

**HACKETTSTOWN SCHOOL DISTRICT**  
**BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**OF THE**

**HACKETTSTOWN BOARD OF EDUCATION  
HACKETTSTOWN , NEW JERSEY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Prepared by  
HACKETTSTOWN BOARD OF EDUCATION  
DEPARTMENT OF ADMINISTRATION**

**HACKETTSTOWN SCHOOL DISTRICT  
TABLE OF CONTENTS**

	<u>PAGE</u>
<b>INTRODUCTORY SECTION</b>	
Letter of Transmittal	2
Organizational Chart	3
Roster of Officials	4
Consultants and Advisors	5
<b>FINANCIAL SECTION</b>	
Independent Auditor's Report	7-9
<b>Required Supplementary Information – Part I</b>	
Management's Discussion and Analysis	11
<b>Basic Financial Statements</b>	
A. District-Wide Financial Statements:	
A-1 Statement of Net Position	14
A-2 Statement of Activities	15
B. Fund Financial Statements	
Governmental Funds:	
B-1 Balance Sheet	17-18
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	19-20
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21
Proprietary Funds:	
B-4 Combining Statement of Net Position	22
B-5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	23
B-6 Combining Statement of Cash Flows	24
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Position	25
B-8 Statement of Changes in Fiduciary Net Position	26
<b>Notes to the Financial Statements</b>	27-57
<b>Required Supplementary Information – Part II</b>	
C. Budgetary Comparison Schedules	
C-1 Budgetary Comparison Schedule-General Fund	60-66
C-1A Combining Schedule of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual	67
C-2 Budgetary Comparison Schedule-Special Revenue Fund	68
Notes to the Required Supplementary Information:	
C-3 Budget-to-GAAP Reconciliation	70

**HACKETTSTOWN SCHOOL DISTRICT  
TABLE OF CONTENTS  
(Continued)**

<b>FINANCIAL SECTION (Continued)</b>		<u><b>PAGE</b></u>
<b>Required Supplementary Information – Part III</b>		
L. Schedule Related to Accounting & Reporting for Pensions (GASB68):		
L-1 Schedule of District's Proportionate Share of the Net Pension Liability-TPAF		72
L-2 Schedule of Pension Contribution-TPAF		72
L-3 Schedule of District's Proportionate Share of the Net Pension Liability-PERS		73
L-4 Schedule of Pension Contribution-PERS		73
<b>Notes to the Required Supplementary Information - Part III</b>		74-75
<b>Other Supplemental Information</b>		
D. School Level Schedule		N/A
E. Special Revenue Fund:		
E-1 Combining Schedule of Program Revenues and Expenditures Special Revenue Fund-Budgetary Basis		79
F. Capital Projects Fund:		
F-1 Summary Schedule of Project Expenditures		81-82
F-2 Summary Schedule of Revenues, Expenditures and Change in Fund Balance-Budgetary Basis		83
F-2A Schedule of Project Revenues, Expenditures, Project Balance to		
F-2T and Project Status-Budgetary Basis		84-103
G. Proprietary Funds		
Enterprise Fund:		
G-1 Combining Statement of Fund Net Position		105
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Position		106
G-3 Combining Statement of Cash Flows		107
H. Fiduciary Funds:		
H-1 Combining Statement of Net Position		109
H-2 Statement of Changes in Fiduciary Net Position		110
H-3 Student Activity Agency Fund Statement of Changes in Assets and Liabilities		111
H-4 Payroll Agency Fund Statement of Changes in Assets and Liabilities		112
I. Long-Term Debt:		
I-1 Schedule of Serial Bonds		114
I-2 Schedule of Obligations Under Capital Lease		115
I-3 Debt Service Fund Budgetary Comparison Schedule		116

**HACKETTSTOWN SCHOOL DISTRICT  
TABLE OF CONTENTS  
(Continued)**

**PAGE**

**STATISTICAL SECTION (Unaudited)**

Table of Contents	118
J-1 Net Position by Component	119
J-2 Changes in Net Position	120-122
J-3 Fund Balances, Governmental Funds	123
J-4 Changes in Fund Balances, Governmental Funds	124
J-5 General Fund-Other Local Revenues by Source	125
J-6 Assessed Value and Actual Value of Taxable Property	126
J-7 Direct and Overlapping Property Tax Rates	127
J-8 Principal Property Taxpayers	128
J-9 Property Tax Levies and Collections	129
J-10 Ratios of Outstanding Debt by Type	130
J-11 Ratios of General Bonded Debt Outstanding	131
J-12 Direct and Overlapping Governmental Activities Debt	132
J-13 Legal Debt Margin Information	133
J-14 Demographic and Economic Statistics	134
J-15 Principal Employers	135
J-16 Full Time Equivalent District Employees by Function/Program	136
J-17 Operating Statistics	137
J-18 School Building Information	138
J-19 Required Maintenance	139
J-20 Insurance Schedule	140

**SINGLE AUDIT SECTION**

K-1 Independent Auditor's Report-Government Auditing Standards	142-143
K-2 Independent Auditor's Report-OMB Circular A-133	144-146
K-3 Schedule of Expenditures of Federal Awards, Schedule A	147-148
K-4 Schedule of Expenditures State Financial Assistance, Schedule B	149-150
K-5 Notes to the Schedules of Awards and Financial Assistance	151-152
K-6 Schedule of Findings and Questioned Costs	153-155
K-7 Summary Schedule of Prior Audit Findings	155

## INTRODUCTORY SECTION

# HACKETTSTOWN PUBLIC SCHOOLS

**Gail M. Woicekowski**

*Business Administrator/ Board Secretary*



**Nadia M. Inskeep**

*Director of Curriculum & Instruction*

2.0

*Home of the Tigers*

**David C. Mango**

*Superintendent of Schools*

November 24, 2015

Honorable President and  
Members of the Board of Education  
Hackettstown Board of Education  
P.O. Box 465  
Hackettstown, NJ 07840

Dear Board Members,

The comprehensive annual financial report of the Hackettstown School District (District) for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organization chart and a list of principal officials. The financial section includes the general-purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations," and the State Treasury Circular Letter 15-08 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

**1) REPORTING ENTITY AND ITS SERVICES:** The Hackettstown School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds and account groups of the District are included in this report. The Hackettstown 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 K through 12. These include regular as well as special education for handicapped students. The District completed the 2014-2015 fiscal year with an enrollment of 1,899 students. The following details the changes in the student enrollment of the District over the last two years.

## Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2012-13	1,856	2.4%
2013-14	1,898	2.3%
2014-15	1,899	0.0%

**2) MAJOR INITIATIVES:** During the 2014-2015 school year, the district continued implementing the Strategic Plan that began in 2012-2013. The implementation will continue over the next several years. An Adhoc Committee was once again established by the Board of Education to examine the options the district has to possibly re organize the district school buildings. The technology department continues to work on the infrastructure and the district successfully accommodated the on-line student assessment that began in the 2014-2015 school year.

The district continues to receive outstanding monies due the district from the State of New Jersey for previously completed Regular Operating District (ROD) projects. In 2014-2015 a partial roof replacement was completed at the High School and security cameras were installed in the High School, Middle School and Willow Grove School. These projects were partially funded with ROD IV dollars from the State of New Jersey.

**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 that 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 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 and the special revenue fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

**5) ACCOUNTING SYSTEM AND REPORTS:** The District's accounting records reflect generally accepted accounting principles, 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) 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.

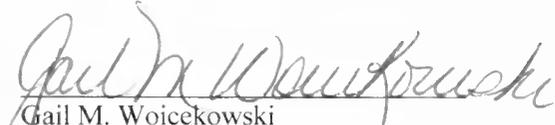
**7) RISK MANAGEMENT:** The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

**8) OTHER INFORMATION:**

**A) Independent Audit** - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The Board selected the accounting firm of William M. Colantano, Jr. CPA. 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 of 1996 and the related OMB Circular A-133 and state Treasury Circular Letter 15-08 OMB. The auditor's report on the general purpose financial statements and combining and individual fund statements and schedules are 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 Hackettstown Board of Education for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,

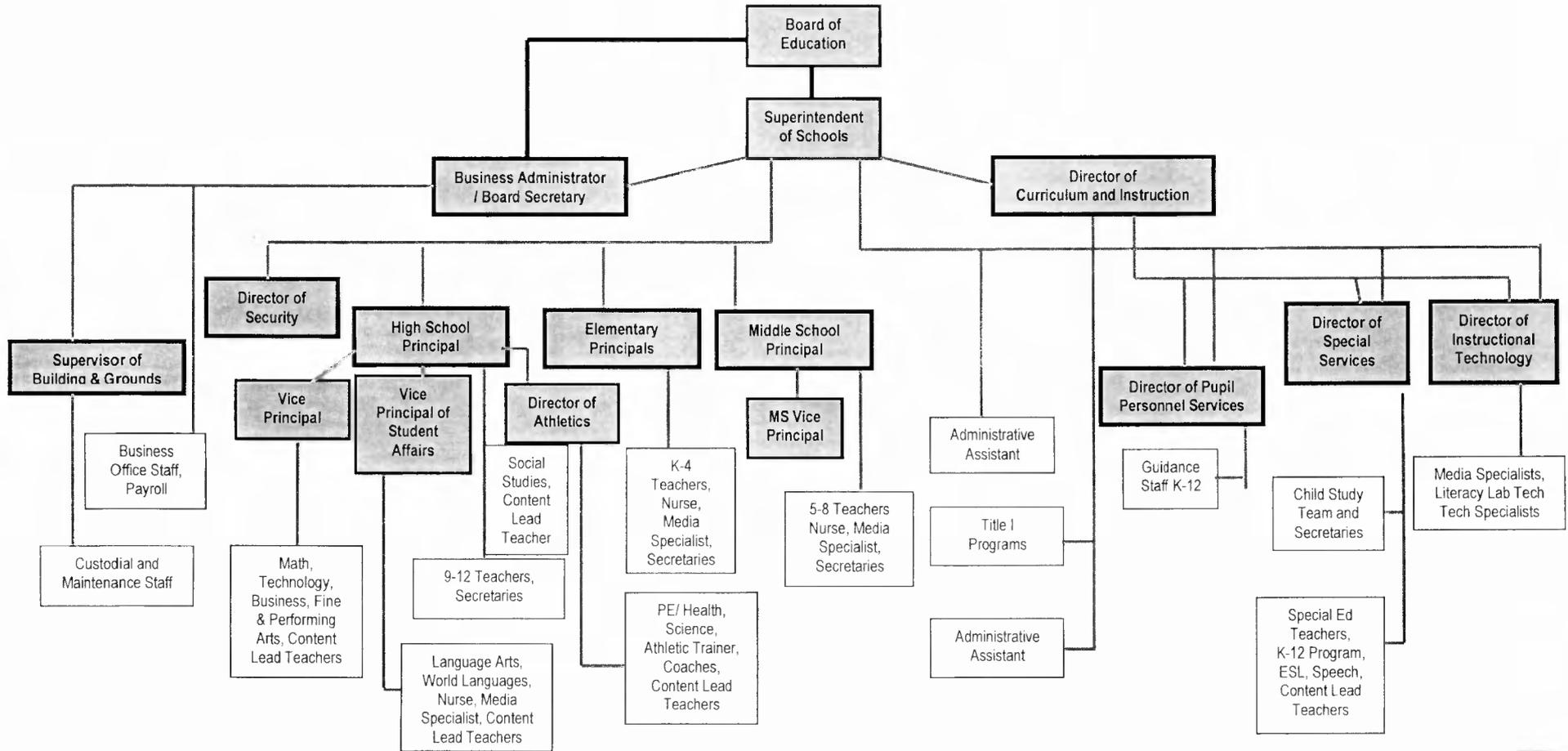
  
Gail M. Woicekowski  
Business Administrator/Board Secretary



\_\_\_\_\_  
David C. Mango  
Superintendent of Schools



# Organizational Chart



Hackettstown Public Schools  
2015-2016

Hackettstown School District  
Board of Education

ROSTER OF OFFICIALS

June 30, 2015

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Gus Bordi, President	2015
Mary Beth Maciag, Vice President	2016
Bill Beck	2017
David Fair	2017
Robert Moore	2017
Michael Herbst	2016
Bo Soobryan	2016
Shawn Burke	2015
Amy Cochran	2015
Francis Gavin (Allamuchy)	2015
Edward O'Melia (Great Meadows)	2015

Other Officials

David C. Mango, Superintendent

Gail M. Woicekowski, Board Secretary/School Business Administrator

Hackettstown School District  
Board of Education

**CONSULTANTS AND ADVISORS**

**AUDIT FIRM**

Firm of William Colantano, CPA  
100 Route 31 North  
Washington, New Jersey 07882-1530

**ATTORNEY**

Comegno Law Group P.C.  
521 Pleasant Valley Avenue  
Moorestown, New Jersey 08057

Sciarrillo, Cornell, Merlino, McKeever & Osborne, P.C.  
238 St. Paul Street  
Westfield, New Jersey 07090

**OFFICIAL DEPOSITORY**

Fulton Bank of New Jersey  
533 Fellowship Road  
Mt. Laurel, New Jersey 08054

**FINANCIAL SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

November 24, 2015

Honorable President and  
Members of the Board of Education  
Hackettstown School District  
County of Warren, New Jersey

### **Report on the Financial Statements**

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

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

## Opinions

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

## Other Matters

### Required Supplementary Information

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

### Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual non-major fund financial statements and schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and the schedule of state financial assistance as required by NJ OMB 15-08 and the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, the schedule of and the schedule of state financial assistance as required by NJ OMB 15-08 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America.

In our opinion, the combining and individual non-major fund financial statements, schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and the schedule of state financial assistance as required by NJ OMB 15-08 is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

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

In accordance with Government Auditing Standards, we have also issued our report dated November 24, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.



William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

**REQUIRED SUPPLEMENTARY INFORMATION-PART I**

HACKETTSTOWN SCHOOL DISTRICT  
HACKETTSTOWN, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

11.0

The discussion and analysis of the Hackettstown School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2015. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the School District's financial performance.

### **Financial Highlights**

Key financial highlights for fiscal year 2015 are as follows:

- In total, net position increased \$2,461,268, which represents a 28.1% increase from 2014.
- General revenues accounted for \$27,039,189 or 72.5% percent of all revenues. Program specific revenues in the form of operating grants and contributions, and charges for services, accounted for \$10,250,003, or 27.5% percent of the total revenues of \$37,289,192.
- Total assets of governmental activities increased by \$1,997,894 as cash and cash equivalents increased by \$1,903,334, receivables decreased by \$821,351, and capital assets increased by \$915,911.
- The school district had \$34,827,924 in total expenses, \$10,250,003 of these expenses were offset by program specific charges, grants or contributions. General revenues (primarily taxes) of \$27,039,189 were adequate to provide for these expenses.
- Among governmental funds, the General Fund had \$31,300,851 in revenues and \$29,560,368 in expenditures. After factoring in other financing sources of \$142,869, the General Fund's GAAP surplus balance increased \$1,883,352 from fiscal year 2014, which compares favorably to a budgeted surplus decrease of \$2,264,310.

### **Using this Comprehensive Annual Financial Report (CAFR)**

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

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School district, presenting both an aggregate view of the School district's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending.

HACKETTSTOWN SCHOOL DISTRICT  
HACKETTSTOWN, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

11.1

The fund financial statements also look at the School district's most significant funds with all other non-major funds presented in total in one column. In the case of the Hackettstown School District, the General Fund is by far the most significant fund.

### **Reporting the School District as a Whole**

#### **Statement of Net Position and the Statement of Activities**

While this document contains the large number of funds used by the School District to provide programs and activities, the view of the School District as a whole looks at all financial transactions and asks the questions, "How did we do financially in fiscal year 2015?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting, similar to the accounting used by most private-sector businesses. This basis of accounting takes into consideration all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the school district as a whole, the financial position of the school district has improved or diminished. The changes may be the result of many factors, some financial and some not. Non-financial factors include the School District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, the School District is divided into two distinct kinds of activities:

- Governmental activities – All of the School District's programs and services are reported here including instruction, support services, operation and maintenance of plant facilities, pupil transportation, and extracurricular activities.
- Business-type activities – This service is provided on a charge for goods or services basis to recover all the expenses of the goods or services provided. The Food Service and the Transportation Service enterprise funds are reported as business activities.

### **Reporting the School District's Most Significant Funds**

#### **Fund Financial Statements**

The analysis of the School District's major funds begins on page 17. Fund financial reports provide detailed information about the School District's funds. The School District uses many funds to account for a multitude of financial transactions. The School District's governmental funds are the General Fund, the Special Revenue Fund, the Capital Projects Fund, and the Debt Service Fund.

### **Governmental Funds**

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

### **Proprietary Funds (Enterprise Funds)**

These funds use the same basis of accounting as business-type activities and are used to account for the District's activities which operate like a business. The District has one enterprise fund. The Food Service Fund accounts for the activities of the cafeteria.

### **Fiduciary Funds**

Activities in which the District acts solely as a trustee or agent for the benefit of others are reported here.

### **Notes to the Financial Statements**

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

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

The Statement of Net Position provides the perspective of the School District as a whole. Net position may serve over time 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.

**HACKETTSTOWN SCHOOL DISTRICT  
HACKETTSTOWN, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED**

Table 1 provides a summary of the District's net position at June 30, 2015 compared to June 30, 2014.

<b>Table 1</b>		<b>Net Position</b>		<b>Variance</b>	
	<u>6/30/15</u>	<u>6/30/14</u>	<u>Dollars</u>	<u>%</u>	
<b>Assets:</b>					
Current & Other Assets	\$ 7,719,987	\$ 6,569,958	\$ 1,150,029	17.50	
Capital Assets	13,247,192	12,337,239	909,953	7.38	
<b>Total Assets</b>	<u>20,967,179</u>	<u>18,907,197</u>	<u>2,059,982</u>	<u>10.90</u>	
<b>Deferred Outflow of Resources:</b>					
Deferred Pension Activity	1,001,748	244,893	756,855	309.06	
<b>Total Deferred Outflow of Resources</b>	<u>1,001,748</u>	<u>244,893</u>	<u>756,855</u>	<u>309.06</u>	
<b>Liabilities:</b>					
Long-Term Liabilities	10,066,915	10,215,485	(148,570)	(1.45)	
Other Liabilities	270,972	163,950	107,022	65.28	
<b>Total Liabilities</b>	<u>10,337,887</u>	<u>10,379,435</u>	<u>(41,548)</u>	<u>(0.40)</u>	
<b>Deferred Inflow of Resources:</b>					
Deferred Pension Activity	397,117		397,117	*	
<b>Total Deferred Inflow of Resources</b>	<u>397,117</u>	<u>-</u>	<u>397,117</u>	<u>*</u>	
<b>Net Position:</b>					
Net Investment in Capital Assets	10,275,865	8,904,097	1,371,768	15.41	
Restricted	5,814,511	5,079,224	735,287	14.48	
Unrestricted	(4,856,453)	(5,210,666)	354,213	(6.80)	
<b>Total Net Position</b>	<u>\$ 11,233,923</u>	<u>\$ 8,772,655</u>	<u>\$ 2,461,268</u>	<u>28.06</u>	

\* = Undefined

Total assets increased by \$2,059,982; as cash and cash equivalents increased \$1,923,594; receivables and other assets decreased \$773,565; capital assets increased \$909,953. Cash increased primarily due to effective cost cutting measures implemented by the District and a cash-flow influx from the sending/receiving tuition agreement with Great Meadows Regional School District. This was also the predominate factor in the large decrease in receivables.

The negative balance in unrestricted net position is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

Table 2 provides a summary of the District's changes in net position in fiscal year 2015 compared to 2014.

HACKETTSTOWN SCHOOL DISTRICT  
HACKETTSTOWN, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

11.4

**Table 2**  
**Changes in Net Position**

	Fiscal Year Ending		Variance	
	6/30/15	6/30/14	Dollars	%
Revenues				
Program Revenues:				
Charges for Services	\$ 8,629,487	\$ 7,483,824	\$ 1,145,663	15.31
Operating Grants	942,626	739,294	203,332	27.50
Capital Grants	677,890	276,582	401,308	145.10
General Revenues:				
Property Taxes	15,106,149	14,809,950	296,199	2.00
Unrestricted Grants	11,859,737	7,620,565	4,239,172	55.63
Other	73,303	1,160,939	(1,087,636)	(93.69)
Total Revenues	<u>37,289,192</u>	<u>32,091,154</u>	<u>5,198,038</u>	16.20
Program Expenses				
Instruction:				
Regular	14,655,433	12,366,691	2,288,742	18.51
Special	3,667,111	2,937,318	729,793	24.85
Other	2,555,084	2,136,173	418,911	19.61
Support Services:				
Tuition	1,036,842	1,063,533	(26,691)	(2.51)
Student & Instructional Staff	5,777,590	4,743,869	1,033,721	21.79
General & Business Administration	1,338,399	1,413,122	(74,723)	(5.29)
School Administration	1,960,532	1,781,359	179,173	10.06
Maintenance	2,750,990	2,714,611	36,379	1.34
Transportation	532,913	545,056	(12,143)	(2.23)
Food Service	411,479	427,609	(16,130)	(3.77)
Transfers to Charter Schools	9,974		9,974	*
Interest and Fiscal Charges	131,577	145,655	(14,078)	(9.67)
Total Expenses	<u>34,827,924</u>	<u>30,274,996</u>	<u>4,552,928</u>	15.04
Increases (Decreases) Before Special Items	<u>2,461,268</u>	<u>1,816,158</u>	<u>645,110</u>	35.52
Transfers & Special Items:				
Insurance Proceeds for Storm Damage		100,844	(100,844)	(100.00)
Gain (Loss) on Disposal of Assets		(156,720)	156,720	(100.00)
Total Transfers & Special Items	-	<u>(55,876)</u>	<u>55,876</u>	(100.00)
Increase (Decrease) in Net Position	<u>\$ 2,461,268</u>	<u>\$ 1,760,282</u>	<u>\$ 700,986</u>	39.82

\* = Undefined

**Governmental Activities**

Property taxes made up 41.0% percent of revenues for governmental activities for the Hackettstown School District for fiscal year 2015. The District's total revenues were \$36,817,213 for the year ended June 30, 2015. Federal, state and local grants accounted for

HACKETTSTOWN SCHOOL DISTRICT  
HACKETTSTOWN, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

36.0% percent of revenue. The total cost of all programs and services was \$34,416,445. Instruction comprises 60.7% of district expenses while support services comprised 38.9% and interest on long-term debt comprised .4%.

**Business-type Activities**

Revenue from the District's business-type activities (food service and transportation program) was comprised mostly of charges for services, and federal and state reimbursements.

The Food Service Fund operated at a profit of \$60,500 for fiscal year 2015, and has a substantial fund balance of \$198,802 as of June 30, 2015. Sales revenues amounted to \$241,249 while federal and state reimbursement for meals, including payments for free and reduced lunches, and donated commodities was \$230,719.

Table 3 provides a summary of the District's cost of governmental services in fiscal years 2015 and 2014.

