	N/A	235,489	499,850	398,937	323,981	384,195	279,830	318,926	231,778	174,006
Middle School	N/A	323,929	242,878	430,508	468,897	80,812	246,242	265,234	259,373	113,586
Nellie K. Parker School		88,767	153,104	65,913	99,440	52,727	118,104	111,635	99,550	88,277
Fairmount School		97,089	136,496	66,577	138,421	68,837	53,768	155,794	112,568	66,857
Fanny M. Hillers School		173,251	208,755	51,664	60,088	62,998	84,768	273,050	83,996	87,969
Jackson Avenue School		45,469	95,343	26,608	61,580	297,344	48,256	229,910	83,637	67,077
Administration Building	N/A	54,389	44,683	39,258	47,454	44,596	61,167	54,098	361,532	67,077
Total School Facilities		1,018,383	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		\$ 1,018,383	\$ 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, 2010
Unaudited**

<u>Company</u>	<u>Type of Coverage</u>	<u>Coverage</u>	<u>Deductible</u>
	School package policy -		
	Property - Blanket Building and Contents	\$ 166,098,820	\$ 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	100,000	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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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, 2010 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 September 1, 2010. 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.



Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 September 1, 2010.

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

September 1, 2010

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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, 2010. 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, 2010.

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

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.

Honorable President and
Members of the Board of Education

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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

September 1, 2010

Schedule A
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BOARD OF EDUCATION

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

MEMO													
Federal CFDA Number	Federal Grantor/Pass-through Grantor/ Program Title	Grant Period	Award Amount	Balance at June 30, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2010			Cumulative Total Expenditures
										(Accounts Receivable)	Deferred Interfund Payable	Due to Grantor	
U.S. Department of Agriculture													
Passed-through State Department of Education:													
Enterprise Fund:													
10.550	USDA Commodities	7/1/09-6/30/10	\$ 59,678			59,678	59,678						59,678
10.555	National School Lunch Program	7/1/09-6/30/10	917,908	(63,740)		844,410	917,908			(73,498)			917,908
10.555	National School Lunch Program	7/1/08-6/30/09	790,600			63,740							790,600
10.553	National Breakfast Program	7/1/09-6/30/10	551,536	(36,547)		502,685	551,538			(48,853)			551,538
10.553	National Breakfast Program	7/1/08-6/30/09	442,464			36,547							442,464
10.579	ARRA - National School Lunch Prog. Equip.	7/1/09-6/30/10	51,484			45,945	45,945						45,945
	Total U.S. Department of Agriculture			(100,287)		1,553,005	1,575,069			(122,351)			2,808,133
U.S. Department of Education													
General Fund:													
84.394	ARRA - SFSE - ESF (Educ. State Grants)	7/1/09-6/30/10	1,719,873			1,719,873	1,719,873						1,719,873
84.397	ARRA - SFSE - GSF (Government Services)	7/1/09-6/30/10	66,579			66,579	66,579						66,579
93.778	Medical Assistance Program (SEMI)	7/1/09-6/30/10	47,247			15,877	47,247			(31,370)			15,877
	Total General Fund					1,802,329	1,833,699			(31,370)			1,802,329
U.S. Department of Education													
Passed-through State Department of Education:													
Special Revenue Fund:													
84.010	Title I Part A, Improving Basic Programs	9/1/09-8/31/10	972,126	(144,957)			923,852			(436,304)			923,852
84.010	Title I Part A, Improving Basic Programs	9/1/08-8/31/09	1,027,622	37,313		144,957			37,313				690,515
84.010	Title I Part A, Improving Basic Programs, Carryover	9/1/05-8/31/06	325,724	1,229					1,229				288,411
84.010	Title I Part A, Improving Basic Programs, Carryover	9/1/04-8/31/05	128,296	403					403				127,067
84.010	Title I Part A, Improving Basic Programs, Carryover	9/1/03-8/31/04	1,107,275							(329,145)	2,540		1,106,872
84.389	ARRA - Title I, Part A	9/1/09-8/31/10	667,709			32,824	329,145						329,145
84.010	Title I - SIA	9/1/09-8/31/10	27,261				30,284						30,284
84.010	Title I - SIA, Carryover	9/1/08-8/31/09	42,234	32,824									30,284
84.010	Title I - SIA, Carryover	9/1/07-8/31/08	66,339	2,391					2,391				33,515
84.010	Title I - SIA, Carryover	9/1/06-8/31/06	65,529	4,557					4,557				63,138
84.010	Title I - SIA, Carryover	9/1/04-8/31/05	30,823	2,823					2,823				26,266
84.389	ARRA - Title I, SIA	9/1/09-8/31/10	34,578				4,500			(4,500)			900
84.027	L.D.E.A. Part B	9/1/09-8/31/10	1,236,276	(396,491)		801,477	1,273,017	(23,650)		(891,681)			4,500
84.027	L.D.E.A. Part B, Carryover	9/1/08-8/31/09	1,218,183	2,513		396,491			2,513				1,273,017
84.027	L.D.E.A. Part B, Carryover	9/1/04-8/31/05	37,219	263					263				34,706
84.391	ARRA - L.D.E.A. Part B	9/1/09-8/31/10	1,311,499			14,559	1,190,385			(1,190,385)			34,688
84.173	L.D.E.A. Part B Preschool	9/1/09-8/31/10	47,288	(9,439)		9,439	45,377			(40,237)			1,090,385
84.173	L.D.E.A. Part B Preschool, Carryover	9/1/08-8/31/09	47,049	6,106					6,106				39,821
84.392	ARRA - L.D.E.A. Part B Preschool	9/1/09-8/31/10	19,980				481			(481)			13,874
84.298A	Title V, Innovative Education Programs, Carryover	9/1/09-8/31/09	6,364	2,940	2,940		4,747			(1,807)			4,747
84.298A	Title V, Innovative Education Programs, Carryover	9/1/07-8/31/08	6,235	2,940	(2,940)				17				3,295
84.298A	Title V, Innovative Education Programs, Carryover	9/1/05-8/31/06	5,334	17					243				5,317
84.151	Title V, Carryover	9/1/04-8/31/05	9,679	1,887					1,887				9,436
84.151	Title V, Carryover	9/1/03-8/31/04	24,205	1,887						(114,093)			22,318
84.367A	Title II Part A	9/1/09-8/31/10	241,882			87,710	212,916						212,916
84.367A	Title II Part A, Carryover	9/1/08-8/31/09	239,198	11,113	(11,113)				2,579				119,796
84.367A	Title II Part A, Carryover	9/1/04-8/31/05	5,382	3,620					3,620				2,803
84.367A	Title II Part A, Carryover	9/1/03-8/31/04	14,340								1,632		6,434
84.318X	Title II Part D	9/1/09-8/31/10	9,711	4,132	4,132		2,500						2,500
84.318X	Title II Part D, Carryover	9/1/08-8/31/09	8,136	4,132	(4,132)				121				1,379
84.318X	Title II Part D, Carryover	9/1/05-8/31/06	1,512	121					1,378				1,391
84.318X	Title II Part D, Carryover	9/1/04-8/31/05	4,012	1,378					253				2,634
84.318X	Title II Part D, Carryover	9/1/03-8/31/04	1,322	253						(48,439)			1,069
84.365A	Title III	9/1/09-8/31/10	80,486			52,303	79,380						79,380

HACKENSACK
BOARD OF EDUCATION
Schedule of Expenditures of Federal Awards
Year ended June 30, 2010