**Table 3**  
**Cost of Governmental Services**

	Total Cost of Services		Net Cost of Services	
	6/30/15	6/30/14	6/30/15	6/30/14
Instruction	\$ 20,877,628	\$ 17,440,182	\$ 11,845,829	\$ 9,833,527
Support Services:				
Tuition	1,036,842	1,063,533	633,392	751,155
Student & Instructional Staff	5,777,590	4,743,869	5,566,589	4,645,140
General & Business Administration	1,338,399	1,413,122	1,297,671	1,395,041
School Administration	1,960,532	1,781,359	1,916,708	1,762,635
Plant Operations & Maintenance	2,750,990	2,714,611	2,703,757	2,699,742
Pupil Transportation	532,913	545,056	532,913	545,056
Transfers to Charter Schools	9,974		9,974	
Interest and Fiscal Charges	131,577	145,655	131,577	145,655
<b>Total Expenses</b>	<b>\$ 34,416,445</b>	<b>\$ 29,847,387</b>	<b>\$ 24,638,410</b>	<b>\$ 21,777,951</b>

Instruction expenses include activities directly dealing with the teaching of pupils and the interaction between teacher and students, including extracurricular activities.

Student and instructional staff expenses include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General, business and school administration, include expenses associated with administrative and financial supervision of the District.

Operation and maintenance of plant services includes expenses to keep the school grounds, building and equipment in an effective working condition.

HACKETTSTOWN SCHOOL DISTRICT  
HACKETTSTOWN, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

11.6

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities.

Interest on long-term debt is the cost incurred on the repayment of general obligation bonds issued to finance improvements to the school facilities.

The dependence upon tax revenue is apparent. For all activities, local revenue support makes up 71.1%. The community, as a whole, is the primary support for the Hackettstown School District.

### **The School District's Funds**

Information about the District's major funds starts on page 17. All governmental funds (e.g., general fund, special revenue fund, capital projects fund and debt service fund) are accounted for using the modified accrual basis of accounting. Revenues for all governmental funds totaled \$33,020,248 and expenditures were \$32,052,479, while net other financing uses were \$0. The net change in fund balance for the year was most significant in the general fund and the capital projects fund, an increase of \$1,883,352 and a decrease of \$920,183 respectively. The general fund increase was due to the effective cost cutting measures implemented by the district. The capital project fund decrease was due to project expenditures for various projects which were financed in the prior year.

### **General Fund Budgeting Highlights**

The School District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During the course of the fiscal 2015 year, the School District amended the General Fund budget as needed. The School District uses program based budgeting. The budgeting systems are designed to tightly control total program budgets but provide flexibility for program management.

For the General Fund, budget basis revenue and other financing sources, excluding TPAF on-behalf amount, amounted to \$28,482,464 which was \$217,542 over the original budgeted estimates of \$28,264,922. This difference was primarily attributable to under-budgeted state aid.

The General Fund revenues of the School District exceeded expenditures by \$1,892,540. This compares favorably to a budgeted shortfall of \$2,264,310. The General Fund increase was due to

HACKETTSTOWN SCHOOL DISTRICT  
HACKETTSTOWN, NEW JERSEY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
UNAUDITED

effective cost cutting measures implemented by the district. Surplus was transferred in June of 2015 by board resolution to capital and maintenance reserves in accordance with applicable state law.

**Capital Assets**

At the end of the fiscal year 2015, the School District has \$13,247,192 invested in buildings, land, vehicles, equipment, and construction in progress.

**Table 4**  
**Capital Assets at Year-end (Net of Depreciation)**

	6/30/15	6/30/14	Variance	
			Dollars	%
Construction in Progress	\$ 4,043,914	\$ 4,676,597	\$ (632,683)	(13.53)
Land Improvements	583,822	656,516	(72,694)	(11.07)
Buildings & Improvements	7,057,477	5,625,460	1,432,017	25.46
Machinery & Equipment	1,543,192	1,352,300	190,892	14.12
Vehicles	18,787	26,366	(7,579)	(28.75)
Total	<u>\$ 13,247,192</u>	<u>\$ 12,337,239</u>	<u>\$ 909,953</u>	7.38

Overall capital assets increased by \$909,953 from fiscal year 2014 to 2015. Increases in capital assets were partially offset by depreciation expenses for the year. Major capital additions included the high school roofing projects, a technology lease for \$1.175 million which was started in fiscal year 2014, and the security camera project at three of the four buildings. A retro-active restatement of capital assets was necessary due to a change in asset appraisal companies which resulted in changes in the valuation of the District's capital asset inventory.

**Long-term Liabilities and Debt Administration**

At June 30, 2015 the School District had \$10,066,915 in long term liabilities as summarized in Table 5 below.

**HACKETTSTOWN SCHOOL DISTRICT**  
**HACKETTSTOWN, NEW JERSEY**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**  
**UNAUDITED**

At June 30, 2015, the School District's overall legal debt limit was \$39,592,172 and the legal debt margin was \$37,332,172.

**Table 5**  
**Long-Term Liabilities at Year-end**

	6/30/15	6/30/14	Variance	
			Dollars	%
2006 Refunding Bonds	\$ 2,260,000	\$ 2,490,000	\$ (230,000)	(9.24)
PERS Net Pension Liability	6,663,652	6,211,704	451,948	7.28
Capital Leases Payable	711,327	943,142	(231,815)	(24.58)
Compensated Absences Payable	431,936	570,639	(138,703)	(24.31)
	<u>\$ 10,066,915</u>	<u>\$ 10,215,485</u>	<u>\$ (148,570)</u>	<u>(1.45)</u>

\* = Undefined

**For the Future**

The Hackettstown School District is in satisfactory financial condition at this time. The School District is proud of its community support of the public schools. The School District has continued to grow its program offerings for its students while being sensitive to the taxpayers. One of the areas the District will continue to explore is the sharing of services with its constituent K-8 Districts. There is a need to update the infrastructure of the building in order to remain current. Another major concern is the continued reliance on local property taxes as a means of funding.

In conclusion, the Hackettstown School District has committed itself to financial excellence for many years. Further, the District's system for financial planning, budgeting, and internal financial controls are well regarded. The School District plans to continue its sound fiscal management to meet the challenges of the future.

**Contacting the School District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, investors and creditors, with a general overview of the School District's finances and to show the School District's accountability for the funds it receives. If you have questions about this report or need additional information, contact Gail M. Woickowski, School Business Administrator, in the office of the Hackettstown Board of Education, 315 Washington Street, Hackettstown, NJ 07840.

**BASIC FINANCIAL STATEMENTS**

## **DISTRICT-WIDE FINANCIAL STATEMENTS**

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District.

HACKETTSTOWN SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
<b>ASSETS</b>			
Cash & Cash Equivalents	\$ 1,101,402	\$ 118,923	\$ 1,220,325
Internal Balances	(22,555)	22,555	
Due from Other Funds	44,080		44,080
Receivables, Net	1,784,648	15,712	1,800,360
Inventory		2,940	2,940
Restricted Assets:			
Cash & Cash Equivalents	4,652,282		4,652,282
Capital Assets (Note 4)			
Land and Construction in Progress	4,043,914		4,043,914
Other Capital Assets, Net of Depreciation	9,158,857	44,421	9,203,278
Total Assets	<u>20,762,628</u>	<u>204,551</u>	<u>20,967,179</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amount on Pension Liability	<u>1,001,748</u>	-	<u>1,001,748</u>
<b>LIABILITIES</b>			
Accounts Payable	148,803		148,803
Accrued Interest	41,762		41,762
Unearned Revenue	74,658	5,749	80,407
Long-Term Liabilities (Note 5):			
Due Within One Year	598,530		598,530
Due Beyond One Year	9,468,385		9,468,385
Total Liabilities	<u>10,332,138</u>	<u>5,749</u>	<u>10,337,887</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amount on Pension Liability	<u>397,117</u>	-	<u>397,117</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	10,231,444	44,421	10,275,865
Restricted For:			
Legal Reserves	3,969,747		3,969,747
Capital Projects	1,835,210		1,835,210
Debt Service	9,554		9,554
Unrestricted	<u>(5,010,834)</u>	<u>154,381</u>	<u>(4,856,453)</u>
TOTAL NET POSITION	<u>\$ 11,035,121</u>	<u>\$ 198,802</u>	<u>\$ 11,233,923</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HACKETTSTOWN SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Direct Expenses	Indirect Expenses Allocation	Program Revenues			Net (Expense) Revenue & Changes in Net Position		
			Charges for Services	Operating Grants & Contribution	Capital Grants & Contribution	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>								
Instruction:								
Regular	\$ 9,016,492	\$ 5,638,941	\$ 7,581,460	\$ 31,219	\$ 323,451	\$ (6,719,303)		\$ (6,719,303)
Special Education	2,186,275	1,480,836	754,941		78,434	(2,833,736)		(2,833,736)
Other Special Instruction	864,902	500,547		186,527	31,029	(1,147,893)		(1,147,893)
Other Instruction	901,900	287,735	1,175	12,305	31,258	(1,144,897)		(1,144,897)
Support Services:								
Tuition	1,036,842			403,450		(633,392)		(633,392)
Students & Instruction Related Services	3,695,923	2,081,667		78,406	132,595	(5,566,589)		(5,566,589)
General & Business Administration Services	1,030,454	307,945	3,429		37,299	(1,297,671)		(1,297,671)
School Administration Services	1,211,974	748,558			43,824	(1,916,708)		(1,916,708)
Plant Operations & Maintenance	2,392,065	358,925	47,233			(2,703,757)		(2,703,757)
Pupil Transportation	532,913					(532,913)		(532,913)
Charter Schools	9,974					(9,974)		(9,974)
Interest on Long-Term Debt	131,577					(131,577)		(131,577)
<b>Total Governmental Activities</b>	<b>23,011,291</b>	<b>11,405,154</b>	<b>8,388,238</b>	<b>711,907</b>	<b>677,890</b>	<b>(24,638,410)</b>	<b>-</b>	<b>(24,638,410)</b>
<b>Business-Type Activities:</b>								
Food Service	411,479		241,249	230,719			60,489	60,489
<b>Total Business-Type Activities</b>	<b>411,479</b>	<b>-</b>	<b>241,249</b>	<b>230,719</b>	<b>-</b>	<b>-</b>	<b>60,489</b>	<b>60,489</b>
<b>Total Primary Government</b>	<b>\$ 23,422,770</b>	<b>\$ 11,405,154</b>	<b>\$ 8,629,487</b>	<b>\$ 942,626</b>	<b>\$ 677,890</b>	<b>(24,638,410)</b>	<b>60,489</b>	<b>(24,577,921)</b>
<b>General Revenues, Transfers &amp; Special Items</b>								
						14,776,549		14,776,549
Property Taxes Levied for General Purposes								
Property Taxes Levied for Debt Service						329,600		329,600
Federal & State Aid Not Restricted						11,859,737		11,859,737
Investment Earnings						6		6
Miscellaneous Income						73,286	11	73,297
<b>Total General Revenues and Special Items</b>						<b>27,039,178</b>	<b>11</b>	<b>27,039,189</b>
Change in Net Position						2,400,768	60,500	2,461,268
Net Position-Beginning						8,634,353	138,302	8,772,655
<b>Net Position-Ending</b>						<b>\$ 11,035,121</b>	<b>\$ 198,802</b>	<b>\$ 11,233,923</b>

SEE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS

## **FUND FINANCIAL STATEMENTS**

The individual fund statements and schedules present more detailed information for the individual fund in a format that segregates information by fund type.

HACKETTSTOWN SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 1,091,848			\$ 9,554	\$ 1,101,402
Due from Other Funds	93,333				93,333
Receivables from Other Governments:					
State	151,755		\$ 1,152,675		1,304,430
Federal		\$ 128,540			128,540
Local	325,352				325,352
Other Receivables	26,326				26,326
Restricted Cash	3,969,747		682,535		4,652,282
<b>TOTAL ASSETS</b>	<u>\$ 5,658,361</u>	<u>\$ 128,540</u>	<u>\$ 1,835,210</u>	<u>\$ 9,554</u>	<u>\$ 7,631,665</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 144,174	\$ 4,629			\$ 148,803
Due to Other Funds	22,555	49,253			71,808
Unearned Revenue		74,658			74,658
<b>Total Liabilities</b>	<u>166,729</u>	<u>128,540</u>	<u>\$ -</u>	<u>\$ -</u>	<u>295,269</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HACKETTSTOWN SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015  
(Continued)

	General Fund	Special Revenue Fund	Capital Project Fund	Debt Service Fund	Total Governmental Funds
LIABILITIES AND FUND BALANCES (Cont'd)					
Fund Balances:					
Restricted for:					
Excess Surplus	\$ 112,408				\$ 112,408
Capital Project Fund Balance			\$ 1,835,210		1,835,210
Committed for:					
Capital Reserve Account	3,236,747				3,236,747
Maintenance Reserve Account	533,000				533,000
Emergency Reserve Account	200,000				200,000
Assigned for:					
Year-End Encumbrances	910,205				910,205
Designated for Subsequent Year's Expenditures	375,000			\$ 4,954	379,954
Debt Service Fund-Undesignated Balance				4,600	4,600
Unassigned Fund Balance	124,272				124,272
Total Fund Balances	<u>5,491,632</u>	<u>\$ -</u>	<u>1,835,210</u>	<u>9,554</u>	<u>7,336,396</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 5,658,361</u>	<u>\$ 128,540</u>	<u>\$ 1,835,210</u>	<u>\$ 9,554</u>	

Amounts reported for governmental activities in the Statement of Net Position  
(A-1) are different because:

Capital assets used in government activities are not financial resources & therefore are not reported in the funds	Cost	\$ 25,824,564	
	Accum Depr	<u>12,621,793</u>	13,202,771
Long-term liabilities, including bonds payable, are not due & payable in the current period & therefore are not reported as liabilities in the funds			(10,066,915)
Deferred outflows and inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds			604,631
Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due			<u>(41,762)</u>
Total Net Position of Governmental Activities			<u>\$ 11,035,121</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 14,776,549			\$ 329,600	\$ 15,106,149
Tuition Charges	8,335,731				8,335,731
Interest on Investments	6				6
Miscellaneous	111,991	\$ 2,007			113,998
<b>Total</b>	<b>23,224,277</b>	<b>2,007</b>	<b>\$ -</b>	<b>329,600</b>	<b>23,555,884</b>
State Sources	8,024,212		677,890		8,702,102
Federal Sources	52,362	709,900			762,262
<b>Total Revenues</b>	<b>31,300,851</b>	<b>711,907</b>	<b>677,890</b>	<b>329,600</b>	<b>33,020,248</b>
<b>EXPENDITURES</b>					
Current:					
Instructional:					
Regular Instruction	8,984,603	31,219			9,015,822
Special Education Instruction	2,186,275				2,186,275
Other Special Instruction	678,375	186,527			864,902
Other Instruction	864,978	6,298			871,276
Support Service & Undistributed Costs:					
Tuition	633,392	403,450			1,036,842
Student & Instruction Related Services	3,617,517	78,406			3,695,923
General & Business Administrative Services	1,039,676				1,039,676
School Administrative Services	1,221,536				1,221,536
Plant Operations & Maintenance	2,373,646				2,373,646
Pupil Transportation	530,621				530,621
Unallocated Benefits	7,039,704				7,039,704

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HACKETTSTOWN SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES (Cont'd)					
Capital Outlay	\$ 112,904	\$ 6,007	\$ 1,455,204		\$ 1,574,115
Transfer to Charter Schools	9,974				9,974
Debt Service:					
Redemption of Principal	231,815			\$ 230,000	461,815
Interest and Other Charges	35,352			95,000	130,352
Total Expenditures	<u>29,560,368</u>	<u>711,907</u>	<u>1,455,204</u>	<u>325,000</u>	<u>32,052,479</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,740,483</u>	<u>-</u>	<u>(777,314)</u>	<u>4,600</u>	<u>967,769</u>
Other Financing Sources (Uses):					
Transfers In	275,725		132,856		408,581
Transfers Out	(132,856)		(275,725)		(408,581)
Total Other Financing Sources (Uses)	<u>142,869</u>	<u>-</u>	<u>(142,869)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,883,352	-	(920,183)	4,600	967,769
Fund Balances, July 1	<u>3,608,280</u>	<u>-</u>	<u>2,755,393</u>	<u>4,954</u>	<u>6,368,627</u>
Fund Balances, June 30	<u>\$ 5,491,632</u>	<u>\$ -</u>	<u>\$ 1,835,210</u>	<u>\$ 9,554</u>	<u>\$ 7,336,396</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HACKETTSTOWN SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total Net Changes in Fund Balances-Governmental Fund (from B-2)	\$	967,769
<p>Amounts reported for governmental activities in the Statement of Activities (A-2) are different because:</p> <p>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. Proceeds from the disposition of assets is an other financing source in the governmental funds, while only the gain or loss is reported in the statement of activities. The difference, which is the cost basis of the assets disposed, is a reduction in the reconciliation:</p>		
Capital Outlays	\$	1,574,115
Depreciation Expense		<u>(658,204)</u>
		915,911
<p>Repayment of bond and loan principal and capital lease debt are expenditures in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and are not reported in the statement of activities:</p>		
Bond Principal Payments		230,000
Capital Lease Payments		<u>231,815</u>
		461,815
<p>Governmental funds report district pension contributions as expenditures. However in the Statement of Activities, the cost of pension benefits earned net of employee contributions is reported as pension expense.</p>		
		(92,210)
<p>In the statement of activities, interest on long-term debt is accrued regardless of when due. In the governmental funds interest is reported when due. The accrued interest is a reconciling item.</p>		
		8,780
<p>In the statement of activities, compensated absences 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 a reduction in the reconciliation; when the paid amount exceeds the earned amount, the difference is an addition to the reconciliation.</p>		
		<u>138,703</u>
Change in Net Position of Governmental Activities	\$	<u><u>2,400,768</u></u>

HACKETTSTOWN SCHOOL DISTRICT  
COMBING STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	Food Service Fund
<b>ASSETS</b>	
Current Assets:	
Cash & Cash Equivalents	\$ 118,923
Due from Other Funds	22,555
Receivables from Other Governments:	
State	489
Federal	15,223
Inventory	2,940
Total Current Assets	160,130
Noncurrent Assets:	
Capital Assets	313,551
Less: Accumulated Depreciation	269,130
Total Noncurrent Assets	44,421
Total Assets	204,551
<b>LIABILITIES</b>	
Current Liabilities:	
Unearned Revenues	5,749
Total Current Liabilities	5,749
<b>NET POSITION</b>	
Net Investment in Capital Assets	44,421
Unrestricted	154,381
TOTAL NET POSITION	\$ 198,802

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

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

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 150,719
Daily Sales-Unreimbursable Programs	90,530
Total Operating Revenues	241,249
Operating Expenses:	
Costs of Sales-Reimbursable Programs	140,292
Costs of Sales-Nonreimbursable Programs	67,029
Salaries	133,139
Employee Benefits	29,924
Purchased Property Services-Repairs	5,168
Insurance	2,502
Management Fee	20,200
Other Purchased Services	3,214
Supplies and Materials	1,884
Depreciation	8,127
Total Operating Expenses	411,479
Operating Income (Loss)	(170,230)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	4,910
Federal Sources:	
National School Lunch Program:	
Cash Assistance	165,386
Noncash Assistance (Commodities)	28,700
School Breakfast Program	31,712
Special Milk Program	11
Miscellaneous	11
Total Nonoperating Revenues (Expenses)	230,730
Change in Net Position	60,500
Net Position, Beginning	138,302
Net Position, Ending	\$ 198,802

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HACKETTSTOWN SCHOOL DISTRICT  
COMBINING STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 242,563
Payments to Food Service Management Company (Net)	(367,602)
Payments to Vendors	(6,829)
Net Cash Provided by (Used For) Operating Activities	(131,868)
Cash Flows from Noncapital Financing Activities:	
State Sources	4,935
Federal Sources	193,482
Miscellaneous	11
General Fund Interfund Activity	(44,131)
Net Cash Provided by (Used For) Noncapital Financing Activities	154,297
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(2,169)
Net Increase (Decrease) in Cash and Cash Equivalents	20,260
Cash and Cash Equivalents, July 1	98,663
Cash and Cash Equivalents, June 30	\$ 118,923
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (170,230)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	8,127
Food Donation Program	28,700
(Increase) Decrease in Inventory	(53)
Increase (Decrease) in Unearned Revenue	1,588
Net Cash Provided by (Used For) Operating Activities	\$ (131,868)

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HACKETTSTOWN SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund
ASSETS				
Cash & Cash Equivalents	\$ 68,256	\$ 52,290	\$ 263,484	\$ 182,288
TOTAL ASSETS	<u>68,256</u>	<u>52,290</u>	<u>\$ 263,484</u>	<u>\$ 182,288</u>
LIABILITIES				
Due to Other Funds				\$ 44,080
Due to Student Groups	11,345		\$ 263,484	
Payroll Deductions & Withholdings				138,208
TOTAL LIABILITIES	<u>11,345</u>	<u>-</u>	<u>\$ 263,484</u>	<u>\$ 182,288</u>
NET POSITION				
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 56,911</u>	<u>\$ 52,290</u>		

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

HACKETTSTOWN SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund
	<u>                    </u>	<u>                    </u>
ADDITIONS		
Contributions:		
Plan Members	\$ 26,698	
Other		\$ 3,440
Total Additions	<u>26,698</u>	<u>3,440</u>
DEDUCTIONS		
Unemployment Claims	33,265	
Other Expenditures	409	
Scholarships Awarded		3,200
Total Deductions	<u>33,674</u>	<u>3,200</u>
Other Financing Sources:		
Prior Year Refund of Overpaid Claims	<u>15,587</u>	<u>-</u>
Change in Net Position	8,611	240
Net Position, Beginning of the Year	<u>48,300</u>	<u>52,050</u>
Net Position, End of the Year	<u>\$ 56,911</u>	<u>\$ 52,290</u>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS

NOTES TO FINANCIAL STATEMENTS

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the Board of Education (Board) of the Hackettstown School District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to local governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below.

The basic financial statements include:

A Management's Discussion and Analysis (MD&A) providing an analysis of the Districts over-all financial position and results of operations.

Basic financial statements prepared using full-accrual accounting for all of the District's activities.

A. Reporting Entity

The District is a Type II district located in the County of Warren, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The Board is comprised of eleven members elected to three-year-terms. The purpose of the district is to educate students in Grades K-12. The District had an approximate enrollment at June 30, 2015 of 1,899 students.

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:

1. The organization is legally separate (can sue or be sued in their own name.)
2. The District holds the corporate powers of the organization.
3. The District appoints a voting majority of the organization's board.
4. The District is able to impose its will on the organization.
5. The organization has the potential to impose a financial benefit/ burden on the District.
6. There is a fiscal dependency by the organization on the District.

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

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of changes in net position) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements.

The statement of activities demonstrates the degree to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include 1) charges to students or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function.

Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The District has elected to treat all of its governmental funds as major funds and they are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, early retirement, arbitrage rebates, and post employment healthcare benefits, are recorded only when payment is due.

Property taxes, tuition and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. As under New Jersey State Statute, a municipality is required to remit to its school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be accounts receivable. All other revenue items are considered to be measurable and available only when the District receives cash.

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Amounts reported as program revenues include 1) charges to students for tuition, fees, rental, material, supplies, or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, and unrestricted state aids.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, as they are needed.

The District reports the following major governmental funds:

General Fund - The General Fund is the general operating fund of the District and 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 sub fund.

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

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

Special Revenue Fund - The District accounts for the proceeds of specific revenue sources 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 in the Special Revenue Fund.

Capital Projects Fund - The Capital Projects Fund is used to account for all financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by Proprietary Funds). The financial resources are derived from temporary notes or serial bonds that are specifically authorized by the voters as a separate question on the ballot either during the annual election or at a special election.

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

HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Additionally, the District reports the following fund types:

Proprietary Fund Types

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

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

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

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

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Equipment	12 to 15 Years
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HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Cont'd)

Fiduciary Fund Types

Trust and Agency Funds - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/ or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. The following is a description of the Trust and Agency Funds of the District.

Unemployment Compensation Trust Fund – This fund is used to account for the portion of employee deductions for unemployment compensation required to be deposited and accumulated for future unemployment claims under the “Benefit Reimbursement Method.”

Private Purpose Scholarship Fund – This fund is used to account for scholarship accounts donated to the District to be utilized for scholarship awards to qualifying students.

Student Activities Agency Fund – This fund is used to account for funds derived from athletic events or other activities of pupil organizations and accumulated for payment of student group activities.

Payroll Agency Fund – This fund accounts for the withholding and remittance of employee salary deductions.

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office and, if required, are voted upon at the annual school election in November. Budgets are prepared using the modified accrual basis of accounting. 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 NJAC 6:20-2A.2(m)1. All budget amendments must be approved by School Board resolution. Budget amendments during the year ended June 30, 2015 were insignificant.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For Governmental Funds there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the 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.

HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

D. Budgets/Budgetary Control (Cont'd)

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 yearend as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the Special Revenue Fund for which the District has received advances are reflected in the balance sheet as unearned revenues at fiscal year end.

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

F. Tuition 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.

G. Tuition Payable

Tuition charges for the fiscal years 2014-2015 and 2013-2014 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

H. Short-Term Interfund Receivables/Payables

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

I. Inventories and Prepaid Items

Inventories and prepaid items, which benefit future periods, other than those recorded in the Enterprise Fund, are recorded as expenditures during the year of purchase.

Enterprise Fund inventories are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. The commodities inventory value at balance sheet date is reported as a unearned revenue as title does not pass to the school district until the commodities are used. Prepaid items in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

J. Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, vehicles and furniture and equipment, are reported in the government-wide financial statements. The District defines capital assets as assets with an initial, individual cost of more than \$2,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

All reported capital assets, except for land and construction in progress, of the District are depreciated using the straight-line method over the following estimated lives:

<u>Assets</u>	<u>Years</u>
Buildings	45
Building Improvements	20 to 45
Land Improvements	20
Furniture	20
Maintenance Equipment	15
Musical Instruments	10
Athletic Equipment	10
Audio Visual Equipment	10
Office/Computer Equipment	5 to 10
Vehicles	8 to 15
Software	5

K. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation and sick leave) as directed by Governmental Accounting Standards Board statement number 16 (GASB 16), "Accounting for Compensated Absences." A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

The liability for compensated absences was accrued using the vesting method, whereby the liability is calculated by vesting balances as of the balance sheet date for which a payment is probable. Salary related payments for the employer's share of social security and medicare taxes are included.

For the government-wide statements, the current portion is the amount estimated to be used in the following year. In accordance with GAAP, in the fund financial statements, all of the compensated absences are considered long-term and therefore are not a fund liability. This represents a reconciling item between the fund and government-wide presentations.

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

L. Unearned Revenue

Unearned revenue in the General Fund and Special Revenue Fund represents cash, which has been received but not yet earned. See Note 1 (E) regarding the Special Revenue Fund.

Unearned revenue in the Enterprise Fund includes United States government commodity inventories at year-end. The aid revenue associated with this commodity inventory is unearned until it is used in the operations of the Food Service Fund. Prepaid lunch debit card revenue balances at year-end are also included in unearned revenue.

M. Long-Term Obligations

In the government-wide financial statements and in internal service fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight-line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuance are reported as other financing uses.

N. Fund Balances-Governmental Funds

In the fund financial statements, governmental funds report the following classifications of fund balance:

- Non-Spendable—includes amounts that cannot be spent because they are either not spendable in form or are legally or contractually required to be maintained intact.
- Restricted—includes amounts restricted by external sources (creditors, laws of other governments, etc.) or by constitutional provision or enabling legislation.
- Committed—includes amounts that can only be used for specific purposes. Committed fund balance is reported pursuant to resolutions passed by the Board of Education, the District's highest level of decision making authority. Commitments may be modified or rescinded only through resolutions approved by the Board of Education.
- Assigned—includes amounts that the District intends to use for a specific purpose, but do not meet the definition of restricted or committed fund balance. Under the District's policy, amounts may be assigned by the Business Administrator.

HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

N. Fund Balances-Governmental Funds (cont'd)

- Unassigned—includes amounts that have not been assigned to other funds or restricted, committed or assigned to a specific purpose within the General Fund. The District reports all amounts that meet the unrestricted General Fund Balance Policy described below as unassigned:

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balance are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

O. Comparative Data/Reclassifications

Comparative total data for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain immaterial amounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation.

P. Allocation of Indirect Expenses

Certain expenses, which have not been charged to a specific function in the District's fund financial statements, have been allocated to the functions for the government-wide statements. Employee benefits, on-behalf TPAF pension contributions, reimbursed TPAF social security contributions and compensated absences accruals have been allocated based on salaries by function. Depreciation expense which was not specifically identified by function has been allocated based on the current year expenses by function.

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES**

Property valuations (assessments) are determined on true values as arrived at by a cost approach, market data approach and capitalization of net income where appropriate. Current assessments are the results of new assessments on a like basis with established comparable properties for newly assessed or purchased properties. This method assures equitable treatment to like property owners.

Upon the filing of certified adopted budgets by the municipality, the municipality's local school districts, and the county, the tax rate is struck by the County Board of Taxation based on the certified amounts in each of the taxing districts for collection to fund the budgets. The statutory provision for the assessment of property, levying of taxes and the collection thereof are set forth in NJSA 54:4 et seq. Special taxing districts are permitted in New Jersey for various special services rendered to the properties located within the special districts.

Tax bills are mailed annually in June. The taxes are due August 1 and November 1 respectively, and are adjusted to reflect the current fiscal year's total tax liability. The preliminary taxes due February 1 and May 1 of the succeeding fiscal year are based upon one-half of the current year's total tax.

HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 2. TAX ASSESSMENTS AND PROPERTY TAXES (Cont'd)**

Tax installments not paid on or before the due date are subject to interest penalties of eight per cent per annum on the first \$1,500 of the delinquency and eighteen percent per annum on any amount in excess of \$1,500. Pursuant to Chapter 75, PL 1991, the governing body may also fix a penalty to be charged to a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the calendar year. The penalty so fixed shall not exceed six percent of the amount of the delinquency. These interest and penalties are the highest permitted under the New Jersey statutes. Delinquent taxes are annually included in a tax sale in accordance with New Jersey statutes.

School taxes are guaranteed as to amount of collection by the municipality, the collection agency, and are transmitted to the school district in accordance with the schedule of tax installments as certified by the school district's Board of Education on an annual basis.

**NOTE 3. DEPOSITS AND 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. US Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at amortized 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 District 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.

NJSA 17:9-41 e.t. 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 saving 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.

Deposits at June 30, 2015 appear in the financial statements as summarized below:

Cash		<u>\$ 6,438,925</u>
	<u>Ref.</u>	
Cash:		
Governmental Funds, Balance Sheet	B-1	\$ 5,753,684
Enterprise Fund, Statement of Net Position	B-4	118,923
Fiduciary Funds, Statement of Net Position	B-7	566,318
Total Cash		<u>\$ 6,438,925</u>

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 3. DEPOSITS AND CASH EQUIVALENTS AND INVESTMENTS (Cont'd)**

Deposits – The District's carrying amount of bank deposits at June 30, 2015 is \$6,438,925 and the bank balance is \$6,737,507. Of the bank balance, \$250,000 is covered by federal depository insurance and \$6,487,507 is insured by GUDPA.

Deposit and Investment Risk

GASB Statement No. 40 "Deposit and Investment Risk Disclosures" requires state and local governments to communicate key information about deposit and investment risks. Required disclosures are as follows:

1. Custodial credit risk disclosures are required for:
  - deposits that are uninsured and either (a) uncollateralized or (b) collateralized with securities held by the pledging financial institution, or its trust department or agent but not in the government's name
  - Investment securities that are uninsured, are not registered in the name of the government, and are held by either (a) the counterparty or (b) the counterparty's trust department or agent but not in the government's name

As the district has no such investments, this disclosure is not applicable.

2. Credit quality ratings for investments in debt securities, external investment pools, money market funds, bond mutual funds, and other pooled investments of fixed-income securities. As the district has no such investments, this disclosure is not applicable.
3. Disclosure of investments by amount and issuer for any issuer that represents five percent of more of total investments. This requirement does not apply to investments issued or explicitly guaranteed by the US government and investments in mutual funds or pools. This disclosure is reported below under Concentration of Credit Risk.
4. Interest rate risk disclosures are required for all debt investments and non-money market like pools. As the district has no such investments, this disclosure is not applicable.
5. Investments that are exposed to foreign currency risk should be disclosed. As the district has no such investments, this disclosure is not applicable.

Concentration of Credit Risk

The State of New Jersey does not place any limit on the amount that the district may invest with any one issuer. As of June 30, 2015, the district had no investments.

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 4. CAPITAL ASSETS**

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

GOVERNMENTAL ACTIVITIES	Beginning Balance	Increases	Decreases	Ending Balance
Capital Assets, Not Being Depreciated:				
Construction in Progress	\$ 4,676,597	\$ 1,530,153	\$ 2,162,836	\$ 4,043,914
Total	<u>4,676,597</u>	<u>1,530,153</u>	<u>2,162,836</u>	<u>4,043,914</u>
Capital Assets, Being Depreciated:				
Land Improvements	2,189,751			2,189,751
Building & Improvements	14,225,952	1,701,035		15,926,987
Equipment	3,074,231	505,763		3,579,994
Vehicles	83,918			83,918
Total	<u>19,573,852</u>	<u>2,206,798</u>	<u>-0-</u>	<u>21,780,650</u>
Accumulated Depreciation:				
Land Improvements	1,533,235	72,694		1,605,929
Building & Improvements	8,600,492	269,018		8,869,510
Equipment	1,772,310	308,913		2,081,223
Vehicles	57,552	7,579		65,131
Total	<u>11,963,589</u>	<u>658,204</u>	<u>-0-</u>	<u>12,621,793</u>
Transfers	<u>-0-</u>	<u>(2,162,836)</u>	<u>(2,162,836)</u>	<u>-0-</u>
Total Capital Assets, Being Depreciated, Net	<u>7,610,263</u>	<u>1,548,594</u>	<u>-0-</u>	<u>9,158,857</u>
Governmental Activities Capital Assets, Net	<u>\$ 12,286,860</u>	<u>\$ 915,911</u>	<u>\$ -0-</u>	<u>\$ 13,202,771</u>
Business-Type Activities:				
Furniture & Equipment	\$ 311,382	\$ 2,169		\$ 313,551
Less: Accum Depreciation	<u>261,003</u>	<u>8,127</u>		<u>269,130</u>
Business-Type Activities Capital Assets, Net	<u>\$ 50,379</u>	<u>\$ (5,958)</u>	<u>\$ -0-</u>	<u>\$ 44,421</u>

Depreciation expense was charged to governmental functions in the current year as follows:

Instruction:	
Regular	\$ 249,229
Special Education	71,349
Other Special Instruction	28,226
Co-Curricular Activities	57,883
Support Services:	
Student & Instruction	120,615
General & Business Admin	33,930
School Administration	39,864
Maintenance of Plant	9,816
Transportation	<u>2,292</u>
Total Depreciation Expense, Governmental Activities	<u>\$ 658,204</u>

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 5. LONG-TERM DEBT**

Long-term liability activity for the fiscal year ended June 30, 2015 is as follows:

	<u>Beginning Balance</u>	<u>Accruals</u>	<u>Payments</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds Payable	\$ 2,490,000		\$ 230,000	\$ 2,260,000	\$ 245,000
Capital Leases Payable	943,142		231,815	711,327	234,442
PERS Net Pension Liability	6,211,704	\$ 451,948		6,663,652	
Compensated Absences Payable	<u>570,639</u>	<u>32,898</u>	<u>171,601</u>	<u>431,936</u>	<u>119,088</u>
Total Governmental Activities Long-Term Liabilities	<u>\$ 10,215,485</u>	<u>\$ 484,846</u>	<u>\$ 633,416</u>	<u>\$ 10,066,915</u>	<u>\$ 598,530</u>

Payments on the general obligation bonds are made in the debt service fund from property taxes and state aid. The other long-term debts are paid in the current expenditures budget of the District's general fund.

The annual requirements to amortize all general obligation bonds outstanding as of June 30, 2015 including interest payments are listed as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2016	\$ 245,000	\$ 85,500	\$ 330,500
2017	255,000	75,500	330,500
2018	265,000	65,100	330,100
2019	275,000	54,300	329,300
2020	285,000	43,100	328,100
2021-2023	<u>935,000</u>	<u>57,100</u>	<u>992,100</u>
Total	<u>\$ 2,260,000</u>	<u>\$ 380,600</u>	<u>\$ 2,640,600</u>

HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 5. GENERAL LONG-TERM DEBT** (Cont'd)

General Obligation Bonds – General obligation school building bonds at June 30, 2015, with their outstanding balances are comprised of the following individual issues:

\$3,330,000-2006 general obligation refunding bonds, due in annual installments of \$15,000 to \$325,000 beginning July 15, 2009 through July 15, 2022 interest from 3.40% to 4.00%	\$ <u>2,260,000</u>
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The general obligation bonded debt of the District is limited by state law to 4.00% of the average equalized assessed values of the total taxable property in the District for the past three years. The legal debt limit at June 30, 2015 is \$39,592,172. General obligation debt at June 30, 2015 is \$2,260,000, resulting in a legal debt margin of \$37,332,172.

Capital Leases Payable

The District is leasing technology equipment, and technology infrastructure under capital leases. The following is a schedule of the future minimum lease payments under the lease and the net minimum lease payments at June 30, 2015:

<u>Year Ending June</u>	<u>General Fund</u>
2016	\$ 241,820
2017	241,820
2018	241,819
	725,459
Amount Representing Interest	14,132
	\$ 711,327

**NOTE 6. PENSION PLANS**

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF), Public Employees' Retirement System (PERS) and the Defined Contribution Retirement Program (DCRP). The PERS and TPAF systems are sponsored and administered by the State of New Jersey. The DCRP system is administered by Prudential Financial for the Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system 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 Board and the system's other related non-contributing employers. The Public Employees Retirement System and Defined Contribution Retirement Program are considered cost sharing multiple-employer plans.

HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS)

**Plan Description**

The State of New Jersey, Public Employees' Retirement System (PERS) is a cost-sharing multiple-employer defined benefit pension plan administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about PERS, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrpts.shtml](http://www.state.nj.us/treasury/pensions/annrpts.shtml).

The vesting and benefit provisions are set by NJSA 43:15A. PERS provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of PERS.

The following represents the membership tiers for PERS:

Tier	Definition
1.	Members enrolled prior to July 1, 2007
2.	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3.	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4.	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5.	Members eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Allocation Methodology and Reconciliation to Financial Statements**

Although the Division administers one cost-sharing multiple-employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources, and pension expense excluding that attributable to employer-paid member contributions are determined separately for each individual employer of the State and local groups of the plan.

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

**Allocation Methodology and Reconciliation to Financial Statements** (Cont'd)

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages presented for each group in the schedule of employer allocations are applied to amounts presented in the schedules of pension amounts by employer. The allocation percentages for each group as of June 30, 2014 and 2013 are based on the ratio of each employer's contributions to total employer contributions of the group for the fiscal years ended June 30, 2014 and 2013, respectively.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions, requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented in the Division's schedule of employer allocations and applied to amounts presented in the schedule of pension amounts by employer are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the years ended June 30, 2014 and 2013. Employer allocation percentages have been rounded for presentation purposes, therefore amounts presented in the schedule of pension amounts by employer may result in immaterial differences.

**Contributions**

The contribution policy for PERS is set by NJSA 15A and requires contributions by active members and contributing employers. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For Fiscal years 2014 and 2013, the State's pension contribution was less than the actuarial determined amount.

The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, PL 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

**Collective Net Pension Liability and Actuarial Information**

Components of Net Pension Liability

The components of the District's allocable share of the net pension liability for PERS as of June 30, 2014 and 2013 are as follows:

	<u>2014</u>	<u>2013</u>
Total Pension Liability	\$ 13,906,019	\$ 12,114,096
Plan Fiduciary Net Position	<u>7,242,367</u>	<u>5,902,392</u>
Net Pension Liability	<u>\$ 6,663,652</u>	<u>\$ 6,211,704</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

Inflation Rate 3.01%

Salary Increases (Based on Age):

2012-2021 2.15%-4.40%  
 Thereafter 3.15%-5.40%

Investment Rate of Return 7.90%

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

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

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Discount Rate

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

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

The following presents the collective net pension liability of the District as of June 30, 2014 and 2013, respectively, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1% point lower or 1% point higher than the current rate:

	2014
At Current Discount Rate (5.39%)	\$ 6,663,652
At a 1% Lower Rate (4.39%)	8,383,102
At a 1% Higher Rate (6.39%)	5,219,753
	2013
At Current Discount Rate (5.55%)	\$ 6,211,704
At a 1% Lower Rate (4.55%)	7,732,753
At a 1% Higher Rate (6.55%)	4,937,266

Collective Deferred Outflows of Resources and Deferred Inflows of Resources

At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -0-	\$ -0-
Changes of assumptions	209,541	
Net difference between projected and actual earnings on pension plan investments		397,117

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

Collective Deferred Outflows of Resources and Deferred Inflows of Resources (Cont'd)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in proportion and differences between District contributions and proportionate share of contributions	\$ 498,798	
District contributions subsequent to the measurement date	<u>293,409</u>	
Total	<u>\$ 1,001,748</u>	<u>\$ 397,117</u>

The amount reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date (ie for the school year ending June 30, 2015, the plan measurement date is June 30, 2014) of \$293,409 will be recognized as a reduction of the net pension liability in the year ended June 30, 2015.

The following presents a summary of changes in the collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) for the year ended June 30, 2014:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Deferred Outflows of Resources:				
Changes of Assumptions	\$ -0-	\$ 248,060	\$ 38,519	\$ 209,541
Deferred Inflows of Resources:				
Difference Between Projected and Actual Earnings on Pension Plan Investments	-0-	496,396	99,279	<u>397,117</u>
Net of Deferred Outflows/(Inflows)				<u>\$ (187,576)</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions (excluding employer specific amounts, deferrals from District contributions subsequent to the measurement date, and deferrals from change on proportion) will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2015	\$ (60,761)
2016	(60,761)
2017	(60,761)
2018	(60,761)
2019	38,519
Thereafter	<u>16,949</u>
Total	<u>\$ (187,576)</u>

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

A. Public Employees' Retirement System (PERS) (Cont'd)

**Pension Expense**

For the year ended June 30, 2015, the District recognized net pension expense of \$385,619 which represents the District's proportionate share of allocable plan pension expense of \$342,595 plus the net amortization of deferred amounts from changes in proportion of \$91,691 and less other adjustments to the net pension liability of \$48,667. The components of allocable pension expense, which exclude amounts attributable to employer paid member contributions and pension expense related to specific liabilities of individual employers, for the District for the year ending June 30, 2014 are as follows:

Service Cost	\$ 311,777
Interest on Total Pension Liability	735,614
Member Contributions	(170,744)
Administrative Expense	5,200
Expected Investment Return Net of Investment Expense	(476,375)
Pension Expense Related to Specific Liabilities of Individual Employers	(2,117)
Recognition of Deferred Inflows/Outflows of Resources:	
Amortization of Assumption Changes or Inputs	38,519
Amortization of Projected Versus Actual Investment Earnings on Pension Plan Investments	(99,279)
Pension Expense	<u>\$ 342,595</u>

B. Teacher's Pension and Annuity Fund (TPAF)

**Plan Description**

The State of New Jersey, Teachers' Pension and Annuity Fund (TPAF) is a cost sharing multiple-employer defined benefit pension plan with a special-funding situation, by which the State of New Jersey (the State) is responsible to fund 100% of the employer contributions, excluding any local employer early retirement incentive (ERI) contributions. TPAF is administered by the State of New Jersey, Division of Pensions and Benefits (the Division). For additional information about TPAF, please refer to Division's Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions/annrprts.shtml](http://www.state.nj.us/treasury/pensions/annrprts.shtml).

The vesting and benefit provisions are set by NJSA 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. 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.

HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

B. Teacher's Pension and Annuity Fund (TPAF) (Cont'd)

The following represents the membership tiers for PERS:

Tier	Definition
1.	Members enrolled prior to July 1, 2007
2.	Members eligible to enroll on or after July 1, 2007 and prior to November 2, 2008
3.	Members eligible to enroll on or after November 2, 2008 and prior to May 22, 2010
4.	Members eligible to enroll on or after May 22, 2010 and prior to June 28, 2011
5.	Members eligible to enroll on or after June 28, 2011

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to tiers 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to tier 4 members upon reaching age 62 and tier 5 members upon reaching age 65. Early retirement benefits are available to tiers 1 and 2 members before reaching age 60, tiers 3 and 4 before age 62 with 25 or more years of service credit and tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a member retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 55 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

**Special Funding Situation**

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

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

B. Teacher's Pension and Annuity Fund (TPAF) (Cont'd)

For purposes of reporting required by GASB Statement No. 68, Accounting and Financial Reporting for Pensions, the District's proportionate share of allocable net pension liability, employer pension expense and related revenue, non-employer contributions and their allocable proportionate percentage for fiscal years ending June 30, 2014 and 2013 is as follows:

	<u>2014</u>	<u>2013</u>
Net Pension Liability	\$ 70,306,742	\$67,582,280
Employer Pension Expense & Related Revenue	3,183,163	N/A
Non-Employer Contribution	558,790	866,073
Allocable Proportionate Percentage	.1315454140%	.1337224605%

C. Defined Contribution Retirement Program

The Defined Contribution Retirement Program (DCRP) was established under the provisions Ch 92, PL 2007 and expanded under the provisions of Ch 89, PL 2008 and Ch 1, PL 2010 to provide eligible members with a tax sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Employees eligible to enroll in the program include the following: First, employees enrolled in the Public Employees Retirement System (PERS) or Teachers Pension and Annuity Fund (TPAF) on or after July 1, 2007 who earn salary in excess of maximum compensation limits. Also, employees otherwise eligible to enroll in the TPAF and PERS who do not earn the minimum salary (\$8,200 for 2015) but who earn salary of at least \$5,000 annually are eligible to participate. The program administrator, Prudential Financial, makes information regarding the program available on its New Jersey Defined Contribution Program Web Site: [www.prudential.com/njdcrp](http://www.prudential.com/njdcrp).

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statement and required supplementary information for TPAF and PERS. The financial reports may be obtained by writing to the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey 08625-0295.

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 6. PENSION PLANS** (Cont'd)

Contribution Requirements

The contribution policy is set by state statutes and contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey legislation. Significant legislation which became effective October 1, 2011 will gradually increase the employee contribution rate for PERS and TPAF members. Effective October 1, 2011 the rate increased from 5.50% to 6.50% of annual contractual compensation for employees enrolled in the TPAF and PERS pension plans. The rate will increase each year on the first of July over a seven year phase-in period until the withholding rate reaches 7.50% effective July 1, 2018. Contribution rates for DCRP provide for employee contributions of 5.50% of annual contractual compensation as defined. Employers are required to contribute at an actuarially determined rate in TPAF, PERS and DCRP. The actuarially determined contribution includes funding for cost-of-living adjustments, non-contributory death benefits and post-retirement medical premiums. Under current statute, the Board is a noncontributing employer of the TPAF.