Federal CFDA Number	Federal Grantor/Pass-through Grantor/ Program Title	Grant Period	Award Amount	Balance at June 30, 2009	Carryover Amount	Cash Reserved	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2010			Cumulative Total Expenditures
										(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantee	
	(continue from prior page)												
84.365A	Title III	9/1/08-8/31/09	110,184	(21,362)	21,362								100,548
84.365A	Title III, Carryover	9/1/05-8/31/06	68,321	7					7				68,314
84.365A	Title III, Carryover	9/1/04-8/31/05	22,236	2,245					2,245				19,991
84.365A	Title III, Carryover	9/1/03-8/31/04	1,280	280					280				1,000
84.365A	Title III, Immigrant	9/1/09-8/31/10	84,768	(25,372)	74,594		79,229			(30,007)			79,229
84.365A	Title III, Immigrant	9/1/08-8/31/09	64,212	(25,372)	25,372		4,631			(7)			32,320
84.365A	Title III, Immigrant	9/1/09-8/31/10	18,764	4,624	4,624								4,631
84.186A	Title IV, Safe and Drug Free Schools	9/1/08-8/31/09	20,569	4,624	(4,624)				401				14,048
84.186A	Title IV, Safe and Drug Free Schools	9/1/05-8/31/06	1,420	401					1,036				1,062
84.186A	Title IV, Safe and Drug Free Schools, Carryover	9/1/04-8/31/05	4,906	1,688					1,688				3,218
84.186A	Title IV, Safe and Drug Free Schools, Carryover	9/1/03-8/31/04	7,055	1,036					1,036				6,019
84.048	Vocational Education - Perkins	9/1/09-8/31/10	54,015	(35,202)	35,202		54,003			(54,003)			54,003
84.048	Vocational Education - Perkins	9/1/08-8/31/09	39,083	41,485					41,485				38,897
84.048	Vocational Education - Perkins	9/1/05-8/31/06	39,132	235					235				34,215
84.048	Vocational Education - Perkins	9/1/04-8/31/05	34,237	22					22				154,260
84.203	Star-W	9/1/05-8/31/06	154,260	55					55				8,341
	Teacher Quality Mentoring	7/1/06-6/30/07	8,810	469					469				531,061
84.287	21st Century Grant	7/1/07-6/30/08	535,000	(12,325)					3,939	(21,264)			517,675
84.287	21st Century Grant	7/1/06-6/30/07	535,000	17,325					17,325				522,112
84.287	21st Century Grant	7/1/05-6/30/06	535,000	12,888					12,888				994,310
84.215X	The People of American: Our Nations Heritage - Teaching American History	7/1/04-6/30/08	996,130	1,840					1,840				134,650
84.215L	Smaller Learning Communities - Carryover	10/1/04-4/30/08	135,000	350			553,541		350	(3,483)			553,541
84.357	Reading First	7/1/09-6/30/10	563,527	(25,262)	25,262	575,318							852,399
84.357	Reading First	7/1/08-6/30/09	1,007,378	(25,262)						(6,204)			1,493,748
84.357	Reading First	7/1/07-6/30/08	1,518,339	(6,204)									1,518,885
84.357	Reading First	7/1/06-6/30/07	1,522,141	(17,893)	17,891			2					1,476,706
84.357	Reading First	7/1/05-6/30/06	1,494,597	17,891	(17,891)		30,798			(16,582)			30,798
	Workforce Year Round Youth Program - Drop-in	7/1/09-6/30/10	31,890	(6,982)	6,982	21,198							13,879
	Workforce Year Round Youth Program - Drop-in	7/1/08-6/30/09	13,879	(6,982)					856	(9,807)			17,848
	Workforce Year Round Youth Program - Drop-in	7/1/07-6/30/08	18,081	(8,951)					24	(656)			20,066
	Workforce Year Round Youth Program - Drop-in	7/1/06-6/30/07	20,090	(632)	90				90				24,114
	Workforce Year Round Youth Program - Drop-in	7/1/05-6/30/06	24,205	90					9				23,120
	Workforce Year Round Youth Program - Drop-in	7/1/04-6/30/05	29,129	9		5,865	6,000			(135)			6,000
	ARRA Workforce Year Round Youth Program - Drop-in	9/1/09-6/30/10	6,000	(975)		14,315			711	(1,686)			18,128
	Comprehensive School Reform Program	7/1/06-8/31/07	182,000				14,351		19	(7,539)			14,351
	Project ACES	7/1/09-6/30/10	14,400	(7,484)	7,484				306	(8,068)			16,419
	Project ACES	7/1/08-6/30/09	14,400	(7,762)					254				22,756
	Project ACES	7/1/07-6/30/08	16,725	(7,762)					388				31,271
	Project ACES	7/1/06-6/30/07	23,010	388					554	(1,423)			149,446
	Project ACES	7/1/05-6/30/06	31,659	388					4,942				10,761
	Project ACES	10/1/04-9/30/05	250,800	(869)			500				2,491		500
84.027A	Local Capacity Building & Improvement Project	10/1/03-9/30/05	15,703	4,942	2,491	500							10,761
84.027A	Local Capacity Building & Improvement Project, C/O	9/1/08-6/30/09	3,000	1,506	(1,506)								1,000
	Reaching Everyone By Exposing Lies	9/1/07-6/30/08	3,000	991	(991)								2,009
	Reaching Everyone By Exposing Lies	9/1/06-6/30/07	3,000										17,566,147
	Total U.S. Department of Education			(503,442)		2,315,546	4,839,637	(23,648)	160,114	(3,217,958)	6,663		22,176,609
	Total Federal Financial Assistance			(603,722)		5,670,880	8,248,405	(23,648)	160,114	(3,371,679)	6,663		