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

<u>Year</u> <u>Funding</u>	<u>TPAF</u> <u>Benefit Costs</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
06/30/15	\$ 1,851,303	100%
06/30/14	1,468,931	100%
06/30/13	1,841,084	100%

Three-Year Trend Information for PERS

<u>Year</u> <u>Funding</u>	<u>Annual</u> <u>Pension</u> <u>Cost (APC)</u>	<u>Percentage</u> <u>of APC</u> <u>Contributed</u>
06/30/15	\$ 297,608	100%
06/30/14	244,893	100%
06/30/13	244,983	100%

During the year ended June 30, 2015, the State of New Jersey contributed \$1,135,824 to the TPAF for post-retirement medical benefits and \$48,021 for the non-contributory insurance premiums, and \$667,458 for TPAF normal costs and accrued liability costs on behalf of the Board. Also, in accordance with NJSA 18A:66-66 the State of New Jersey reimbursed the Board \$976,272 during the year ended June 30, 2015 for the employer's share of social security contributions for TPAF members calculated on their base salaries. These amounts have been included in the financial statements and the combining and individual fund and account group statements and schedules as revenues and expenditures in accordance with GASB 68.

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 7. POST-RETIREMENT BENEFITS**

Chapter 384 of PL 1987 and Ch 6 of PL 1990 required TPAF and 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. PL 2007, Ch 103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees eligible for post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with Ch 62, PL 1994. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning the fiscal year 1994.

The State is also responsible for the cost attributable to Ch 126, PL 1992, which provides free health benefits to members of PERS and the Alternate Benefits Program who retired from a board of education or county college with 25 years of service. In fiscal year 2014, the State paid \$165.8 million toward Ch 126 benefits for 18,122 eligible retired members.

GASB Statement 45 requires certain disclosures relating to governmental entities obligations for other post-employment benefits (OPEB), which are post-employment benefits other than pensions. The District's only material OPEB obligation is for healthcare provided to eligible retirees through the NJ State Health Benefits Program.

**Plan Description**-The School District contributes to the State Health Benefits Program (SHBP), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan administered by the State of New Jersey Division of Pensions and Benefits. SHBP was established in 1961 under NJSA 52:14-17.25 et seq., to provide health benefits to State employees, retirees, and their dependents. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code, SHBP provides medical, prescription drugs, mental health/substance abuse, and Medicare Part B reimbursement to retirees and their covered dependents.

The SHBP was extended to employees, retirees, and dependents of participating local public employers in 1964. The school district adopted a resolution to participate in the SHBP. The States Health Benefits Commission is the executive body established by the statute to be responsible for the operation of the SHBP. The State of New Jersey Division of Pensions and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for the SHBP. That report may be obtained by writing to: State of New Jersey Division of Pensions and Benefits, PO Box 295, Trenton, NJ 08625-0295 or by visiting their website at [www.nj.gov/treasury/pensions](http://www.nj.gov/treasury/pensions).

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 7. POST-RETIREMENT BENEFITS (Cont'd)**

Funding Policy-Participating employers are contractually required to contribute based on the amount of premiums attributable to their retirees. Post-retirement medical benefits under the plan have been funded on a pay-as-you-go basis since 1994. Prior to 1994, medical benefits were funded on an actuarial basis. Information regarding the State's annual contributions, annual OPEB cost and net OPEB obligations is available through the State as noted in the previous paragraph.

**NOTE 8. 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, permit 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:

VALIC  
AXA Equitable  
The Legend Group  
Lincoln Financial Group  
American United Life Insurance Company

**NOTE 9. INTERFUND RECEIVABLE AND PAYABLES**

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

Fund	Interfund Receivable	Interfund Payable
General Fund	\$ 93,333	22,555
Special Revenue Fund		49,253
Food Service Fund	22,555	
Payroll Agency Fund		44,080
	<u>\$ 115,888</u>	<u>\$ 115,888</u>

The balance due from the Payroll Agency Fund to the General Fund represents health insurance withholdings of \$41,890 and flexible spending account withholdings of \$2,190 not transferred over at year-end. The balance due from the Special Revenue Fund to the General Fund represents a loan from the General fund of \$49,253 due to cash flow issues related to the delayed receipt of grant revenues. The balance due from the General Fund to the Food Service Fund of \$22,555 represents cafeteria subsidy aid received in the General Fund but not yet transferred to the Food Service Fund.

The District transferred \$132,856 from the General Fund to the Capital Projects Fund representing capital reserve funding for projects approved in the District's Long Range Facility Plan. The District also transferred \$275,725 from the Capital Projects Fund to the General Fund representing an unexpended project balance of \$19,744 and NJ SDA aid of \$255,981 for capital projects which were previously accounted for in the General Fund.

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 10. INVENTORY**

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

Food	\$	2,281
Supplies		659
	\$	2,940

The value of Federal donated commodities as reflected on Schedule A (required by the Single Audit Law of 1984) is the difference between market value and cost of the commodities at the date of purchase and has been included as an item of non-operating revenue in the financial statements.

**NOTE 11. CONTINGENT LIABILITIES**

The District is involved in various legal proceedings that are incidental to its operations. These legal proceedings are not likely to have a material adverse effect on the financial position of the District.

**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, and student accident and surety bonds. There was no significant reduction in insurance coverage from coverage of the prior year. The District did not have any insurance settlements which exceeded insurance coverage for the past three years. A complete schedule of insurance coverage can be found in the Statistical Section of the Comprehensive Annual Financial Report.

New Jersey Unemployment Compensation Insurance - The District has elected to fund its NJ Unemployment Compensation Insurance under the "Benefit Reimbursement Method." Under this plan, the District is required to reimburse the NJ 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, and interest earnings, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Districts expendable trust fund for the current and previous two years:

Fiscal Year	Other	District Contribution	Employee Contribution	Amount Reimbursed	Ending Balance
2014-2015	\$ 15,587	\$ -0-	\$ 26,698	\$ 33,674	\$ 56,911
2013-2014	-0-	-0-	25,466	80,122	48,300
2012-2013	-0-	-0-	25,988	25,065	102,956

HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2015  
 (Continued)

**NOTE 13. LEGAL RESERVE ACCOUNTS**

A capital reserve account was established by the District by inclusion of \$5,000 in the original 1998-99 annual capital outlay budget 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.

Funds placed in the capital reserve account are restricted to capital projects in the districts approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the Department of Education, a district may deposit funds into the capital reserve at any time upon board resolution through the transfer of undesignated, unreserved general fund balance or of excess undesignated, unreserved general fund balance that is anticipated in the budget certified for taxes. Pursuant to NJAC 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Districts are allowed as per NJSA 18A:7F-41(a) & 41(b) to deposit to the legal reserves by board resolution during the month of June for any unanticipated revenue and/or unexpended line-item appropriation amounts. Pursuant to this state statute, the District deposited \$1,625,000 to their Capital Reserve account and \$283,000 to their Maintenance Reserve account by board resolution in June 2015.

The following is a summarization of the Legal Reserve Accounts for the current year:

Reserve Type	Beginning Balance	District Contribution	Interest Earnings	Return of Unused With- drawal	With- drawal	Ending Balance
Capital	\$ 1,468,877	\$ 1,625,000		\$ 275,726	\$ 132,856	\$ 3,236,747
Maintenance	450,000	283,000			200,000	533,000
Emergency	200,000					200,000
Tuition	200,000				200,000	
Totals	<u>\$ 2,318,877</u>	<u>\$ 1,908,000</u>	<u>\$ -0-</u>	<u>\$ 275,726</u>	<u>\$ 532,856</u>	<u>\$ 3,969,747</u>

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2015  
(Continued)

**NOTE 14. FUND BALANCES-BUDGETARY BASIS (Cont'd)**

As described in Note 1 N-Fund Equity (Fund Balance) may be restricted, committed or assigned. An analysis of the General Fund Balance on June 30, 2015 and 2014 is as follows:

	<u>2015</u>	<u>2014</u>
Restricted:		
Excess Surplus-Represents amount in excess of allowable percentage of expenditures. In accordance with state statute, the excess surplus is designated for utilization in the succeeding year's budget	\$ 112,408	
Committed:		
Capital Reserve Account-represents funds restricted to capital projects in the Districts Long Range Facilities Plan	3,236,747	\$ 1,468,877
Maintenance Reserve-represents funds accumulated for the required maintenance of a facility in accordance with the EFCFA (NJSA18A:76-9)	533,000	450,000
Emergency Reserve-Represents funds accumulated to finance unanticipated general fund expenditures required for a thorough and efficient education	200,000	200,000
Tuition Reserve-Represents funds accumulated to finance for a foreseeable future tuition adjustment pursuant to N.J.A.C. 6A:23A-17.1(f)		200,000
Assigned:		
Year End Encumbrance-Represents fund balance committed for purchase orders that have been issued but goods or services were not received as of June 30,	910,205	703,710
Designated for Subsequent Year's Expenditures: Represents amount appropriated in the succeeding year's budget to reduce tax requirements	375,000	375,000
Unassigned:		
Undesignated-Represents fund balance which has not been restricted or designated	<u>615,830</u>	<u>693,063</u>
Total Fund Balance	<u>\$ 5,983,190</u>	<u>\$ 4,090,650</u>

**NOTE 15. CALCULATION OF EXCESS SURPLUS**

In accordance with NJSA 18A:7F-7, as amended by PL 2004, Ch 73 (S1701), the designation for Reserved Fund Balance-Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30, if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2015 is \$112,408.

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
JUNE 30, 2014  
(Continued)

**NOTE 16: SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 24, 2015, which is the date the financial statements were available to be issued and no additional items were noted for disclosure.

**NOTE 17. RECENT ACCOUNTING PRONOUNCEMENTS NOT YET EFFECTIVE**

The following is a list of recent accounting pronouncements which are not yet effective as of the year end date of this report:

In February 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 72 "Fair Value Measurement and Application". This statement, which is effective for fiscal periods beginning after June 15, 2015, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 73 "Accounting and Financial Reporting for Pensions and Related Assets that are not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68. This statement, which is effective for fiscal periods beginning June 15, 2015 and June 15, 2016 for pension systems not within the scope of GASB 68, is not expected to have an effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 74 "Financial Reporting for Postemployment Benefits Other than Pension Plans". This statement, which is effective for fiscal periods beginning June 15, 2016, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 75 "Accounting and Financial Reporting for Postemployment Benefits Other than Pensions". This statement, which is effective for fiscal periods beginning June 15, 2017, is expected to have a nominal effect on the District's financial reporting.

In June 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 76 "The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments". This statement, which is effective for fiscal periods beginning June 15, 2015, is not expected to have an effect on the District's financial reporting.

In August 2015, the Governmental Accounting Standards Board (GASB) issued Statement No. 77 "Tax Abatement Disclosures". This statement, which is effective for fiscal periods beginning December 15, 2015, is not expected to have an effect on the District's financial reporting.

HACKETTSTOWN SCHOOL DISTRICT  
 NOTES TO THE FINANCIAL STATEMENTS  
 JUNE 30, 2014  
 (Continued)

**NOTE 18. RESTATEMENT OF PRIOR YEAR NET POSITION**

During the fiscal year ending June 30, 2015, the District has determined that a restatement of its prior year net position is necessary. Due to changes in accounting principles resulting from the issuance of Government Accounting Standards Board's (GASB) Statement No. 68, for pension liabilities, adjustments to the net position for the net pension liability and deferred outflows of resources as of the measurement date of June 30, 2014 are necessary. The following is a summary of the District's restatement of net position as of June 30, 2014:

	<u>Governmental Activities</u>
Net Position, June 30, 2014 as Originally Stated	\$ 14,071,249
Add: Deferred Outflow of Resources for Pension Activity	244,893
Adjustments to the Capital Asset Inventory Value	529,915
Less: Net Pension Liability as of June 30, 2014	(6,211,704)
Net Position, June 30, 2014 as Restated	<u>\$ 8,634,353</u>

**NOTE 19. DEFICIT BALANCE IN UNRESTRICTED NET POSITION**

The District is reporting a deficit balance in unrestricted net position for governmental activities as of June 30, 2015 of \$5,010,634 on schedule A-1 "Statement of Net Position". The deficit balance is not a negative reflection on the District's financial condition, but is the result of reporting required by GASB Statement No. 68 Accounting and Financial Reporting for Pensions which allocates the proportionate share of the State's net pension liability for PERS to each contributing entity throughout the State.

**REQUIRED SUPPLEMENTARY INFORMATION-PART II**

**BUDGETARY COMPARISON SCHEDULES**

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 14,776,549		\$ 14,776,549	\$ 14,776,549	
Tuition from Other LEAs Within the State	8,149,688		8,149,688	8,335,731	\$ 186,043
Interest on Capital Reserve Account	500		500		(500)
Interest on Investments				6	6
Building Use Rentals				28,280	28,280
Local Contributions				2,000	2,000
Miscellaneous-Unrestricted	190,000		190,000	81,711	(108,289)
<b>Total</b>	<b>23,116,737</b>	<b>\$ -</b>	<b>23,116,737</b>	<b>23,224,277</b>	<b>107,540</b>
State Sources:					
Equalization Aid	4,244,551		4,244,551	4,244,551	
Categorical Special Education Aid	740,338		740,338	740,338	
Categorical Transportation Aid	16,384		16,384	16,384	
Categorical Security Aid	33,016		33,016	33,016	
School Choice Aid	39,220		39,220	39,220	
PARCC Readiness Aid	13,860		13,860	13,860	
Per Pupil Growth Aid	13,860		13,860	13,860	
Extraordinary Aid:					
Current Year Award	25,000		25,000	103,517	78,517
Prior Year Additional Award				1,079	1,079
On-Behalf TPAF Pension Contributions				715,479	715,479
On-Behalf TPAF Post Retirement Medical Benefits				1,135,824	1,135,824
Reimbursed TPAF Social Security Contributions				976,272	976,272
<b>Total</b>	<b>5,126,229</b>	<b>-</b>	<b>5,126,229</b>	<b>8,033,400</b>	<b>2,907,171</b>
Federal Sources:					
Medicaid Reimbursement (SEMI)	21,956		21,956	43,248	21,292
ARRA Medicaid Reimbursement (SEMI)				9,114	9,114
<b>Total</b>	<b>21,956</b>	<b>-</b>	<b>21,956</b>	<b>52,362</b>	<b>30,406</b>
<b>TOTAL REVENUES</b>	<b>\$ 28,264,922</b>	<b>\$ -</b>	<b>\$ 28,264,922</b>	<b>\$ 31,310,039</b>	<b>\$ 3,045,117</b>
<b>EXPENDITURES</b>					
Current:					
Regular Programs:					
Instruction:					
Salaries of Teachers:					
Kindergarten	\$ 448,146	\$ (22,473)	\$ 425,673	\$ 409,694	\$ 15,979
Grades 1-5	2,328,329	(138,570)	2,189,759	2,122,276	67,483
Grades 6-8	1,586,120	(56,273)	1,529,847	1,408,201	121,646
Grades 9-12	4,206,640	(112,527)	4,094,113	3,835,465	258,648
Home Instruction:					
Salaries of Teachers	17,280	17,341	34,621	34,621	
Purchased Professional-Educational Services	35,000	(3,233)	31,767	30,892	875
Undistributed Instruction:					
Other Salaries for Instruction	206,287	(84,735)	121,552	108,776	12,776
Purchased Professional-Educational Services	8,300	252,345	260,645	260,585	60
Purchased Technical Services	152,820	(9,069)	143,751	103,958	39,793
Other Purchased Services	105,050	9,320	114,370	113,887	483
General Supplies	375,288	6,571	381,859	310,832	71,027
Textbooks	279,824	(31,129)	248,695	238,973	9,722
Other Objects	11,635	(4,728)	6,907	6,443	464
<b>Total</b>	<b>9,760,719</b>	<b>(177,160)</b>	<b>9,583,559</b>	<b>8,984,603</b>	<b>598,956</b>
Special Education:					
Learning and/or Language Disabilities:					
Salaries of Teachers	135,180	13,552	148,732	145,127	3,605
General Supplies	955	(955)			
<b>Total</b>	<b>136,135</b>	<b>12,597</b>	<b>148,732</b>	<b>145,127</b>	<b>3,605</b>
Auditory Impairments:					
Salaries of Teachers	115,016	(18,710)	96,306	93,085	3,221
Purchased Professional-Educational Services	13,185	4,820	18,005	18,005	
Other Purchased Services	1,100	(1,100)			
General Supplies	9,000	(7,277)	1,723	1,723	
<b>Total</b>	<b>138,301</b>	<b>(22,267)</b>	<b>116,034</b>	<b>112,813</b>	<b>3,221</b>

HACKETTSTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Multiple Disabilities:					
Salaries of Teachers	\$ 132,182	\$ (1,830)	\$ 130,352	\$ 125,790	\$ 4,562
General Supplies	651	(651)			
Other Objects	150	(150)			
Total	<u>132,983</u>	<u>(2,631)</u>	<u>130,352</u>	<u>125,790</u>	<u>4,562</u>
Resource Room/Center:					
Salaries of Teachers	1,592,912	(82,854)	1,510,058	1,469,382	40,676
Other Salaries for Instruction	112,190	119,681	231,871	196,285	35,586
General Supplies	9,799	(2,008)	7,791	7,791	
Textbooks	4,100	(2,554)	1,546	1,546	
Other Objects	2,184	(2,160)	24	24	
Total	<u>1,721,185</u>	<u>30,105</u>	<u>1,751,290</u>	<u>1,675,028</u>	<u>76,262</u>
Autism:					
Salaries of Teachers	67,011	(2,418)	64,593	62,827	1,766
Purchased Professional-Educational Services	30,000	(2,265)	27,735		27,735
General Supplies	820	(616)	204	204	
Other Objects	500	(500)			
Total	<u>98,331</u>	<u>(5,799)</u>	<u>92,532</u>	<u>63,031</u>	<u>29,501</u>
Preschool Disabilities-Part Time:					
Salaries of Teachers	72,564	(3,960)	68,604	52,660	15,944
Other Salaries for Instruction	10,702	788	11,490	10,993	497
General Supplies	1,123	(449)	674	674	
Other Objects	500	(341)	159	159	
Total	<u>84,889</u>	<u>(3,962)</u>	<u>80,927</u>	<u>64,486</u>	<u>16,441</u>
Total Special Education	<u>2,311,824</u>	<u>8,043</u>	<u>2,319,867</u>	<u>2,186,275</u>	<u>133,592</u>
Basic Skills/Remedial-Instruction:					
Salaries of Teachers	401,434	63,772	465,206	450,293	14,913
General Supplies	4,831	(186)	4,645	3,182	1,463
Total	<u>406,265</u>	<u>63,586</u>	<u>469,851</u>	<u>453,475</u>	<u>16,376</u>
Bilingual Education:					
Salaries of Teachers	231,920	(1,000)	230,920	223,022	7,898
General Supplies	3,584		3,584	1,878	1,706
Total	<u>235,504</u>	<u>(1,000)</u>	<u>234,504</u>	<u>224,900</u>	<u>9,604</u>
School Sponsored Co/Extra Curricular Activities:					
Salaries	105,452	28,616	134,068	117,568	16,500
Purchased Services	18,825	(10,794)	8,031	8,031	
Supplies and Materials	28,034	(14,087)	13,947	13,323	624
Other Objects	13,737	(6,055)	7,682	6,642	1,040
Total	<u>166,048</u>	<u>(2,320)</u>	<u>163,728</u>	<u>145,564</u>	<u>18,164</u>
School Sponsored Athletics:					
Salaries	617,584	(2,028)	615,556	601,242	14,314
Purchased Services	107,160	(11,350)	95,810	48,515	47,295
Supplies and Materials	42,652	16,495	59,147	54,649	4,498
Other Objects	10,900	4,434	15,334	15,008	326
Total	<u>778,296</u>	<u>7,551</u>	<u>785,847</u>	<u>719,414</u>	<u>66,433</u>
Total Instruction-Regular	<u>\$ 13,658,656</u>	<u>\$ (101,300)</u>	<u>\$ 13,557,356</u>	<u>\$ 12,714,231</u>	<u>\$ 843,125</u>

HACKETTSTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Undistributed Expenditures:					
Instruction-Tuition:					
Other LEAs Within the State-Special	\$ 46,971	\$ 46,508	\$ 93,479	\$ 48,924	\$ 44,555
County Vocational School District-Regular	35,338		35,338	35,338	
County Vocational School District-Special	15,000		15,000	15,000	
CSSD and Regional Day Schools	415,482		415,482	257,416	158,066
Private Schools for Disabled Within the State	594,309	(82,390)	511,919	276,714	235,205
Tuition-Other	19,949		19,949	19,949	
Total	<u>1,127,049</u>	<u>(35,882)</u>	<u>1,091,167</u>	<u>633,392</u>	<u>457,775</u>
Attendance & Social Work:					
Salaries	45,723	5,192	50,915	49,915	1,000
Total	<u>45,723</u>	<u>5,192</u>	<u>50,915</u>	<u>49,915</u>	<u>1,000</u>
Health Services:					
Salaries	286,329	4,243	290,572	282,918	7,654
Purchased Professional & Technical Services	86,085	(42,847)	43,238	42,888	350
Supplies & Materials	23,785	398	24,183	23,118	1,065
Other Objects	1,400		1,400	430	970
Total	<u>397,599</u>	<u>(38,206)</u>	<u>359,393</u>	<u>349,354</u>	<u>10,039</u>
Speech, OT, PT & Related Services:					
Salaries	223,876		223,876	217,480	6,396
Purchased Professional-Educational Services	235,000	117,805	352,805	335,207	17,598
Supplies & Materials	2,448	2,212	4,660	4,375	285
Total	<u>461,324</u>	<u>120,017</u>	<u>581,341</u>	<u>557,062</u>	<u>24,279</u>
Other Support Services-Students-Extraordinary Svc:					
Salaries	275,328	59,988	335,316	257,081	78,235
Total	<u>275,328</u>	<u>59,988</u>	<u>335,316</u>	<u>257,081</u>	<u>78,235</u>
Guidance:					
Salaries of Other Professional Staff	845,076	(14,765)	830,311	776,428	53,883
Salaries of Secretarial & Clerical Assistants	50,505		50,505	49,115	1,390
Purchased Professional-Educational Services	19,500	(10,949)	8,551	8,551	
Other Purchased Professional & Technical Services	9,770	(9,770)			
Other Purchased Services	2,640	(1,305)	1,335	695	640
Supplies & Materials	16,968		16,968	10,562	6,406
Other Objects	529		529	529	
Total	<u>944,988</u>	<u>(36,789)</u>	<u>908,199</u>	<u>845,351</u>	<u>62,848</u>
Child Study Team:					
Salaries of Other Professional Staff	802,596	(36,548)	766,048	721,288	44,760
Salaries of Secretarial & Clerical Assistants	55,986		55,986	54,890	1,096
Purchased Professional-Educational Services	78,000	9,344	87,344	44,001	43,343
Other Purchased Professional & Technical Services	15,487	(15,487)			
Miscellaneous Purchased Services	2,500		2,500	1,218	1,282
Supplies & Materials	12,688	5,823	18,511	15,457	3,054
Other Objects	5,875	(106)	5,769	3,774	1,995
Total	<u>973,132</u>	<u>(36,974)</u>	<u>936,158</u>	<u>840,628</u>	<u>95,530</u>
Improvement of Instruction Services:					
Salaries of Supervisor of Instruction	58,355		58,355	50,400	7,955
Salaries of Other Professional Staff	7,400		7,400	5,000	2,400
Purchased Professional-Educational Services	10,000		10,000		10,000
Other Purchased Services	500	(240)	260		260
Supplies & Materials	1,000	220	1,220	1,220	
Other Objects	800	20	820	820	
Total	<u>78,055</u>	<u>-</u>	<u>78,055</u>	<u>57,440</u>	<u>20,615</u>

HACKETTSTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (Cont'd)</b>					
Current: (cont'd)					
Educational Media Services/School Library:					
Salaries	\$ 495,490	\$ 15,254	\$ 510,744	\$ 495,191	\$ 15,553
Salaries of Technology Coordinators	96,445	364	96,809	94,000	2,809
Purchased Professional and Technical Services	8,700	(2,138)	6,562	6,562	
Other Purchased Services	18,315	(300)	18,015	15,658	2,357
Supplies & Materials	60,611	(2,795)	57,816	47,301	10,515
Total	679,561	10,385	689,946	658,712	31,234
Instructional Staff Training Services:					
Purchased Professional-Educational Services	5,025	(5,025)			
Other Purchased Services	36,405	(5,360)	31,045	1,974	29,071
Supplies & Materials	1,400		1,400		1,400
Total	42,830	(10,385)	32,445	1,974	30,471
Support Services-General Administration:					
Salaries	211,448	4,541	215,989	208,795	7,194
Legal Services	92,602		92,602	84,146	8,456
Audit Fees	31,000	(3,000)	28,000	28,000	
Architectural/Engineering Services	30,500	31,250	61,750	27,250	34,500
Other Purchased Professional Services	83,000	(62,018)	20,982	13,182	7,800
Purchased Technical Services	49,153	(14,550)	34,603	25,678	8,925
Communications/Telephone	91,206	10,009	101,215	101,215	
Board of Education Other Purchased Services	5,000		5,000	2,707	2,293
Miscellaneous Purchased Services	135,500	(17,100)	118,400	97,192	21,208
General Supplies	16,024	(89)	15,935	13,749	2,186
Miscellaneous Expenditures	20,000	189	20,189	20,144	45
Total	765,433	(50,768)	714,665	622,058	92,607
Support Services-School Administration:					
Salaries of Principals/Ass't Principals/Program Directors	794,958	(847)	794,111	787,814	6,297
Salaries of Secretarial & Clerical Assistants	380,567	1,668	382,235	369,826	12,409
Other Purchased Services	66,100	(62,165)	3,935	3,865	70
Supplies & Materials	31,529	22,906	54,435	51,633	2,802
Other Objects	12,460	(3,242)	9,218	8,398	820
Total	1,285,614	(41,680)	1,243,934	1,221,536	22,398
Central Services:					
Salaries	315,497	11,599	327,096	323,041	4,055
Purchased Professional Services	96,040	(45,575)	50,465	43,302	7,163
Purchased Technical Services	30,000	(17,436)	12,564	5,199	7,365
Miscellaneous Purchased Services	1,250		1,250	1,113	137
Supplies & Materials	8,070		8,070	5,944	2,126
Interest on Lease Purchase Agreements	50,000	(31,815)	18,185	10,005	8,180
Miscellaneous Expenditures	3,100		3,100	2,774	326
Total	503,957	(83,227)	420,730	391,378	29,352

HACKETTSTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES (Cont'd)					
Current: (cont'd)					
Administrative Information Technology:					
Purchased Technical Services	\$ 37,355		\$ 37,355	\$ 16,520	\$ 20,835
Supplies & Materials	12,934		12,934	9,720	3,214
Total	50,289	\$ -	50,289	26,240	24,049
Required Maintenance for School Facilities:					
Salaries	182,819	20,875	203,694	192,571	11,123
Cleaning, Repair, & Maintenance Services	335,262	(51,784)	283,478	252,386	31,092
General Supplies	119,199	14,076	133,275	96,576	36,699
Other Objects	5,000		5,000	1,188	3,812
Total	642,280	(16,833)	625,447	542,721	82,726
Custodial Services:					
Salaries	413,463	128,049	541,512	490,598	50,914
Salaries of Noninstructional Aides	9,100	(9,100)			
Purchased Professional & Technical Services	2,680	36,700	39,380	38,748	632
Cleaning, Repair, & Maintenance Services	465,095	(142,600)	322,495	244,195	78,300
Other Purchased Property Services	5,000	(169)	4,831	350	4,481
Insurance	134,600	2,499	137,099	136,839	260
Misc Purchased Service	30,301	(511)	29,790	1,100	28,690
General Supplies	101,949	6,793	108,742	99,580	9,162
Energy (Natural Gas)	214,068	(4,364)	209,704	186,809	22,895
Energy (Electricity)	327,553	(15,500)	312,053	209,931	102,122
Energy (Oil)	14,000		14,000	12,275	1,725
Energy (Gasoline)	14,500		14,500	8,885	5,615
Other Objects	17,000		17,000	9,437	7,563
Total	1,749,309	1,797	1,751,106	1,438,747	312,359
Care & Upkeep of Grounds:					
Salaries	145,969	(1,736)	144,233	128,723	15,510
Cleaning, Repair, & Maintenance Services	58,794	10,954	69,748	54,248	15,500
General Supplies	96,188	(40,337)	55,851	20,370	35,481
Total	300,951	(31,119)	269,832	203,341	66,491
Security:					
Salaries	113,350	69,059	182,409	170,932	11,477
Purchased Professional & Technical Services		4,697	4,697	4,697	
General Supplies	14,000	408	14,408	13,208	1,200
Other Objects		350	350		350
Total	127,350	74,514	201,864	188,837	13,027
Student Transportation Services:					
Contracted Services-Aid In Lieu of Payments- School Choice	4,000		4,000	460	3,540
Contracted Services (Other Than Between Home & School)-Vendors	114,470		114,470	103,984	10,486
Contracted Services (Special Education Students)- Vendors	355,178	100,000	455,178	425,821	29,357
Transportation Supplies	3,000		3,000	356	2,644
Total	476,648	100,000	576,648	530,621	46,027

HACKETTSTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>EXPENDITURES (Cont'd)</b>					
Current: (cont'd)					
Unallocated Benefits-Employee Benefits:					
Social Security Contributions	\$ 417,415	\$ (315)	\$ 417,100	\$ 305,843	\$ 111,257
Other Retirement Contributions-PERS	271,223	26,385	297,608	297,608	
Other Retirement Contributions-Regular	2,000	5,152	7,152	7,152	
Unemployment Compensation					
Workmen's Compensations	157,500	(29,283)	128,217	114,685	13,532
Health Benefits	3,493,045	9,069	3,502,114	3,141,589	360,525
Tuition Reimbursement	62,193	3,268	65,461	57,931	7,530
Other Employee Benefits	384,316	(14,275)	370,041	287,321	82,720
Total	4,787,692	1	4,787,693	4,212,129	575,564
On-Behalf TPAF Pension Contributions				715,479	(715,479)
On-Behalf TPAF Post Retirement Medical Benefits				1,135,824	(1,135,824)
Reimbursed TPAF Social Security Contributions				976,272	(976,272)
Total	-	-	-	2,827,575	(2,827,575)
Total Undistributed Expenditures	\$ 15,715,112	\$ (9,969)	\$ 15,705,143	\$ 16,456,092	\$ (750,949)
<b>TOTAL CURRENT</b>	<b>\$ 29,373,768</b>	<b>\$ (111,269)</b>	<b>\$ 29,262,499</b>	<b>\$ 29,170,323</b>	<b>\$ 92,176</b>
<b>CAPITAL OUTLAY</b>					
Equipment:					
Grades 1-5	\$ 3,281	\$ 6,562	\$ 9,843	\$ 3,281	\$ 6,562
Grades 6-8		9,843	9,843		9,843
Grades 9-12	4,039	31,637	35,676		35,676
School-Sponsored/Other Instructional Programs		2,995	2,995		2,995
Undistributed Expenditures:					
School Administration		7,157	7,157		7,157
Required Maintenance for School Facilities	13,151	(13,151)			
Custodial Services		36,302	36,302	16,976	19,326
Noninstructional Services	2,448	11,400	13,848	13,848	
Total	22,919	92,745	115,664	34,105	81,559
Facilities Acquisition & Construction Services:					
Architectural/Engineering Services	60,930	(23,265)	37,665	16,112	21,553
Construction Services	703,407		703,407	62,687	640,720
Lease Purchase Agreements-Principal	200,000	31,815	231,815	231,815	
Assessment for Debt Service on SDA Funding	35,352		35,352	35,352	
Total	999,689	8,550	1,008,239	345,966	662,273
<b>TOTAL CAPITAL OUTLAY</b>	<b>\$ 1,022,608</b>	<b>\$ 101,295</b>	<b>\$ 1,123,903</b>	<b>\$ 380,071</b>	<b>\$ 743,832</b>
<b>TRANSFER OF FUNDS TO CHARTER SCHOOLS</b>	<b>\$ -</b>	<b>\$ 9,974</b>	<b>\$ 9,974</b>	<b>\$ 9,974</b>	<b>\$ -</b>
<b>TOTAL EXPENDITURES</b>	<b>\$ 30,396,376</b>	<b>\$ -</b>	<b>\$ 30,396,376</b>	<b>\$ 29,560,368</b>	<b>\$ 836,008</b>
Excess (Deficiency) of Revenues Over (Under)					
Expenditures	\$ (2,131,454)	\$ -	\$ (2,131,454)	\$ 1,749,671	\$ 3,881,125

HACKETTSTOWN SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources (Uses):					
Transfers In from Capital Projects Fund				\$ 275,725	\$ 275,725
Transfers Out:					
Capital Reserve Fund to Capital Projects Fund		\$ (132,856)	\$ (132,856)	(132,856)	
Total Other Financing Sources (Uses)	\$ -	(132,856)	(132,856)	142,869	275,725
Excess (Deficiency) of Revenues & Other Financing Sources Over (Under) Expenditures & Other Financing Uses	(2,131,454)	(132,856)	(2,264,310)	1,892,540	4,156,850
Fund Balances, July 1	4,090,650	-	4,090,650	4,090,650	-
Fund Balances, June 30	\$ 1,959,196	\$ (132,856)	\$ 1,826,340	\$ 5,983,190	\$ 4,156,850
Recapitulation of Excess (Deficiency) of Revenues Over (Under) Expenditures					
Adjustment for Prior Year Encumbrances	\$ (703,710)		\$ (703,710)	\$ (703,710)	
Increase in Capital Reserve	500	\$ 1,900,226	1,900,726	1,900,726	
Withdrawal from Capital Reserve	(653,244)	(132,856)	(786,100)	(132,856)	\$ 653,244
Increase in Maintenance Reserve		283,000	283,000	283,000	
Withdrawal from Maintenance Reserve	(200,000)		(200,000)	(200,000)	
Withdrawal from Tuition Reserve	(200,000)		(200,000)	(200,000)	
Budgeted Fund Balance	(375,000)	(2,183,226)	(2,558,226)	945,380	3,503,606
TOTAL	\$ (2,131,454)	\$ (132,856)	\$ (2,264,310)	\$ 1,892,540	\$ 4,156,850
RECAPITULATION OF FUND BALANCE					
Restricted Fund Balance:					
Excess Surplus:					
Current Year-Designated for 2016-2017 Budget				\$ 112,408	
Committed Fund Balance:					
Capital Reserve			\$ 3,236,747		
Maintenance Reserve			533,000		
Emergency Reserve			200,000		
				3,969,747	
Assigned Fund Balance:					
Year-End Encumbrances			910,205		
Designated for Subsequent Year's Expenditures			375,000		
				1,285,205	
Unassigned Fund Balance				615,830	
				5,983,190	
Reconciliation to Governmental Statements (GAAP):					
Last State Aid Payment Not Recognized on GAAP Basis				(491,558)	
Fund Balance Per Governmental Funds (GAAP)				\$ 5,491,632	

HACKETTSTOWN SCHOOL DISTRICT  
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCE-BUDGET AND ACTUAL  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(NOT APPLICABLE TO THIS REPORT)

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES</b>					
Local Sources	\$ 2,007		\$ 2,007	\$ 2,007	
Federal Sources	747,938		747,938	694,976	\$ (52,962)
<b>TOTAL REVENUES</b>	<b>\$ 749,945</b>	<b>\$ -</b>	<b>\$ 749,945</b>	<b>\$ 696,983</b>	<b>\$ (52,962)</b>
<b>EXPENDITURES</b>					
Instruction:					
Salaries	\$ 71,545	\$ 1,850	\$ 73,395	\$ 71,251	\$ 2,144
Other Purchased Services	440,080	9,052	449,132	411,374	37,758
General Supplies	130,168	7,875	138,043	126,365	11,678
Other Objects	3,630	147	3,777	3,777	
<b>Totals</b>	<b>645,423</b>	<b>18,924</b>	<b>664,347</b>	<b>612,767</b>	<b>51,580</b>
Support Services:					
Salaries	2,000		2,000	2,000	
Purchased Professional & Technical Services	61,657	(13,036)	48,621	47,683	938
Other Purchased Services	21,422	(3,201)	18,221	17,892	329
Supplies & Materials	6,955	(1,962)	4,993	4,925	68
Other Objects	6,438	(725)	5,713	5,709	4
<b>Total</b>	<b>98,472</b>	<b>(18,924)</b>	<b>79,548</b>	<b>78,209</b>	<b>1,339</b>
Facilities Acquisition & Construction Services:					
Instructional Equipment	6,050	-	6,050	6,007	43
<b>TOTAL EXPENDITURES</b>	<b>\$ 749,945</b>	<b>\$ -</b>	<b>\$ 749,945</b>	<b>\$ 696,983</b>	<b>\$ 52,962</b>

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION-PART II**

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE

Explanation of Differences Between Budgetary Inflows and Outflows  
and GAAP Revenues and Expenditures:

	General Fund	Special Revenue Fund
	<u>                    </u>	<u>                    </u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedules.	\$ 31,310,039	\$ 696,983
Difference-Budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures and the related revenue is recognized:		
Outstanding Encumbrances-Prior Year		36,621
Prior Year Encumbrances-Adjustment		(63)
Outstanding Encumbrances-Current Year		(21,634)
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):		
State Aid Receivable-Prior Year	482,370	
State Aid Receivable-Current Year	<u>(491,558)</u>	
Total Revenues (GAAP Basis)	<u>\$ 31,300,851</u>	<u>\$ 711,907</u>
<u>Uses/Outflows of Resources</u>		
Actual Amounts (budgetary basis) "total outflows" from the budgetary comparison schedule.	\$ 29,560,368	\$ 696,983
Differences-Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes:		
Outstanding Encumbrances-Prior Year		36,621
Prior Year Encumbrances-Adjustment		(63)
Outstanding Encumbrances-Current Year		<u>(21,634)</u>
Total Expenditures (GAAP Basis)	<u>\$ 29,560,368</u>	<u>\$ 711,907</u>

REQUIRED SUPPLEMENTARY INFORMATION-PART III

HACKETTSTOWN SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-TEACHER'S PENSION AND ANNUITY FUND  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.00%	0.00%							
District's Proportion of the Net Pension Liability (Asset)- Value	N/A	\$ -	\$ -	N/A						
State's Proportionate Share of the Net Pension Liability (Asset) Associated With The District		70,306,742	67,582,280							
Total	\$ -	\$ 70,306,742	\$ 67,582,280	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll		\$ 13,307,288	\$ 12,876,388							
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll	N/A	0.00%	0.00%	N/A						
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		33.64%	33.76%							

N/A = Not Available

HACKETTSTOWN SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS-TEACHER'S PENSION AND ANNUITY FUND  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 715,479	\$ 556,493	\$ 864,056	N/A						
Contributions in Relation to the Contractually Required Contribution	(715,479)	(556,493)	(864,056)							
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 13,286,810	\$ 13,307,288	\$ 12,876,388	N/A						
Contributions as a Percentage of Covered Employee Payroll	5.38%	4.18%	6.71%	N/A						

N/A = Not Available

HACKETTSTOWN SCHOOL DISTRICT  
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY-PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
District's Proportion of the Net Pension Liability (Asset)- Percentage		0.0355912340%	0.0325016109%							
District's Proportion of the Net Pension Liability (Asset)- Value		\$ 6,663,652	\$ 6,211,704							
District's Covered Employee Payroll	N/A	2,053,366	2,362,762	N/A						
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Employee Payroll		324.52%	262.90%							
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		52.08%	48.72%							

N/A = Not Available

HACKETTSTOWN SCHOOL DISTRICT  
SCHEDULE OF DISTRICT CONTRIBUTIONS-PUBLIC EMPLOYEES' RETIREMENT SYSTEM  
LAST 10 FISCAL YEARS

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
Contractually Required Contribution	\$ 297,608	\$ 244,893	\$ 244,983	N/A						
Contributions in Relation to the Contractually Required Contribution	(297,608)	(244,893)	(244,983)							
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Covered Employee Payroll	\$ 2,128,149	\$ 2,053,366	\$ 2,362,762	N/A						
Contributions as a Percentage of Covered Employee Payroll	13.98%	11.93%	10.37%	N/A						

N/A = Not Available

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION-PART III

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION-PART III  
(UNAUDITED)

JUNE 30, 2014 AND 2013

**NOTE 1. SPECIAL FUNDING SITUATION-TPAF**

The participating employer allocations included in the supplemental schedule of employer special funding allocations and the supplemental schedule of special funding amounts by employer for each local employer are provided as each local employer is required to record in their financial statements, as an expense and corresponding revenue, their proportionate share of the pension expense allocated to the State of New Jersey (the State) under the special-funding situation and include their proportionate share of the net pension liability in their respective notes to their financial statements. For this purpose, the proportionate share was developed based on actual contributions made to the Teachers' Pension and Annuity Fund allocated to employers based upon covered payroll and adjusted by expected State Early Retirement Incentive contributions for the respective fiscal year.

## OTHER SUPPLEMENTAL INFORMATION

**SCHOOL LEVEL SCHEDULES**

(NOT APPLICABLE TO THIS REPORT)

## **SPECIAL REVENUE FUND**

### **DETAIL STATEMENTS**

The special revenue fund is used to account for the proceeds of specific revenue sources (other than major capital projects) that are legally restricted expenditures for specific purposes.

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

	NCLB Title I	NCLB Title II A	NCLB Title III	NCLB Title III Immigration	Perkins	IDEA Basic	IDEA Preschool	Local Grants	Total
<b>REVENUES</b>									
Local Sources								\$ 2,007	\$ 2,007
Federal Sources	\$ 204,284	\$ 38,342	\$ 17,107	\$ 6,992	\$ 14,334	\$ 403,450	\$ 10,467		694,976
<b>TOTAL REVENUES</b>	<b>\$ 204,284</b>	<b>\$ 38,342</b>	<b>\$ 17,107</b>	<b>\$ 6,992</b>	<b>\$ 14,334</b>	<b>\$ 403,450</b>	<b>\$ 10,467</b>	<b>\$ 2,007</b>	<b>\$ 696,983</b>
<b>EXPENDITURES</b>									
<b>Instruction:</b>									
Salaries	\$ 45,456	\$ 4,614	\$ 14,189	\$ 6,992					\$ 71,251
Other Purchased Services	7,924					\$ 403,450			411,374
General Supplies	119,493		2,918		\$ 1,947			\$ 2,007	126,365
Other Objects					3,777				3,777
<b>Total</b>	<b>172,873</b>	<b>4,614</b>	<b>17,107</b>	<b>6,992</b>	<b>5,724</b>	<b>403,450</b>	<b>\$ -</b>	<b>2,007</b>	<b>612,767</b>
<b>Support Services:</b>									
Salaries	2,000								2,000
Purchased Professional & Technical Services	14,777	22,439					10,467		47,683
Other Purchased Services	5,930	10,388			1,574				17,892
Supplies & Materials	2,995	901			1,029				4,925
Other Objects	5,709								5,709
<b>Total</b>	<b>31,411</b>	<b>33,728</b>	<b>-</b>	<b>-</b>	<b>2,603</b>	<b>-</b>	<b>10,467</b>	<b>-</b>	<b>78,209</b>
<b>Facilities Acquisition &amp; Construction Services:</b>									
Instructional Equipment	-	-	-	-	6,007	-	-	-	6,007
<b>TOTAL EXPENDITURES</b>	<b>\$ 204,284</b>	<b>\$ 38,342</b>	<b>\$ 17,107</b>	<b>\$ 6,992</b>	<b>\$ 14,334</b>	<b>\$ 403,450</b>	<b>\$ 10,467</b>	<b>\$ 2,007</b>	<b>\$ 696,983</b>

## **CAPITAL PROJECTS FUND**

### **DETAIL STATEMENTS**

The capital projects fund is used to account for the acquisition and construction of major capital facilities and equipment purchases other than those financed by proprietary funds.