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, 2010

State Grants/Program Titles	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2009			Balance at June 30, 2010			MEMO					
				Deferred Revenue (Assets Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments		Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable
State Department of Education:															
General Fund:															
Equalization Aid	495-034-S120-078	7/1/09-6/30/10	4,486,986				3,969,070	4,486,986							4,414,709
Transportation Aid	495-034-S120-014	7/1/09-6/30/10	420,575				372,030	420,575							420,575
Special Education Aid	495-034-S120-089	7/1/09-6/30/10	2,551,071				2,256,610	2,551,071							2,551,071
Security Aid	495-034-S120-084	7/1/09-6/30/10	1,369,698				1,211,599	1,369,698							1,369,698
Extraordinary Aid	495-034-S120-044	7/1/09-6/30/10	627,850					627,850			(627,850)				627,850
Extraordinary Aid	495-034-S120-044	7/1/08-6/30/09	391,867	(391,867)			391,867								391,867
Reimbursed TPAF Social Security	495-034-S095-051	7/1/09-6/30/10	3,215,373				3,198,833	3,215,373			(16,540)				3,198,833
On Behalf TPAF NCGI Premium	495-034-S095-001	7/1/09-6/30/10	138,149				138,149								138,149
On Behalf TPAF Pension - Post Retirement	495-034-S095-001	7/1/09-6/30/10	2,594,634				2,594,634								2,594,634
			(391,867)				14,132,792	15,404,336			(644,290)				15,707,386
Special Revenue Fund:															
Preschool Education Aid	495-034-S120-086	7/1/09-6/30/10	757,060			35,500	755,546	755,459				35,587			757,060
Preschool Education Aid	495-034-S120-086	7/1/08-6/30/09	741,919	35,500		(35,500)							1,970		741,919
Nonpublic Text Chapter 194	100-034-S210-064	7/1/09-6/30/10	28,319		9,748		28,319	26,349		9,748					26,349
Nonpublic Text Chapter 194	100-034-S210-064	7/1/08-6/30/09	29,566										48,889		19,818
Chapter 192 - Compensatory Education	100-034-S120-067	7/1/09-6/30/10	149,713		25,879		149,713	100,824		25,879					100,824
Chapter 192 - Compensatory Education	100-034-S120-067	7/1/08-6/30/09	153,281										10,821		127,402
Chapter 192 - ESL	100-034-S120-067	7/1/09-6/30/10	28,381				28,381	17,560					17,560		17,560
Chapter 193 - Supplemental Instruction	100-034-S120-066	7/1/09-6/30/10	18,318				18,318	13,959					13,959		13,959
Chapter 193 - Supplemental Instruction	100-034-S120-066	7/1/08-6/30/09	35,636		14,818		24,676	17,822		14,818			6,854		17,822
Chapter 193 - Examination and Classification	100-034-S120-066	7/1/09-6/30/10	27,798				27,798	14,177							20,818
Chapter 193 - Examination and Classification	100-034-S120-066	7/1/08-6/30/09	35,636												13,578
Chapter 193 - Corrective Speech	100-034-S120-066	7/1/09-6/30/10	36,270		13,950		33,582			13,950					22,320
Chapter 193 - Corrective Speech	100-034-S120-066	7/1/08-6/30/09	33,582												34,181
Nonpublic Nursing	100-034-S120-070	7/1/09-6/30/10	21,280	9,855			33,582			9,855					11,425
Technology Grant	100-034-S120-373	7/1/08-6/30/09	171,600	2,584						2,584					169,016
Early Launch to Learning Initiative	495-034-S120-062	7/1/07-6/30/08	13,260	260						260					8,262
Character Education	495-034-S120-053	7/1/04-6/30/05	45,463				45,463	32,813				12,650			32,813
Friendly Family	7/1/09-6/30/10		45,463		6,027					6,027					39,436
Friendly Family	7/1/08-6/30/09		44,139		4,527					4,527					39,612
Friendly Family	7/1/07-6/30/08		47,702		12,933					12,933					34,769
Friendly Family	7/1/06-6/30/07		43,702		6,437					6,437					37,265
Friendly Family	7/1/05-6/30/06		51,000		5,552					5,552					45,448
Friendly Family	7/1/04-6/30/05		50,800		1,797					1,797					49,003
Friendly Family	7/1/03-6/30/04		15,000		2					2					14,998
Transition Program	7/1/02-6/30/03		30,000		218					218					29,782
Transition Program	7/1/01-6/30/02		30,000		205					205					6,725
Advanced Placement Incentive Program	7/1/05-6/30/06		6,930		205										269,660
School Based Youth Service Program	7/1/09-6/30/10		299,940				298,876	269,660				29,216			269,660
School Based Youth Service Program	7/1/08-6/30/09		299,540		4,455					4,455					295,085
School Based Youth Service Program	7/1/07-6/30/08		296,234		1,037					1,037					295,170
School Based Youth Service Program	7/1/06-6/30/07		187,482		1					1					187,481
Children's Health Insurance Program															
Reauthorization Act (CHIPRA)															
NEA Foundation Grant															
	7/1/09-6/30/10		28,000		320		28,000			320		28,000			4,680
	10/18/06-10/17/07		5,000												
				35,500	120,605		1,438,672	1,282,205		120,605		105,453	86,514	(75,706)	3,484,240