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

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/15
			Prior Years	Current Year	
Middle School Fire Repairs	03/26/12	\$ 25,713	\$ 25,713		
High School Parking Lot	03/26/12	132,051	21,741		\$ 110,310
Middle School Courtyard Drainage	03/26/12	201,314	20,404	\$ 3,500	177,410
High School Science Lab Renovation	06/20/13	919,859	821,793		98,066
High School Auditorium	06/20/13	381,104			381,104
Hatchery Hill Asbestos Project	06/20/13	734,537	144,801	12,827	576,909
Middle School Auditorium Ventilation System Replacement	07/01/13	271,377	3,500	(3,500)	271,377
High School Auditorium Ventilation System Replacement	07/01/13	271,377			271,377
High School Boiler Replacement	07/01/13	535,000	309,205	205,795	20,000
High School Unbundled Projects	06/30/14	1,241,000	5,500	820,033	415,467

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Description	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 06/30/15
			Prior Years	Current Year	
Middle School Security Cameras, Security Vestibule, Doors and Roof Replacement	06/30/14	\$ 553,000	\$ 8,000	\$ 105,264	\$ 439,736
Hatchery Hill School Unbundled Projects	06/30/14	434,700		5,500	429,200
Willow Grove School Unbundled Projects	06/30/14	464,750	5,000	89,485	370,265
High School Roof Replacement	06/30/14	307,100		216,300	90,800
		<u>\$ 6,472,882</u>	<u>\$ 1,365,657</u>	<u>\$ 1,455,204</u>	<u>\$ 3,652,021</u>

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

Revenues and Other Financing Sources:	
Local Sources-Transfer from Capital Reserve	\$ 132,856
State Sources-SDA Grant	243,983
Total Revenues	<u>376,839</u>
Expenditures and Other Financing Uses:	
Purchased Professional & Technical Services	40,725
Construction Services	1,414,479
Transfers to General Fund	275,725
Total Expenditures	<u>1,730,929</u>
Change in Fund Balance	(1,354,090)
Fund Balance-Beginning	<u>3,430,790</u>
Fund Balance-Ending	<u>\$ 2,076,700</u>
<u>Reconciliation of Fund Balance Difference for GAAP Purposes</u>	
Fund Balance-Budgetary Basis (Schedule F-2)	\$ 2,076,700
Receivables from Other Governments-State:	
GAAP Basis (Schedule B-1)	1,152,675
Budgetary Basis (Schedule K-4)	<u>(1,394,165)</u>
Fund Balance-GAAP Basis (Schedule B-1)	<u>\$ 1,835,210</u>
<u>Reconciliation of Financial Assistance Difference for GAAP Purposes</u>	
State Financial Assistance-Budgetary Basis (Schedule F-2)	\$ 243,983
Adjustment to GAAP Basis	<u>433,907</u>
State Financial Assistance-GAAP Basis (Schedule B-2)	<u>\$ 677,890</u>

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
HIGH SCHOOL PARTIAL EXTERIOR WINDOW REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant		\$ 140,359	\$ 140,359	\$ 140,359
Local Sources-Capital Outlay	\$ 350,898		350,898	210,539
Total Revenues	<u>350,898</u>	<u>140,359</u>	<u>491,257</u>	<u>350,898</u>
Expenditures and Other Financing Uses:				
Construction Services	350,898		350,898	350,898
Transfer to General Fund Capital Reserve		140,359	140,359	
Total Expenditures	<u>350,898</u>	<u>140,359</u>	<u>491,257</u>	<u>350,898</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project Number	1870-050-09-1001
Grant Date	03/31/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 498,845
Additional Authorized Cost	\$ (147,947)
Revised Authorized Cost	\$ 350,898
Percentage Completion	100%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
MIDDLE SCHOOL FIRE REPAIRS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Outlay	\$ 34,500		\$ 34,500	\$ 14,756
State Sources-SDA Grant	22,955	\$ (11,998)	10,957	10,957
<b>Total Revenues</b>	<u>57,455</u>	<u>(11,998)</u>	<u>45,457</u>	<u>25,713</u>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	853		853	853
Construction Services	24,860		24,860	24,860
Transfer to General Fund Capital Reserve		19,744	19,744	
<b>Total Expenditures</b>	<u>25,713</u>	<u>19,744</u>	<u>45,457</u>	<u>25,713</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 31,742</u>	<u>\$ (31,742)</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project Number	1870-060-10-1007
Grant Date	03/26/12
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 57,388
Reduced Authorized Cost	\$ (31,675)
Revised Authorized Cost	\$ 25,713
Percentage Completion	177%

HACKETTSTOWN SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS-BUDGETARY BASIS  
 MIDDLE SCHOOL PLAYGROUND PAVING  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant		\$ 37,674	\$ 37,674	\$ 37,674
Local Sources-Capital Outlay	\$ 94,184		94,184	56,510
Total Revenues	94,184	37,674	131,858	94,184
Expenditures and Other Financing Uses:				
Construction Services	94,184		94,184	94,184
Transfer to General Fund Capital Reserve		37,674	37,674	
Total Expenditures	94,184	37,674	131,858	94,184
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information

Project Number	1870-060-09-1008
Grant Date	03/31/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 94,184
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 94,184
Percentage Completion	100%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
WILLOW GROVE SCHOOL DRIVEWAY & PARKING LOT PAVING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant		\$ 47,373	\$ 47,373	\$ 47,373
Local Sources-Capital Outlay	\$ 118,432		118,432	71,059
Total Revenues	<u>118,432</u>	<u>47,373</u>	<u>165,805</u>	<u>118,432</u>
Expenditures and Other Financing Uses:				
Construction Services	118,432		118,432	118,432
Transfer to General Fund Capital Reserve		47,373	47,373	
Total Expenditures	<u>118,432</u>	<u>47,373</u>	<u>165,805</u>	<u>118,432</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Additional Project Information

Project Number	1870-090-09-1009
Grant Date	03/31/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 193,388
Additional Authorized Cost	\$ (74,956)
Revised Authorized Cost	\$ 118,432
Percentage Completion	100%

HACKETTSTOWN SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS-BUDGETARY BASIS  
 MIDDLE SCHOOL GYM FLOOR REPLACEMENT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant		\$ 9,194	\$ 9,194	\$ 9,194
Local Sources-Capital Outlay	\$ 22,985		22,985	13,791
Total Revenues	22,985	9,194	32,179	22,985
Expenditures and Other Financing Uses:				
Construction Services	22,985		22,985	22,985
Transfer to General Fund Capital Reserve		9,194	9,194	
Total Expenditures	22,985	9,194	32,179	22,985
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information

Project Number	1870-060-09-1011
Grant Date	03/31/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 37,800
Additional Authorized Cost	\$ (14,815)
Revised Authorized Cost	\$ 22,985
Percentage Completion	100%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
HATCHERY HILL SCHOOL PLAYGROUND PAVING  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant		\$ 10,032	\$ 10,032	\$ 10,032
Local Sources-Capital Outlay	\$ 25,080		25,080	15,048
Total Revenues	25,080	10,032	35,112	25,080
Expenditures and Other Financing Uses:				
Construction Services	25,080		25,080	25,080
Transfer to General Fund Capital Reserve		10,032	10,032	
Total Expenditures	25,080	10,032	35,112	25,080
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information

Project Number	1870-070-09-1012
Grant Date	03/31/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 38,778
Additional Authorized Cost	\$ (13,698)
Revised Authorized Cost	\$ 25,080
Percentage Completion	100%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
HIGH SCHOOL PARKING LOT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Outlay	\$ 80,000		\$ 80,000	\$ 80,000
State Sources-SDA Grant	52,051		52,051	52,051
<b>Total Revenues</b>	<b>132,051</b>	<b>\$ -</b>	<b>132,051</b>	<b>132,051</b>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	12,000		12,000	12,000
Construction Services	9,741		9,741	120,051
<b>Total Expenditures</b>	<b>21,741</b>	<b>-</b>	<b>21,741</b>	<b>132,051</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 110,310</b>	<b>\$ -</b>	<b>\$ 110,310</b>	<b>\$ -</b>

Additional Project Information

Project Number	1870-050-10-1004
Grant Date	03/26/12
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 130,127
Additional Authorized Cost	\$ 1,924
Revised Authorized Cost	\$ 132,051
Percentage Completion	16%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
HIGH SCHOOL CAFETERIA FLOOR REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources-SDA Grant		\$ 11,349	\$ 11,349	\$ 11,349
Local Sources-Capital Outlay	\$ 28,373		28,373	17,024
Total Revenues	28,373	11,349	39,722	28,373
Expenditures and Other Financing Uses:				
Construction Services	28,373		28,373	28,373
Transfer to General Fund Capital Reserve		11,349	11,349	
Total Expenditures	28,373	11,349	39,722	28,373
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	\$ -	\$ -	\$ -

Additional Project Information

Project Number	1870-050-09-1010
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 40,761
Additional Authorized Cost	\$ (12,388)
Revised Authorized Cost	\$ 28,373
Percentage Completion	100%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
MIDDLE SCHOOL COURTYARD DRAINAGE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Outlay	\$ 150,000		\$ 150,000	\$ 150,000
State Sources-SDA Grant	51,314		51,314	51,314
<b>Total Revenues</b>	<b>201,314</b>	<b>\$ -</b>	<b>201,314</b>	<b>201,314</b>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	20,404	3,500	23,904	30,000
Construction Services				171,314
<b>Total Expenditures</b>	<b>20,404</b>	<b>3,500</b>	<b>23,904</b>	<b>201,314</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>\$ 180,910</b>	<b>\$ (3,500)</b>	<b>\$ 177,410</b>	<b>\$ -</b>

Additional Project Information

Project Number	1870-060-10-1006
Grant Date	03/26/12
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 128,284
Additional Authorized Cost	\$ 73,030
Revised Authorized Cost	\$ 201,314
Percentage Completion	12%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
HIGH SCHOOL SCIENCE LAB RENOVATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Outlay	\$ 230,000		\$ 230,000	\$ 230,000
Local Sources-Transfer from Capital Reserve	331,100		331,100	\$ 331,100
State Sources-SDA Grant	358,759		358,759	358,759
<b>Total Revenues</b>	<b>919,859</b>	<b>\$ -</b>	<b>919,859</b>	<b>919,859</b>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	116,910		116,910	125,000
Construction Services	676,817		676,817	766,793
Equipment	24,566		24,566	24,566
Supplies	3,500		3,500	3,500
<b>Total Expenditures</b>	<b>821,793</b>	<b>-</b>	<b>821,793</b>	<b>919,859</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>\$ 98,066</b>	<b>\$ -</b>	<b>\$ 98,066</b>	<b>\$ -</b>

Additional Project Information

Project Number	1870-050-10-1002
Grant Date	06/20/13
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 896,898
Additional Authorized Cost	\$ 22,961
Revised Authorized Cost	\$ 919,859
Percentage Completion	89%

HACKETTSTOWN SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS-BUDGETARY BASIS  
 HIGH SCHOOL AUDITORIUM  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 228,662		\$ 228,662	228,662
State Sources-SDA Grant	152,442		152,442	152,442
Total Revenues	<u>381,104</u>	<u>\$ -</u>	<u>381,104</u>	<u>381,104</u>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services				25,000
Construction Services				356,104
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>381,104</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 381,104</u>	<u>\$ -</u>	<u>\$ 381,104</u>	<u>\$ -</u>

Additional Project Information

Project Number	1870-050-10-1001
Grant Date	06/20/13
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 381,104
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 381,104
Percentage Completion	0%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
HATCHERY HILL ASBESTOS CEILING AND TILE REMOVAL AND REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 440,722		\$ 440,722	\$ 440,722
State Sources-SDA Grant	293,815		293,815	293,815
<b>Total Revenues</b>	<b>734,537</b>	<b>\$ -</b>	<b>734,537</b>	<b>734,537</b>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	8,001	12,827	20,828	80,000
Construction Services	136,800		136,800	654,537
<b>Total Expenditures</b>	<b>144,801</b>	<b>12,827</b>	<b>157,628</b>	<b>734,537</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 589,736	\$ (12,827)	\$ 576,909	\$ -

Additional Project Information

Project Number	1870-070-10-1011
Grant Date	06/20/13
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 734,537
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 734,537
Percentage Completion	21%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
MIDDLE SCHOOL AUDITORIUM VENTILATION SYSTEM REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 162,826		\$ 162,826	\$ 162,826
State Sources-SDA Grant	108,551		108,551	108,551
Total Revenues	<u>271,377</u>	<u>\$ -</u>	<u>271,377</u>	<u>271,377</u>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	3,500	(3,500)		23,392
Construction Services				247,985
Total Expenditures	<u>3,500</u>	<u>(3,500)</u>	<u>-</u>	<u>271,377</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ 267,877</u>	<u>\$ 3,500</u>	<u>\$ 271,377</u>	<u>\$ -</u>

Additional Project Information

Project Number	1870-060-09-1006
Grant Date	07/01/13
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 271,377
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 271,377
Percentage Completion	0%

HACKETTSTOWN SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS-BUDGETARY BASIS  
 HIGH SCHOOL AUDITORIUM VENTILATION SYSTEM REPLACEMENT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 162,826		\$ 162,826	\$ 162,826
State Sources-SDA Grant	108,551		108,551	108,551
Total Revenues	271,377	\$ -	271,377	271,377
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services				23,392
Construction Services				247,985
Total Expenditures	-	-	-	271,377
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 271,377	\$ -	\$ 271,377	\$ -

Additional Project Information

Project Number	1870-050-09-1002
Grant Date	07/01/13
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 271,377
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 271,377
Percentage Completion	0%

HACKETTSTOWN SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS-BUDGETARY BASIS  
 HIGH SCHOOL BOILER REPLACEMENT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 362,066		\$ 362,066	\$ 362,066
State Sources-SDA Grant	172,934		172,934	172,934
Total Revenues	535,000	\$ -	535,000	535,000
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	31,900	5,100	37,000	37,000
Construction Services	277,305	200,695	478,000	498,000
Total Expenditures	309,205	205,795	515,000	535,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 225,795	\$ (205,795)	\$ 20,000	\$ -

Additional Project Information

Project Number	1870-050-10-1003
Grant Date	07/01/13
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 432,336
Additional Authorized Cost	\$ 102,664
Revised Authorized Cost	\$ 535,000
Percentage Completion	96%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
HIGH SCHOOL UNBUNDLED: SECURITY CAMERAS, SECURITY VESTIBULE,  
RESTROOM RENOVATION AND ROOF REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 446,100	\$ 82,033	\$ 528,133	\$ 744,600
State Sources-SDA Grant	297,400		297,400	496,400
<b>Total Revenues</b>	<b>743,500</b>	<b>82,033</b>	<b>825,533</b>	<b>1,241,000</b>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	5,500	12,000	17,500	103,750
Construction Services		808,033	808,033	1,137,250
<b>Total Expenditures</b>	<b>5,500</b>	<b>820,033</b>	<b>825,533</b>	<b>1,241,000</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<b>\$ 738,000</b>	<b>\$ (738,000)</b>	<b>\$ -</b>	<b>\$ -</b>

Additional Project Information

Project Number	1870-050-14-1004
Grant Date	06/30/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,241,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 1,241,000
Percentage Completion	67%

HACKETTSTOWN SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS-BUDGETARY BASIS  
 MIDDLE SCHOOL SECURITY CAMERAS, SECURITY VESTIBULE,  
 DOORS AND ROOF REPLACEMENT  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 64,784	\$ 10,136	\$ 74,920	\$ 331,800
State Sources-SDA Grant	43,189		43,189	221,200
Total Revenues	107,973	10,136	118,109	553,000
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	8,000		8,000	44,500
Construction Services		105,264	105,264	508,500
Total Expenditures	8,000	105,264	113,264	553,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 99,973	\$ (95,128)	\$ 4,845	\$ -

Additional Project Information

Project Number	1870-060-14-1005
Grant Date	06/30/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 553,000
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 553,000
Percentage Completion	20%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
HATCHERY HILL SCHOOL UNBUNDLED: SECURITY CAMERAS, SECURITY VESTIBULE,  
RESTROOM RENOVATION AND WINDOW REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
Local Sources-Transfer from Capital Reserve	\$ 36,030	\$ 19,750	\$ 55,780	\$ 260,820
State Sources-SDA Grant	24,020		24,020	173,880
<b>Total Revenues</b>	<u>60,050</u>	<u>19,750</u>	<u>79,800</u>	<u>434,700</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional & Technical Services		5,500	5,500	34,450
Construction Services				400,250
<b>Total Expenditures</b>	<u>-</u>	<u>5,500</u>	<u>5,500</u>	<u>434,700</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<u>\$ 60,050</u>	<u>\$ 14,250</u>	<u>\$ 74,300</u>	<u>\$ -</u>

Additional Project Information

Project Number	1870-070-14-1006
Grant Date	06/30/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 434,700
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 434,700
Percentage Completion	1%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
WILLOW GROVE SCHOOL UNBUNDLED: SECURITY CAMERAS, SECURITY VESTIBULE,  
RESTROOM RENOVATION AND WINDOW REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 44,250	\$ 20,937	\$ 65,187	\$ 278,850
State Sources-SDA Grant	29,500		29,500	185,900
<b>Total Revenues</b>	<b>73,750</b>	<b>20,937</b>	<b>94,687</b>	<b>464,750</b>
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services	5,000	5,298	10,298	37,000
Construction Services		84,187	84,187	427,750
<b>Total Expenditures</b>	<b>5,000</b>	<b>89,485</b>	<b>94,485</b>	<b>464,750</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 68,750	\$ (68,548)	\$ 202	\$ -

Additional Project Information

Project Number	1870-090-14-1007
Grant Date	06/30/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 464,750
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 464,750
Percentage Completion	20%

HACKETTSTOWN SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS-BUDGETARY BASIS  
HIGH SCHOOL ROOF REPLACEMENT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
Local Sources-Transfer from Capital Reserve	\$ 307,100		\$ 307,100	\$ 307,100
Total Revenues	307,100	\$ -	307,100	307,100
Expenditures and Other Financing Uses:				
Purchased Professional & Technical Services				41,300
Construction Services		216,300	216,300	265,800
Total Expenditures	-	216,300	216,300	307,100
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 307,100	\$ (216,300)	\$ 90,800	\$ -

Additional Project Information

Project Number	1870-050-14-1004
Grant Date	N/A
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 307,100
Additional Authorized Cost	\$ -
Revised Authorized Cost	\$ 307,100
Percentage Completion	70%

**PROPRIETARY FUND**

**DETAIL STATEMENTS**

Proprietary Funds are used to account for operations that are financed and operated in a manner similar to private business enterprises-where the intent of the district's board is that the costs of providing goods or services be financed through user charges.

HACKETTSTOWN SCHOOL DISTRICT  
STATEMENT OF FUND NET POSITION  
ENTERPRISE FUNDS  
JUNE 30, 2015

	Food Service Fund
ASSETS	
Current Assets:	
Cash & Cash Equivalents	\$ 118,923
Due from Other Funds	22,555
Receivables from Other Governments:	
State	489
Federal	15,223
Inventory	2,940
Total Current Assets	160,130
Noncurrent Assets:	
Capital Assets	313,551
Less: Accumulated Depreciation	269,130
Total Noncurrent Assets	44,421
Total Assets	204,551
LIABILITIES	
Current Liabilities:	
Unearned Revenues	5,749
Total Current Liabilities	5,749
NET POSITION	
Net Investment in Capital Assets	44,421
Unrestricted	154,381
TOTAL NET POSITION	\$ 198,802

HACKETTSTOWN SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND  
CHANGES IN FUND NET POSITION  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund
Operating Revenues:	
Charges for Services:	
Daily Sales-Reimbursable Programs	\$ 150,719
Daily Sales-Unreimbursable Programs	90,530
Total Operating Revenues	241,249
Operating Expenses:	
Costs of Sales-Reimbursable Programs	140,292
Costs of Sales-Nonreimbursable Programs	67,029
Salaries	133,139
Employee Benefits	29,924
Purchased Property Services-Repairs	5,168
Insurance	2,502
Management Fee	20,200
Other Purchased Services	3,214
Supplies and Materials	1,884
Depreciation	8,127
Total Operating Expenses	411,479
Operating Income (Loss)	(170,230)
Nonoperating Revenues (Expenses):	
State Sources:	
State School Lunch Program	4,910
Federal Sources:	
National School Lunch Program:	
Cash Assistance	165,386
Noncash Assistance (Commodities)	28,700
School Breakfast Program	31,712
Special Milk Program	11
Miscellaneous	11
Total Nonoperating Revenues (Expenses)	230,730
Change in Net Position	60,500
Net Position, Beginning	138,302
Net Position, Ending	\$ 198,802

HACKETTSTOWN SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Food Service Fund
Cash Flows from Operating Activities:	
Receipts from Customers (Net)	\$ 242,563
Payments to Food Service Management Company (Net)	(367,602)
Payments to Vendors	(6,829)
Net Cash Provided by (Used For) Operating Activities	(131,868)
Cash Flows from Noncapital Financing Activities:	
State Sources	4,935
Federal Sources	193,482
Miscellaneous	11
General Fund Interfund Activity	(44,131)
Net Cash Provided by (Used For) Noncapital Financing Activities	154,297
Cash Flows from Capital and Related Financing Activities:	
Acquisition of Capital Assets	(2,169)
Net Increase (Decrease) in Cash and Cash Equivalents	20,260
Cash and Cash Equivalents, July 1	98,663
Cash and Cash Equivalents, June 30	\$ 118,923
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Operating Income (Loss)	\$ (170,230)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used For) Operating Activities:	
Depreciation	8,127
Food Donation Program	28,700
(Increase) Decrease in Inventory	(53)
Increase (Decrease) in Unearned Revenue	1,588
Net Cash Provided by (Used For) Operating Activities	\$ (131,868)

**FIDUCIARY FUND**

**DETAIL STATEMENTS**

Fiduciary Funds are used to account for funds received by the school district as an agent for individuals, private organizations, other governments and/or other funds.

HACKETTSTOWN SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET POSITION  
 FIDUCIARY FUNDS  
 JUNE 30, 2015

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Student Activity Agency Fund	Payroll Agency Fund	Totals
<b>ASSETS</b>					
Cash & Cash Equivalents	\$ 68,256	\$ 52,290	\$ 263,484	\$ 182,288	\$ 566,318
Totals Assets	<u>68,256</u>	<u>52,290</u>	<u>263,484</u>	<u>182,288</u>	<u>566,318</u>
<b>LIABILITIES</b>					
Due to Other Funds				44,080	44,080
Accounts Payable	11,345				11,345
Due to Student Groups			263,484		263,484
Payroll Deductions & Withholdings				138,208	138,208
Total Liabilities	<u>11,345</u>	<u>-</u>	<u>263,484</u>	<u>182,288</u>	<u>457,117</u>
<b>NET POSITION</b>					
Held in Trust for Unemployment Claims & Other Purposes	<u>\$ 56,911</u>	<u>\$ 52,290</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 109,201</u>

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

	Unemployment Compensation Fund	Private Purpose Scholarship Fund	Total
ADDITIONS			
Contributions:			
Plan Members	\$ 26,698		\$ 26,698
Other		\$ 3,440	3,440
Total Additions	<u>26,698</u>	<u>3,440</u>	<u>30,138</u>
DEDUCTIONS			
Unemployment Claims	33,265		33,265
Other Expenditures	409		409
Scholarships Awarded		3,200	3,200
	<u>33,674</u>	<u>3,200</u>	<u>36,874</u>
Other Financing Sources:			
Prior Year Refund of Overpaid Claims	<u>15,587</u>	-	<u>15,587</u>
Change in Net Position	8,611	240	8,851
Net Position, Beginning	<u>48,300</u>	<u>52,050</u>	<u>100,350</u>
Net Position, Ending	<u>\$ 56,911</u>	<u>\$ 52,290</u>	<u>\$ 109,201</u>

HACKETTSTOWN SCHOOL DISTRICT  
 STUDENT ACTIVITY AGENCY FUND  
 STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
<b>ASSETS</b>				
Cash & Cash Equivalents	\$ 289,929	\$ 374,140	\$ 400,585	\$ 263,484
<b>TOTAL ASSETS</b>	<b>\$ 289,929</b>	<b>\$ 374,140</b>	<b>\$ 400,585</b>	<b>\$ 263,484</b>
<b>LIABILITIES</b>				
Due to Student Groups:				
Hatchery Hill Elementary School	\$ 19,732	\$ 7,498	\$ 5,580	\$ 21,650
Willow Grove Elementary School	37,041	7,084	12,946	31,179
Middle School	29,219	65,358	65,255	29,322
High School	197,755	294,123	310,545	181,333
Miscellaneous	6,182	77	6,259	
	<b>\$ 289,929</b>	<b>\$ 374,140</b>	<b>\$ 400,585</b>	<b>\$ 263,484</b>

HACKETTSTOWN SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance 07/01/14	Additions	Deletions	Balance 06/30/15
ASSETS				
Cash & Cash Equivalents	\$ 396,276	\$ 19,463,170	\$ 19,677,158	\$ 182,288
TOTAL ASSETS	<u>\$ 396,276</u>	<u>\$ 19,463,170</u>	<u>\$ 19,677,158</u>	<u>\$ 182,288</u>
LIABILITIES				
Payroll Deductions & Withholdings	\$ 331,082	\$ 8,778,726	8,974,247	\$ 135,561
Flexible Spending Trust	1,790	5,264	4,407	2,647
Due to Other Funds	63,404	73,851	93,175	44,080
Net Payroll		10,605,329	10,605,329	
TOTAL LIABILITIES	<u>\$ 396,276</u>	<u>\$ 19,463,170</u>	<u>\$ 19,677,158</u>	<u>\$ 182,288</u>

## **LONG-TERM DEBT SCHEDULES**

The long-term debt schedules are used to reflect the outstanding principal balances of the general long-term liabilities of the school district. This includes serial bonds outstanding, obligations under capital leases, and early retirement program.

HACKETTSTOWN SCHOOL DISTRICT  
 LONG-TERM DEBT  
 SCHEDULE OF SERIAL BONDS AND EDA LOANS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance 07/01/14	Issued	Retired	Balance 06/30/15
			Date	Amount					
School District Refunding Issue	03/17/06	\$ 3,330,000	07/15/15	\$ 245,000	4.00%				
			07/15/16	255,000					
			07/15/17	265,000					
			07/15/18	275,000					
			07/15/19	285,000					
			07/15/20	300,000					
			07/15/21	310,000					
			07/15/22	325,000					
						<u>\$ 2,490,000</u>	<u>\$ -</u>	<u>\$ 230,000</u>	<u>\$ 2,260,000</u>

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

	Interest Rate	Amount of Original Issue	Balance 07/01/14	Issued Current Year	Retired Current Year	Balance 06/30/15
Network Infrastructure and Computers	1.76%	\$ 1,175,000	\$ 943,142	\$ -	\$ 231,815	\$ 711,327

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

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES					
Local Sources:					
Local Tax Levy	\$ 329,600		\$ 329,600	\$ 329,600	
Total Revenues	329,600	\$ -	329,600	329,600	\$ -
EXPENDITURES					
Regular Debt Service:					
Interest on Bonds	99,601		99,601	95,000	4,601
Redemption of Principal	230,000		230,000	230,000	
Total Expenditures	329,601	-	329,601	325,000	4,601
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1)	-	(1)	4,600	4,601
Fund Balance, July 1	4,954	-	4,954	4,954	-
Fund Balance, June 30	<u>\$ 4,953</u>	<u>\$ -</u>	<u>\$ 4,953</u>	<u>\$ 9,554</u>	<u>\$ -</u>
Recapitulation of Excess (Deficiency) of Revenue Over (Under) Expenditures:					
Budgeted Fund Balance	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ 4,600</u>	<u>\$ 4,601</u>

**STATISTICAL SECTION**

HACKETTSTOWN SCHOOL DISTRICT  
STATISTICAL SECTION J SERIES

CONTENTS	PAGE
<b>FINANCIAL TRENDS</b>	
These schedules contain trend information to help the reader understand how the District's financial performance and well being have changed over time.	J-1 to J-5
<b>REVENUE CAPACITY</b>	
These schedules contain trend information to help the reader assess the District's most significant local revenue sources, the property tax.	J-6 to J-9
<b>DEBT CAPACITY</b>	
These schedules contain trend 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
<b>DEMOGRAPHIC AND ECONOMIC INFORMATION</b>	
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
<b>OPERATING INFORMATION</b>	
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.

HACKETTSTOWN SCHOOL DISTRICT  
 NET POSITION BY COMPONENT  
 LAST TEN FISCAL YEARS  
 (ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GOVERNMENT ACTIVITIES										
Net Investment in Capital Assets	\$ 3,284,796	\$ 4,701,915	\$ 5,259,580	\$ 5,952,191	\$ 7,101,189	\$ 3,838,002	\$ 5,201,910	\$ 5,125,664	\$ 8,853,718	\$ 10,231,444
Restricted	3,758,903	2,266,166	3,345,327	3,452,501	2,479,431	3,959,208	4,653,487	4,805,085	5,079,224	5,814,511
Unrestricted	(306,622)	870,558	200,447	(39,897)	209,806	431,649	726,559	1,932,126	(5,298,589)	(5,010,834)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 6,737,077</u>	<u>\$ 7,838,639</u>	<u>\$ 8,805,354</u>	<u>\$ 9,364,795</u>	<u>\$ 9,790,426</u>	<u>\$ 8,228,859</u>	<u>\$ 10,581,956</u>	<u>\$ 11,862,875</u>	<u>\$ 8,634,353</u>	<u>\$ 11,035,121</u>
BUSINESS-TYPE ACTIVITIES										
Net Investment in Capital Assets	\$ 64,886	\$ 59,621	\$ 54,355	\$ 49,091	\$ 43,826	\$ 38,561	\$ 33,295	\$ 28,030	\$ 50,379	\$ 44,421
Unrestricted	30,950	56,515	65,400	80,736	83,927	80,705	90,264	107,617	87,923	154,381
TOTAL BUSINESS-TYPE ACTIVITIES	<u>\$ 95,836</u>	<u>\$ 116,136</u>	<u>\$ 119,755</u>	<u>\$ 129,827</u>	<u>\$ 127,753</u>	<u>\$ 119,266</u>	<u>\$ 123,559</u>	<u>\$ 135,647</u>	<u>\$ 138,302</u>	<u>\$ 198,802</u>
DISTRICT-WIDE										
Net Investment in Capital Assets	\$ 3,349,682	\$ 4,761,536	\$ 5,313,935	\$ 6,001,282	\$ 7,145,015	\$ 3,876,563	\$ 5,235,205	\$ 5,153,694	\$ 8,904,097	\$ 10,275,865
Restricted	3,758,903	2,266,166	3,345,327	3,452,501	2,479,431	3,959,208	4,653,487	4,805,085	5,079,224	5,814,511
Unrestricted	(275,672)	927,073	265,847	40,839	293,733	512,354	816,823	2,039,743	(5,210,666)	(4,856,453)
TOTAL DISTRICT-WIDE	<u>\$ 6,832,913</u>	<u>\$ 7,954,775</u>	<u>\$ 8,925,109</u>	<u>\$ 9,494,622</u>	<u>\$ 9,918,179</u>	<u>\$ 8,348,125</u>	<u>\$ 10,705,515</u>	<u>\$ 11,998,522</u>	<u>\$ 8,772,655</u>	<u>\$ 11,233,923</u>

HACKETTSTOWN SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>EXPENSES</b>										
Governmental Activities:										
Instruction:										
Regular	\$ 10,805,300	\$ 11,967,896	\$ 12,368,177	\$ 12,076,978	\$ 12,361,284	\$ 11,845,030	\$ 12,147,396	\$ 12,423,812	\$ 12,366,691	\$ 14,655,433
Special Education	3,132,860	2,422,111	2,581,817	2,720,320	3,013,800	2,986,413	3,343,104	3,144,683	2,937,318	3,667,111
Other Special Education	1,358,187	1,606,938	1,742,169	1,705,619	1,753,667	1,865,656	1,826,316	1,853,559	2,136,173	2,555,084
Other Instruction										
Support Services:										
Tuition	652,442	792,633	953,174	997,494	1,008,646	950,970	692,987	921,647	1,063,533	1,036,842
Student & Instruction Related Services	3,917,684	4,564,892	4,383,884	4,684,047	4,686,913	4,088,168	4,472,546	4,849,150	4,743,869	5,777,590
General & Business Administrative Services	1,256,461	1,105,802	1,308,218	1,170,041	1,274,366	1,313,188	1,260,196	1,303,874	1,413,122	1,338,399
School Administration	1,342,993	1,371,775	1,478,548	1,437,742	1,442,167	1,440,142	1,469,697	1,694,204	1,781,359	1,960,532
Plant Operations & Maintenance	2,274,716	2,511,465	2,816,081	2,785,411	2,736,314	2,660,248	2,603,741	3,006,465	2,714,611	2,750,990
Pupil Transportation	445,062	388,996	405,612	505,292	503,176	346,966	392,279	510,604	545,056	532,913
Charter Schools										9,974
Interest on Long Term Debt	183,160	178,748	146,373	139,031	130,942	123,800	116,800	129,309	145,655	131,577
Unallocated Depreciation	208,624	211,855	211,855	269,825	409,345	200,417	202,503	202,137		
Total Governmental Activities Expenses	<u>25,577,489</u>	<u>27,123,111</u>	<u>28,395,908</u>	<u>28,491,800</u>	<u>29,320,620</u>	<u>27,820,998</u>	<u>28,527,565</u>	<u>30,039,444</u>	<u>29,847,387</u>	<u>34,416,445</u>
Business-Type Activities:										
Food Services	610,808	505,854	528,428	539,235	519,205	494,900	483,403	452,960	427,609	411,479
Total Business-Type Activities	<u>610,808</u>	<u>505,854</u>	<u>528,428</u>	<u>539,235</u>	<u>519,205</u>	<u>494,900</u>	<u>483,403</u>	<u>452,960</u>	<u>427,609</u>	<u>411,479</u>
<b>TOTAL DISTRICT EXPENSES</b>	<u>\$ 26,188,297</u>	<u>\$ 27,628,965</u>	<u>\$ 28,924,336</u>	<u>\$ 29,031,035</u>	<u>\$ 29,839,825</u>	<u>\$ 28,315,898</u>	<u>\$ 29,010,968</u>	<u>\$ 30,492,404</u>	<u>\$ 30,274,996</u>	<u>\$ 34,827,924</u>

HACKETTSTOWN SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
PROGRAM REVENUES										
Governmental Activities:										
Charges for Services:										
Regular Instruction	\$ 5,967,130	\$ 2,864,181	\$ 2,874,842	\$ 3,019,246	\$ 3,041,236	\$ 3,296,723	\$ 3,297,568	\$ 2,973,291	\$ 6,560,087	\$ 7,581,460
Special Education Instruction	491,151	579,664	600,114	680,080	741,483	831,182	907,529	752,592	681,638	754,941
Other Instruction		384,575	404,948	426,405	431,453	519,252	495,777	443,598		1,175
Tuition		189,694	221,555	249,374	248,156	264,675	188,120	220,571		
Student & Instructional Related Services		1,092,479	1,018,985	1,171,013	1,153,117	1,137,824	1,214,130	1,160,509		
General & Business Administrative Services		264,643	343,672	359,436	354,815	400,822	398,968	405,461	907	3,429
School Administrative Services		328,296	304,081	292,510	313,531	365,488	342,096	312,046		
Plant Operations & Maintenance		601,049	654,567	696,353	673,213	740,404	706,819	719,514	14,869	47,233
Pupil Transportation		97,994	94,280	126,323	123,796	96,568	106,489	122,199		
Operating Grants & Contributions	619,608	974,841	857,498	863,122	1,063,543	707,527	724,332	639,391	535,353	711,907
Capital Grants & Contributions							699,006	733,743	276,582	677,890
Total Governmental Activities Program Revenues	<u>7,077,889</u>	<u>7,377,416</u>	<u>7,374,542</u>	<u>7,883,862</u>	<u>8,144,343</u>	<u>8,360,465</u>	<u>9,080,834</u>	<u>8,482,915</u>	<u>8,069,436</u>	<u>9,778,035</u>
Business-Type Activities:										
Charges for Services:										
Food Service	376,595	386,650	378,169	377,610	330,301	300,496	289,986	276,507	226,323	241,249
Operating Grants & Contributions	121,093	139,504	153,878	171,697	186,830	185,917	197,710	188,541	203,941	230,719
Total Business-Type Activities Program Revenues	<u>497,688</u>	<u>526,154</u>	<u>532,047</u>	<u>549,307</u>	<u>517,131</u>	<u>486,413</u>	<u>487,696</u>	<u>465,048</u>	<u>430,264</u>	<u>471,968</u>
TOTAL DISTRICT-PROGRAM REVENUES	<u>\$ 7,575,577</u>	<u>\$ 7,903,570</u>	<u>\$ 7,906,589</u>	<u>\$ 8,433,169</u>	<u>\$ 8,661,474</u>	<u>\$ 8,846,878</u>	<u>\$ 9,568,530</u>	<u>\$ 8,947,963</u>	<u>\$ 8,499,700</u>	<u>\$ 10,250,003</u>
NET (EXPENSE) REVENUES										
Governmental Activities	\$ (18,499,600)	\$ (19,745,695)	\$ (21,021,366)	\$ (20,607,938)	\$ (21,176,277)	\$ (19,460,533)	\$ (19,446,731)	\$ (21,556,529)	\$ (21,777,951)	\$ (24,638,410)
Business-Type Activities	(113,120)	20,300	3,619	10,072	(2,074)	(8,487)	4,293	12,088	2,655	60,489
TOTAL DISTRICT-WIDE NET EXPENSES	<u>\$ (18,612,720)</u>	<u>\$ (19,725,395)</u>	<u>\$ (21,017,747)</u>	<u>\$ (20,597,866)</u>	<u>\$ (21,178,351)</u>	<u>\$ (19,469,020)</u>	<u>\$ (19,442,438)</u>	<u>\$ (21,544,441)</u>	<u>\$ (21,775,296)</u>	<u>\$ (24,577,921)</u>

HACKETTSTOWN SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(ACCRUAL BASIS OF ACCOUNTING)  
(Continued)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
GENERAL REVENUES & OTHER CHANGES IN NET POSITION										
Governmental Activities:										
Property Taxes Levied for General Purposes	\$ 12,560,950	\$ 13,121,539	\$ 13,524,545	\$ 13,705,866	\$ 14,162,187	\$ 14,508,126	\$ 14,103,472	\$ 14,275,024	\$ 14,531,027	\$ 14,776,549
Property Taxes Levied for Debt Service	318,160	273,621	299,535	302,405	314,675	322,213	320,300	293,476	278,923	329,600
Unrestricted Grants & Contributions	7,146,786	7,606,223	8,034,234	7,135,725	6,559,047	6,187,799	7,075,896	7,833,593	7,620,565	11,859,737
Investment Earnings	72,346	116,473	86,524	13,534					8,258	6
Miscellaneous Income	64,571	28,539	43,243	9,849	565,999	574,482	534,530	1,094,110	1,152,681	73,286
Special Item-FEMA Proceeds for Storm Damage									100,844	
Special Item-Accounts Receivable Canceled	(23,269)									
Special Item-Capital Lease Activity	(217,501)									
Special Item-Gain (Loss) on Disposal of Capital Assets									(156,720)	
Total Governmental Activities	19,922,043	21,146,395	21,988,081	21,167,379	21,601,908	21,592,620	22,034,198	23,496,203	23,535,578	27,039,178
Business-Type Activities:										
Investment Earnings										11
Special Item-Accounts Receivable Canceled	(7,999)									
Total Business-Type Activities	(7,999)	-	-	-	-	-	-	-	-	11
TOTAL DISTRICT-WIDE	\$ 19,914,044	\$ 21,146,395	\$ 21,988,081	\$ 21,167,379	\$ 21,601,908	\$ 21,592,620	\$ 22,034,198	\$ 23,496,203	\$ 23,535,578	\$ 27,039,189
CHANGE IN NET POSITION										
Governmental Activities	\$ 1,422,443	\$ 1,400,700	\$ 966,715	\$ 559,441	\$ 425,631	\$ 2,132,087	\$ 2,587,467	\$ 1,939,674	\$ 1,757,627	\$ 2,400,768
Business-Type Activities	(121,119)	20,300	3,619	10,072	(2,074)	(8,487)	4,293	12,088	2,655	60,500
TOTAL DISTRICT	\$ 1,301,324	\$ 1,421,000	\$ 970,334	\$ 569,513	\$ 423,557	\$ 2,123,600	\$ 2,591,760	\$ 1,951,762	\$ 1,760,282	\$ 2,461,268

HACKETTSTOWN SCHOOL DISTRICT  
 FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Restricted	\$ 612,144	\$ 2,261,167	\$ 3,314,245	\$ 2,465,116	\$ 1,238,256	\$ 2,523,851	\$ 1,413,044			\$ 112,408
Committed	5,000	5,000	5,005	705,005	1,055,005	1,555,005	2,950,799	\$ 4,475,799	\$ 2,318,877	3,969,747
Assigned	2,323,137	1,194,291	515,149	809,531	879,797	953,212	938,448	963,730	1,078,710	1,285,205
Unassigned	231,263	288,300	296,498	(6,417)	102,551	110,933	(123,596)	73,261	210,693	124,272
Total General Fund	<u>\$ 3,171,544</u>	<u>\$ 3,748,758</u>	<u>\$ 4,130,897</u>	<u>\$ 3,973,235</u>	<u>\$ 3,275,609</u>	<u>\$ 5,143,001</u>	<u>\$ 5,178,695</u>	<u>\$ 5,512,790</u>	<u>\$ 3,608,280</u>	<u>\$ 5,491,632</u>
All Other Governmental Funds:										
Restricted, Reported In:										
Capital Projects Fund	\$ 694,862	\$ 6,772	\$ 4,953	\$ 4,953	\$ 4,953	\$ 4,953	\$ 894,817	\$ 1,097,384	\$ 2,755,393	\$ 1,835,210
Assigned, Reported In:										
Capital Projects Fund	79,774						95,461	655,351		
Debt Service Fund	46,897	23,683	29,118	29,118	29,118	29,124	29,124	45,078	4,954	9,554
Unassigned, Reported In:										
Special Revenue Fund	(2,911)	(2,911)	(2,911)							
Total All Other Governmental Funds	<u>\$ 818,622</u>	<u>\$ 27,544</u>	<u>\$ 31,160</u>	<u>\$ 34,071</u>	<u>\$ 34,071</u>	<u>\$ 34,077</u>	<u>\$ 1,019,402</u>	<u>\$ 1,797,813</u>	<u>\$ 2,760,347</u>	<u>\$ 1,844,764</u>

HACKETTSTOWN SCHOOL DISTRICT  
 CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS,  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues:</b>										
Tax Levy	\$ 12,879,110	\$ 13,395,160	\$ 13,824,080	\$ 14,008,271	\$ 14,476,862	\$ 14,830,339	\$ 14,423,772	\$ 14,568,500	\$ 14,809,950	\$ 15,106,149
Tuition Charges	6,458,281	6,402,575	6,517,044	7,020,740	7,080,800	7,652,938	7,657,496	7,109,781	7,241,725	8,335,731
Interest Earnings	72,345		86,529	13,534			7,416	5,759	8,258	6
Miscellaneous	64,571	155,330	44,495	13,816	570,743	755,237	529,835	1,095,408	1,168,888	113,998
State Sources	6,983,511	7,838,306	8,296,050	7,275,965	5,827,927	6,250,023	6,944,375	7,881,198	7,600,547	8,024,212
State Sources-Capital Projects							699,006	733,743	276,582	677,890
Federal Sources	782,882	732,440	594,425	718,915	1,789,919	643,961	853,132	584,729	554,071	762,262
<b>Total Revenues</b>	<b>27,240,700</b>	<b>28,523,811</b>	<b>29,362,623</b>	<b>29,051,241</b>	<b>29,746,251</b>	<b>30,132,498</b>	<b>31,115,032</b>	<b>31,979,118</b>	<b>31,660,021</b>	<b>33,020,248</b>
<b>Expenditures:</b>										
<b>Instruction:</b>										
Regular Instruction	7,937,592	7,994,751	8,392,522	8,610,491	8,679,963	8,405,246	8,296,803	8,936,367	9,022,263	8,984,603
Special Education Instruction	1,693,199	1,755,874	1,883,240	2,082,265	2,311,467	2,258,567	2,526,023	2,399,477	2,069,885	2,186,275
Other Special Instruction	371,824	438,831	489,845	522,983	516,308	581,587	569,993	520,854	652,918	678,375
School Sponsored/Other Instructional	627,540	726,095	780,935	782,581	828,686	829,373	809,957	893,461	857,540	864,978
<b>Support Services:</b>										
Tuition	652,442	792,633	953,174	997,494	1,008,646	950,970	692,987	921,647	751,155	633,392
Student & Inst Related Services	2,618,209	2,814,192	2,767,919	2,972,412	2,968,477	2,741,268	3,019,214	3,423,773	3,621,017	3,617,517
General Administration	608,746	481,679	584,712	528,679	567,966	597,884	616,628	618,590	635,944	622,058
School Administration Services	986,022	989,951	1,073,992	1,094,790	1,097,396	1,084,897	1,106,192	1,288,432	1,277,695	1,221,536
Central Services	327,130	316,579	367,715	366,927	409,423	395,255	374,769	374,769	408,225	391,378
Administrative Information Technology								1,532	127,716	26,240
Plant Operations & Maintenance	1,836,722	1,815,229	2,048,697	2,125,184	2,088,171	2,006,766	1,962,184	2,288,840	2,426,654	2,373,646
Pupil Transportation	428,994	407,550	419,803	502,851	499,473	345,153	390,447	508,775	542,763	530,621
Employee Benefits	3,849,030	4,141,900	4,185,066	4,431,133	4,456,582	4,515,549	4,394,691	3,898,673	3,977,125	4,212,129
On-Behalf TPAF Pension & Social Security Contribution	2,018,410	2,865,829	3,037,622	1,821,485	1,868,574	1,879,832	2,232,875	2,829,151	2,463,522	2,827,575
Capital Outlay	696,817	1,133,013	832,774	1,204,101	1,764,527	643,013	1,018,505	694,072	2,733,163	112,904
Transfers to Charter Schools		10,411								9,974
Special Revenue Funds	1,023,544	974,841	857,498	860,211	1,063,543	707,527	724,332	639,391	535,353	711,907
Capital Projects Fund	41,535	80,698	1,819				897,903	306,208	1,183,693	1,455,204
<b>Debt Service:</b>										
Principal	135,000	140,000	150,000	160,000	180,000	195,000	200,000	210,000	451,858	461,815
Interest & Other Charges	183,160	170,453	149,535	142,405	134,675	127,213	120,300	112,600	139,352	130,352
<b>Total Expenditures</b>	<b>26,035,916</b>	<b>28,050,509</b>	<b>28,976,868</b>	<b>29,205,992</b>	<b>30,443,877</b>	<b>28,265,100</b>	<b>29,914,600</b>	<b>30,866,612</b>	<b>33,877,841</b>	<b>32,052,479</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	1,204,784	473,302	385,755	(154,751)	(697,626)	1,867,398	1,200,432	1,112,506	(2,217,820)	967,769
<b>Other Financing Sources (Uses):</b>										
Capital Leases (Non-budgeted)									1,175,000	
Insurance Claim Proceeds for Storm Damage									100,844	
Transfers In (Out)	(2,106,182)									
<b>Total Other Financing Sources (Uses)</b>	<b>(2,106,182)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,275,844</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (901,398)</b>	<b>\$ 473,302</b>	<b>\$ 385,755</b>	<b>\$ (154,751)</b>	<b>\$ (697,626)</b>	<b>\$ 1,867,398</b>	<b>\$ 1,200,432</b>	<b>\$ 1,112,506</b>	<b>\$ (941,976)</b>	<b>\$ 967,769</b>
<b>Debt Service as a Percentage of Non-capital Expenditures</b>	<b>1.27%</b>	<b>1.17%</b>	<b>1.08%</b>	<b>1.09%</b>	<b>1.11%</b>	<b>1.18%</b>	<b>1.16%</b>	<b>1.09%</b>	<b>2.01%</b>	<b>1.98%</b>

Source: District Records

NOTE: Non capital expenditures are total expenditures less capital outlay, capital projects and debt service expenditures.