(continue to next page)

**HACKENSACK
BOARD OF EDUCATION**

Schedule of Expenditures of State Awards and Other Local Awards

Year ended June 30, 2010

	Balance at June 30, 2009					Balance at June 30, 2010					MEMO					
	Grant or State Project Number	State Grant/Program Title	Grant Period	Award Amount	Deferred Revenue (Assets Receivable)	Due to Grantor	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	(Accounts Receivable)	Deferred Revenue/ Interfund Payable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
(Continue from prior page)																
Enterprise Fund:																
	100-010-3350-023	National School Lunch Program (State Share)	7/1/09-6/30/10	39,252				36,145	39,252			(3,107)				39,252
	100-010-3350-023	National School Lunch Program (State Share)	7/1/08-6/30/09	36,217	(2,883)			2,883								36,217
	100-010-3350-022	National School Snack Program (State Share)	7/1/09-6/30/10	43,308				40,026	43,309			(3,283)				43,308
	100-010-3350-022	National School Snack Program (State Share)	7/1/08-6/30/09	39,796	(2,950)			2,950								39,796
	100-010-3350-021	National Breakfast Program (State Share)	7/1/09-6/30/10	46,832				42,885	46,832			(3,947)				46,832
	100-010-3350-021	National Breakfast Program (State Share)	7/1/08-6/30/09	41,418	(3,407)			3,407								41,418
					(9,240)			128,296	129,393			(10,337)				246,824
Capital Projects Fund:																
		Additional State School Aid-EDA Grant	6/29/2008	370,527	(370,527)			295,726				(74,801)				370,527
		High School Window Replacement			(370,527)			295,726				(74,801)				370,527
					(736,134)	120,605		15,995,486	16,815,934		120,605	(729,528)	105,453	86,514	(1,094,727)	19,809,022
Total State Financial Assistance																
Local Sources:																
Special Revenue Fund:																
		Reading is Fundamental	7/1/09-6/30/10	5,222				5,222	5,212				10			5,212
		Reading is Fundamental	7/1/08-6/30/09	5,223	22								22			5,200
		Reading is Fundamental	7/1/06-6/30/07	8,328	5								5			8,328
		Jackson Soundproofing	7/1/02-6/30/06	6,929,550	(45,769)							(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			1,000					1			1,499
		Tyson Pregnancy Prevention Project	7/1/08-6/30/09	2,000	(121)			3,000	2,999				879			1,121
		MSG Grant	7/1/09-6/30/10	3,000									1			2,999
		Mark Wallberg Youth Foundation	7/1/07-6/30/08	5,000	236								236			4,764
					(45,485)			9,222	8,211			(45,769)	1,295			6,978,350
					(45,485)			9,222	8,211			(45,769)	1,295			6,988,350
		Total Local Sources			(781,619)	120,605		16,004,708	16,824,145		120,605	(775,297)	106,748	86,514	(1,094,727)	26,797,372
Total State and Local Financial Assistance																

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

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$20,725) for the general fund and \$(108,221) 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	\$1,833,699	\$15,383,611		\$17,217,310
Special Revenue Fund	4,731,642	1,281,979	\$8,211	6,021,832
Food Service Fund	<u>1,580,608</u>	<u>129,393</u>	<u> </u>	<u>1,710,001</u>
Total Financial Awards	<u>\$8,145,949</u>	<u>\$16,794,983</u>	<u>\$8,211</u>	<u>\$24,949,143</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, 2010. 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, 2010.

**CITY OF HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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? yes X 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>
84.027/84.173/ 84.391/84.392 84.010/84.389 84.357 84.365A 84.048 84.367A	IDEA, Part B-Basic/IDEA, Part B-Preschool/ ARRA-IDEA, Part B-Basic/ARRA-IDEA, Preschool Title I, Part A/ARRA-Title I, Part A Reading First Title III, Immigrant Vocational Education - Perkins Title II, Part A

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

Auditee qualified as low-risk auditee? X yes no

State Awards

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
495-034-5120-084/ 495-034-5120-089/ 495-034-5120-078/ 495-034-5120-014	Security Aid/Special Education Categorical Aid/ Equalization Aid/Transportation Aid
495-034-5095-002	Reimbursed TPAF Social Security Contribution
100-034-5120-473	Extraordinary Aid
100-034-5120-066	Chapter 192 Non-Public Handicapped Services
100-034-5120-067	Chapter 193 Non-Public Auxiliary Services
N/A	School Based Youth Service Program

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**CITY OF HACKENSACK SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

STATE AWARDS

Finding 10-1 (09-3)

Information on the state program:

Special Education Aid, NJCFS number 495-034-5120-089 Grant Period 7/1/09-6/30/10.

Equalization Aid, NJCFS number 495-034-5120-078 Grant Period 7/1/09-6/30/10.

Transportation Aid, NJCFS number 495-034-5120-014 Grant Period 7/1/09-6/30/10.

Security Aid, NJCFS number 495-034-5120-084 Grant Period 7/1/09-6/30/10.

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, 2010**

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

STATE AWARDS

Finding 10-2

Information on the state program:

Extraordinary Aid, NJCFS number 495-034-5120-044 Grant Period 7/1/09-6/30/10

Criteria or specific requirement:

Extraordinary Aid is available for partial reimbursement of allowable costs depending upon the category selected for each student. Allowable costs must be incurred during the fiscal year 2009-2010 for the purposes allowed for in the application extraordinary aid. Costs incurred for multiple years cannot be combined in order to reach costs eligibility limits.

Condition:

The tuition rates used to calculate allowable costs for the Extraordinary Aid application did not agree with contract amounts.

Questioned Costs:

None.

Context:

The application for Special Education Extraordinary Aid is based on allowable Extraordinary Aid costs including the educational portion and support portion of paid public school tuition. Tuition costs claimed in the application must be incurred in the 2009-2010 Fiscal year.

Effect:

The use of the incorrect tuition amounts resulted in costs being overstated seventeen students.

Cause:

Incorrect tuition amounts were used to calculate the allowable costs that can be claimed per student.

Management's response:

More care will be taken to ensure the proper per pupil classroom costs will be used to calculate qualified costs for extraordinary aid applications.

**BOROUGH OF HACKENSACK SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

STATUS OF PRIOR YEAR FINDINGS

Finding 09-1

Condition:

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

Current Status:

Corrective action was taken.

Finding 09-2

Condition:

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

Current Status:

Corrective action was taken.

Finding 09-3

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 09-4

Condition:

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

Current Status:

Corrective action was taken.