HACKETTSTOWN SCHOOL DISTRICT  
 GENERAL FUND-OTHER LOCAL REVENUES BY SOURCE  
 LAST TEN FISCAL YEARS  
 (MODIFIED ACCRUAL BASIS OF ACCOUNTING)

Description	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Interest Income	\$ 72,345	\$ 102,855	\$ 86,529	\$ 13,534			\$ 7,416	\$ 5,759	\$ 8,258	\$ 6
Tuition	6,458,281	6,402,575	6,517,044	7,020,740	7,080,800	7,652,938	7,657,496	7,109,781	7,241,725	8,335,731
Insurance Rebates									12,132	
Rentals	12,082								14,000	28,280
Prior Year:										
Refund	26,337	11,512	2,538		\$ 28,564	\$ 31,897	12,823	12,460	71,760	30,425
Prior Year Health Insurance Reserve								1,000,000	1,000,000	
Outstanding Checks Voided									130	2,168
E- Rate Rebates									60,878	32,138
Miscellaneous Refunds	5,100			7,152	531,332	615,914	416,781			5,031
Donations and Local Contributions									6,500	2,500
Proceeds from Sale of Capital Assets									303	10,350
Proceeds from Sale of Supplies									604	75
Miscellaneous	12,958	16,952	35,265	2,697	6,103	106,078	97,510	75,891	1,281	1,024
Annual Totals	\$ 6,587,103	\$ 6,533,894	\$ 6,641,376	\$ 7,044,123	\$ 7,646,799	\$ 8,406,827	\$ 8,192,026	\$ 8,203,891	\$ 8,417,571	\$ 8,447,728

Sources: District Records

HACKETTSTOWN SCHOOL DISTRICT  
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY,  
 LAST TEN FISCAL YEARS

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Vacant Land	\$ 11,943,000	\$ 17,758,600	\$ 20,215,400	\$ 13,485,200	\$ 16,257,100	\$ 13,219,400	\$ 13,419,300	\$ 11,174,900	\$ 11,404,700	\$ 11,174,900
Residential	380,191,222	384,305,622	385,594,132	396,047,132	674,037,600	677,005,900	671,079,600	663,305,760	661,390,260	660,131,910
Commercial	110,095,960	110,782,930	109,713,750	108,900,950	216,404,300	205,832,850	202,926,500	200,084,510	197,514,410	194,971,350
Industrial	52,775,250	53,337,350	56,059,750	58,399,900	121,495,800	119,045,100	116,521,800	115,687,600	102,891,500	96,829,200
Apartment	32,255,400	32,346,900	31,676,900	33,040,500	69,479,300	64,936,400	65,211,500	68,475,500	70,155,500	72,784,400
<b>Total Assessed Value</b>	<b>587,260,832</b>	<b>598,531,402</b>	<b>603,259,932</b>	<b>609,873,682</b>	<b>1,097,674,100</b>	<b>1,080,039,650</b>	<b>1,069,158,700</b>	<b>1,058,728,270</b>	<b>1,043,356,370</b>	<b>1,035,891,760</b>
Public Utilities (a)	3,341,907	2,965,599	2,900,906	2,893,681	4,981,775	4,808,983	4,981,299	3,724,495	3,256,338	100
<b>Net Valuation Taxable</b>	<b>\$ 590,602,739</b>	<b>\$ 601,497,001</b>	<b>\$ 606,160,838</b>	<b>\$ 612,767,363</b>	<b>\$ 1,102,655,875</b>	<b>\$ 1,084,848,633</b>	<b>\$ 1,074,139,999</b>	<b>\$ 1,062,452,765</b>	<b>\$ 1,046,612,708</b>	<b>\$ 1,035,891,860</b>
Estimated Actual County Equalized Value	\$ 861,987,175	\$ 985,296,750	\$ 1,079,757,514	\$ 1,091,530,496	\$ 1,148,402,733	\$ 1,099,941,693	\$ 1,043,467,596	\$ 988,954,599	\$ 941,610,839	\$ 1,014,983,208
Percentage of Net Valuation to Estimated Actual County Equalized Value	68.52%	61.05%	56.14%	56.14%	96.02%	98.63%	102.94%	107.43%	111.15%	102.06%
<b>Total Direct School Tax Rate (b)</b>	<b>\$ 2.27</b>	<b>\$ 2.30</b>	<b>\$ 2.31</b>	<b>\$ 2.36</b>	<b>\$ 1.35</b>	<b>\$ 1.33</b>	<b>\$ 1.36</b>	<b>\$ 1.39</b>	<b>\$ 1.44</b>	<b>\$ 1.48</b>

\*

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 the County Board of Taxation requests Treasury to order a reassessment

- (a) Taxable value of machinery, implements and equipments of telephone and messenger system companies
- (b) Tax rates are per \$100

\* Revalued/Reassessed

HACKETTSTOWN SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING PROPERTY TAX RATES  
 LAST TEN FISCAL YEARS  
 (RATE PER \$100 OF ASSESSED VALUE)

Assessment Year	School District Direct Rate			Overlapping Rates		Total Direct & Overlapping Tax Rate
	Basic Rate (a)	General Obligation Debt Service (b)	(From J-6)	Municipality	County	
			Total Direct School Tax Rate			
2006	\$ 2.22	\$ 0.05	\$ 2.27	\$ 0.72	\$ 0.84	\$ 3.83
2007	2.25	0.05	2.30	0.76	0.92	3.98
2008	2.26	0.05	2.31	0.86	0.99	4.16
2009	2.31	0.05	2.36	0.90	0.99	4.25
2010	* 1.32	0.03	1.35	0.52	0.59	2.46
2011	1.30	0.03	1.33	0.53	0.63	2.49
2012	1.33	0.03	1.36	0.58	0.60	2.54
2013	1.36	0.03	1.39	0.60	0.62	2.61
2014	1.41	0.03	1.44	0.61	0.65	2.70
2015	1.45	0.03	1.48	0.63	0.68	2.79

Sources: Municipal Tax Collector

**NOTE:**

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

HACKETTSTOWN SCHOOL DISTRICT  
 PRINCIPAL PROPERTY TAXPAYERS,  
 CURRENT YEAR AND NINE YEARS AGO

	2015			2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Food Manufacturers, Inc-Mars Snackfood Inc.	\$ 45,316,900	1	4.37%	\$ 27,499,700	1	4.66%
Hackettstown Interstate LLC	28,237,000	2	2.73%	14,507,700	2	2.46%
A Kligman Assoc. C/OS. Geltman Co.	19,230,700	3	1.86%			
Hackettstown Community Hospital	15,449,700	4	1.49%			
Willow Co. C/O S Geltman & Co	11,868,600	5	1.15%	5,750,800	6	0.97%
Hackettstown 15, LLC	9,500,000	6	0.92%			
River's Edge Gardens, LLC	8,333,000	7	0.80%			
Nisos Lemnos, LLC	8,020,000	8	0.77%			
Jane Paftinos LLC	7,932,500	9	0.77%			
Nicholas Capital Advisors, LP	7,785,400	10	0.75%			
Individual Property Owner				9,697,800	3	1.64%
A Kligman Assoc. C/OS. Geltman Co.				8,750,000	4	1.48%
B & W Associates				6,694,400	5	1.13%
Nedellec Properties				4,150,000	7	0.70%
55 Newburgh Road LLC				3,914,000	8	0.66%
Market Place at Hackettstown				1,400,000	9	0.24%
Bergen Machinery & Tool Company				1,311,200	10	0.22%
	<u>\$ 161,673,800</u>		<u>15.61%</u>	<u>\$ 83,675,600</u>		<u>14.16%</u>

Source: Municipal Tax Assessor

HACKETTSTOWN SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN YEARS

Year Ending December 31,	Taxes Levied for the Year	Collected Within the Fiscal Year of the Levy (a)	
		Amount	Percentage of Levy
2005	\$ 21,767,058	\$ 21,298,108	97.84%
2006	22,927,642	22,470,259	98.00%
2007	24,026,403	23,497,766	97.79%
2008	25,517,356	24,963,841	97.83%
2009	26,296,779	25,728,335	97.84%
2010	27,213,286	26,482,375	97.31%
2011	26,975,365	26,293,606	97.47%
2012	27,229,525	26,670,222	97.95%
2013	27,795,618	27,302,219	98.22%
2014	28,387,166	27,727,784	97.67%

Sources: District records including the Certificate and Report of School Taxes (A4F form)

(a) School taxes are collected by the Municipal Tax Collector. Under New Jersey State Statute, a municipality is required to remit to the school district the entire property tax balance, in the amount voted upon or certified prior to the end of the school year.

HACKETTSTOWN SCHOOL DISTRICT  
 RATIOS OF OUTSTANDING DEBT BY TYPE  
 LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	Governmental Activities				Business-Type Activities	Total District	% of Personal Income (a)	Per Capita (a)
	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases			
2006	\$ 3,945,000		\$ 221,736	\$ 687,166		\$ 4,853,902	1.36%	\$ 519
2007	3,805,000		16,109	687,166		4,508,275	1.18%	479
2008	3,655,000			687,166		4,342,166	1.07%	457
2009	3,495,000			687,166		4,182,166	0.99%	438
2010	3,315,000			367,558		3,682,558	0.86%	378
2011	3,120,000				\$ 619,422	3,739,422	0.88%	386
2012	2,920,000				213,233	3,133,233	0.71%	326
2013	2,710,000					2,710,000	0.59%	283
2014	2,490,000		943,142			3,433,142	0.73%	359
2015	2,260,000		711,327			2,971,327	N/A	311

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

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

HACKETTSTOWN SCHOOL DISTRICT  
 RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
 LAST TEN FISCAL YEARS

Fiscal Year Ending June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	% of Actual Taxable Value (a) of Property	Per Capita (b)
	General Obligation Bonds	Deductions			
2006	\$ 3,945,000		\$ 3,945,000	0.67%	\$ 422
2007	3,805,000		3,805,000	0.63%	404
2008	3,655,000		3,655,000	0.60%	384
2009	3,495,000		3,495,000	0.57%	366
2010	3,315,000		3,315,000	0.30%	341
2011	3,120,000		3,120,000	0.29%	322
2012	2,920,000		2,920,000	0.27%	303
2013	2,710,000		2,710,000	0.26%	283
2014	2,490,000		2,490,000	0.24%	261
2015	2,260,000		2,260,000	0.22%	237

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

- (a) See Exhibit J-6 for property tax data.
- (b) Population data can be found in Exhibit J-14.

HACKETTSTOWN SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF DECEMBER 31, 2014

	Debt Outstanding	Estimated % Applicable (a)	Estimated Share of Overlapping Debt
GOVERNMENTAL UNIT			
Debt Repaid with Property Taxes:			
Municipality	\$ 2,393,021	100.00	\$ 2,393,021
County General Obligation Debt	12,597,456	9.11	1,147,827
Subtotal, Overlapping Debt			3,540,848
School District Direct Debt			2,260,000
Total Direct and Overlapping Debt			\$ 5,800,848

Sources: Assessed value data used to estimate applicable percentages provided by the county Board of Taxation. Debt outstanding data provided by each governmental unit.

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 the municipality. 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.

(a) 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.

HACKETTSTOWN SCHOOL DISTRICT  
 LEGAL DEBT MARGIN INFORMATION,  
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2015

	Equalized Valuation Basis	
		2014 \$ 1,022,297,051
		2013 952,179,396
		2012 <u>994,936,441</u>
		<u>\$ 2,969,412,888</u>
	Average Equalized Valuation of Taxable Property	<u>\$ 989,804,296</u>
	Debt Limit (4.0% of Average Equalization Value)	\$ 39,592,172 (a)
	Total Net Debt Applicable to Limit	<u>2,260,000</u>
	Legal Debt Margin	<u>\$ 37,332,172</u>

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 30,251,972	\$ 33,843,547	\$ 38,075,086	\$ 41,101,514	\$ 43,355,336	\$ 43,947,717	\$ 43,583,500	\$ 41,857,340	\$ 39,833,550	\$ 39,592,172
Total Net Debt Applicable	<u>3,945,000</u>	<u>3,805,000</u>	<u>3,655,000</u>	<u>3,495,000</u>	<u>3,315,000</u>	<u>3,120,000</u>	<u>2,920,000</u>	<u>2,710,000</u>	<u>2,490,000</u>	<u>2,260,000</u>
Legal Debt Margin	<u>\$ 8,348,627</u>	<u>\$ 14,193,039</u>	<u>\$ 34,420,086</u>	<u>\$ 37,606,514</u>	<u>\$ 40,040,336</u>	<u>\$ 40,827,717</u>	<u>\$ 40,663,500</u>	<u>\$ 39,147,340</u>	<u>\$ 37,343,550</u>	<u>\$ 37,332,172</u>
Total Net Debt Applicable to the Limit as a Percent- age of Debt Limit	13.04%	11.24%	9.60%	8.50%	7.65%	7.10%	6.70%	6.47%	6.25%	5.71%

Source: Equalized valuation bases were obtained from the annual report of the State of New Jersey,  
 Department of Treasury, Division of Taxation

(a) Limit Set by NJSA 18A:24-19

HACKETTSTOWN SCHOOL DISTRICT  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS

Year	Population ( a )	Personal Income ( b )	Per Capita Personal Income ( c )	Unemployment Rate ( d )
2006	9,358	\$ 379,990,948	\$ 40,606	2.9%
2007	9,418	403,485,956	42,842	2.7%
2008	9,510	419,581,200	44,120	3.5%
2009	9,541	418,506,424	43,864	6.4%
2010	9,733	427,882,146	43,962	6.6%
2011	9,687	446,280,090	46,070	6.1%
2012	9,622	462,962,530	48,115	5.9%
2013	9,561	468,871,440	49,040	6.0%
2014	9,551	N/A	N/A	6.6%
2015	9,551	N/A	N/A	N/A

## Sources:

- ( a ) Population information provided by the NJ Dept of Labor and Workforce Development
- ( b ) Personal income has been estimated based upon the municipal population and per capita personal income presented
- ( c ) Per capita personal income by county estimated based upon the 2010 census published by the US Bureau of Economic Analysis.
- ( d ) Unemployment data provided by the NJ Dept of Labor and Workforce Development

HACKETTSTOWN SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2015			2006		
	Employees	Rank	Percentage of Total Municipal Employment	Employees	Rank	Percentage of Total Municipal Employment

INFORMATION IS NOT AVAILABLE FOR THIS SCHOOL DISTRICT

HACKETTSTOWN SCHOOL DISTRICT  
 FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST NINE FISCAL YEARS

FUNCTION/PROGRAM	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Instruction:										
Regular	152.0	147.0	127.0	127.0	139.0	124.0	128.5	120.0	120.0	119.0
Special Education	49.0	43.0	57.0	57.0	56.0	59.0	54.5	48.1	41.0	42.0
Other Instruction	16.0	20.0	18.0	19.0	21.0	19.0	20.0	23.5	25.0	20.2
Support Services:										
Student and Instruction Related Services	11.0	12.0	23.5	23.5	24.0	16.0	20.0	42.0	42.0	42.0
General Administration	9.0	9.0	9.0	9.0	6.0	9.0	9.5	3.0	4.0	4.0
School Administration Services	15.0	15.0	13.0	13.0	8.0	9.0	15.5	14.0	15.0	15.0
Central Services								4.6	4.6	4.6
Plant Operations and Maintenance	11.0	11.0	10.0	10.0	10.0	10.0	10.0	17.6	17.6	17.2
Pupil Transportation	1.0	1.0	1.0	1.0	1.0					
<b>Total</b>	<b>264.0</b>	<b>258.0</b>	<b>258.5</b>	<b>259.5</b>	<b>265.0</b>	<b>246.0</b>	<b>258.0</b>	<b>272.8</b>	<b>269.2</b>	<b>264.0</b>

Sources: District Personnel Records

HACKETTSTOWN SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>Operating Expenditures ( a )</u>	<u>Cost Per Pupil</u>	<u>Percentage Change</u>	<u>Teaching Staff ( b )</u>	<u>Teacher Ratio</u>	<u>Average Daily Enrollment (ADE) ( c )</u>	<u>Average Daily Attendance (ADA) ( c )</u>	<u>% Change in Average Daily Enrollment</u>	<u>Student Attendance Percentage</u>
2006	1,880	\$ 23,955,860	\$ 12,742	1.89%	251	1 to 9.7	1,880.0	1,790.0	-1.93%	95.21%
2007	1,875	26,515,935	14,142	10.98%	176	1 to 10.4	1,856.4	1,765.8	-1.26%	95.12%
2008	1,868	27,842,740	14,905	5.40%	182	1 to 10.0	1,867.9	1,772.1	0.62%	94.87%
2009	1,855	27,699,486	14,932	0.18%	179	1 to 10.1	1,819.9	1,752.6	-2.57%	96.30%
2010	1,855	28,285,128	15,248	2.11%	174	1 to 10.4	1,793.0	1,724.6	-1.48%	96.19%
2011	1,835	27,272,663	14,862	-2.53%	171	1 to 10.4	1,836.9	1,773.8	2.45%	96.56%
2012	1,809	27,649,259	15,284	2.84%	172	1 to 10.4	1,786.7	1,700.7	-2.73%	95.19%
2013	1,823	29,531,752	16,200	5.99%	184	1 to 9.3	1,774.2	1,691.9	-0.70%	95.36%
2014	1,853	30,018,115	16,200	0.00%	179	1 to 10.3	1,853.3	1,746.3	4.46%	94.23%
2015	1,899	29,892,204	15,741	-2.83%	176	1 to 10.8	1,898.6	1,789.2	2.45%	94.24%

Source: District Records

(a) Operating expenditures equal total expenditures less debt service and capital outlay.

(b) Teaching staff includes only full-time equivalents or certificated staff.

(c) Average Daily Enrollment and Average Daily Attendance are obtained from the School Register Summary (SRS).

HACKETTSTOWN SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

DISTRICT BUILDINGS	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Elementary Schools:										
<u>Hatchery Hill Elementary (1968)</u>										
Square Feet	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600	40,600
Capacity (Students)	315	315	315	315	315	315	315	315	315	315
Enrollment	270	264	253	242	220	215	202	227	239	246
<u>Willow Grove Elementary (1971)</u>										
Square Feet	40,855	40,855	40,855	40,855	40,855	40,855	40,855	40,855	40,855	40,855
Capacity (students)	350	350	350	350	350	350	350	350	350	350
Enrollment	275	247	252	240	260	280	292	298	316	333
Middle School:										
<u>Hackettstown Middle School (1875)</u>										
Square Feet	84,059	84,059	84,059	84,059	84,059	84,059	84,059	84,059	84,059	84,059
Capacity (students)	499	499	499	499	499	499	499	499	499	499
Enrollment	420	417	400	436	426	407	407	357	378	387
High School:										
<u>Hackettstown High School (1959)</u>										
Square Feet	133,062	133,062	133,062	133,062	133,062	133,062	133,062	133,062	133,062	150,224
Capacity (students)	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078	1,078
Enrollment	985	929	963	937	949	933	908	941	965	921

Number of Schools at June 30, 2015  
 Elementary = 2  
 Middle School = 1  
 Senior High School = 1

Source: District Facilities Office  
 N/A=Not Available

Year of original construction is shown in parentheses. Increase in square footage and capacity are the result of renovations and additions. Enrollment is based on the annual October district count.

HACKETTSTOWN SCHOOL DISTRICT  
 SCHEDULE OF REQUIRED MAINTENANCE  
 LAST TEN FISCAL YEARS

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

\*School Facilities

Fiscal Year Ended	Willow	Hatchery	Hackettstown	Hackettstown	Total
	Grove School	Hill School	Middle School	High School	
2006	\$ 36,472	\$ 32,382	\$ 38,065	\$ 54,876	\$ 161,795
2007	39,434	35,849	43,019	60,944	179,246
2008	37,498	34,089	40,907	57,951	170,445
2009	39,594	35,994	43,193	61,190	179,971
2010	35,364	32,149	38,579	54,653	160,745
2011	34,817	31,651	37,981	53,807	158,256
2012	38,500	35,001	42,001	59,501	175,003
2013	115,180	104,708	125,650	178,004	523,542
2014	71,043	77,724	75,454	362,099	586,320
2015	71,127	64,875	71,557	335,162	542,721
	<u>\$ 519,029</u>	<u>\$ 484,422</u>	<u>\$ 556,406</u>	<u>\$ 1,278,187</u>	<u>\$ 2,838,044</u>

\*School facilities as defined under  
 EFCFA (NJAC 6A:26-1.2 &  
 NJAC 6:24-1.3)

Source: District Records

HACKETTSTOWN SCHOOL DISTRICT  
INSURANCE SCHEDULE  
JUNE 30, 2015  
(UNAUDITED)

	<u>Coverage</u>	<u>Deductible</u>
School Commercial Package Policy-School Alliance Insurance Fund:		
Property-Blanket Building & Contents (fund limit)	\$ 250,000,000	\$ 2,500
Comprehensive General Liability	5,000,000	
Comprehensive Automobile Liability	5,000,000	
Crime Policy	400,000	
Accounts Receivable	300,000	1,000
Excess Liability Policy-School Alliance Insurance Fund:		
Policy Limit	5,000,000	
School Board Legal Liability-New Jersey School Insurance Group:		
Limit of Liability	10,000,000	5,000
Environmental Service-School Alliance Insurance Fund:		
Policy Limit	1,000,000	10,000
Worker's Compensation-NJ School Insurance Group:		
Employer's Liability	2,000,000	
NJ CAP Excess Liability-Fireman's Fund Insurance:		
Excess Liability	50,000,000	
Public Employees' Faithful Performance-RLI Insurance Company:		
Business Administrator's Bond	250,000	

Source: District Records

**SINGLE AUDIT SECTION**

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

100 Route 31 North  
Washington, NJ 07882 - 1530  
Fax # (908) 689-8388  
(908) 689-5002

## INDEPENDENT AUDITOR'S REPORT

November 24, 2015

Honorable President and  
Members of the Board of Education  
Hackettstown School District  
County of Warren, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Hackettstown School District, as of and for the year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements, and have issued our report thereon dated November 24, 2015.

### **Internal Control over Financial Reporting**

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

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

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

## Compliance and Other Matters

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

## Purpose of this Report

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

  
\_\_\_\_\_  
William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

Certified Public Accountant  
Public School Accountant  
Registered Municipal Accountant

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## INDEPENDENT AUDITOR'S REPORT

November 24, 2015

Honorable President and  
Members of the Board of Education  
Hackettstown School District  
County of Warren, New Jersey

### **Report on Compliance for Each Major Federal and State Program**

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

### **Management's Responsibility**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB 15-08. Those standards, OMB Circular A-133 and NJ OMB 15-08 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 or state program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for each major federal and state program. However, our audit does not provide a legal determination of the Board of Education's compliance.

## **Opinion on Each Major Federal and State Program**

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

## **Report on Internal Control Over Compliance**

Management of The Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJ OMB 15-08, 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 Board of Education's internal control over compliance.

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

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

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

**Report on Schedules of Expenditures of Federal Awards Required by OMB Circular A-133  
and Expenditures of State Financial Assistance Required by NJ OMB 15-08**

We have audited the financial statements of the District as of and for the year ended June 30, 2015, and have issued our report thereon dated November 24, 2015, which contained an unmodified opinion on those financial statements. Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by OMB Circular A-133 and NJ Circular 15-08 and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditure of federal awards is fairly stated in all material respects in relation to the financial statements as a whole.



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William M. Colantano, Jr.  
Public School Accountant  
No. CS 0128

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

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2015		
											Accounts Receivable	Unearned Revenue	Due to Grantor
US Departments of Education and Health & Human Services:													
General Fund:													
Medical Assistance Program Cost Settlement	93.778	N/A	\$ 2,415	07/01/2011-06/30/2012			\$ 2,415	\$ 2,415					
Medical Assistance Program Cost Settlement	93.778	N/A	14,692	07/01/2012-06/30/2013			14,692	14,692					
Medical Assistance Program	93.778	N/A	26,141	07/01/2014-06/30/2015			26,141	26,141					
ARRA-Medical Assistance Program	93.778	ARRA	9,114	10/01/2008-12/31/2010			9,114	9,114					
Total General Fund					\$ -	\$ -	52,362	52,362	\$ -	\$ -	\$ -	\$ -	
US Departments of Education & Transportation Passed Through State Department of Education:													
Special Revenue Fund:													
NCLB Title I Part A	84.010A	NCLB-187014	152,669	07/01/2013-06/30/2014	(1,803)	(49,570)	51,373						
NCLB Title I Part A Carry-over	84.010A	NCLB-187014	152,669	07/01/2014-06/30/2015		49,570		49,570					
NCLB Title I Part A	84.010A	NCLB-187015	169,640	07/01/2014-06/30/2015			116,051	154,714			(53,589)	14,926	
NCLB Title II Part A	84.367A	NCLB-187014	34,936	07/01/2013-06/30/2014	849	(3,513)					(2,664)		
NCLB Title II Part A Carry-over	84.367A	NCLB-187014	34,936	07/01/2014-06/30/2015		3,513		3,513					
NCLB Title II Part A	84.367A	NCLB-187015	34,979	07/01/2014-06/30/2015			27,175	34,829			(7,804)	150	
NCLB Title III	84.365A	NCLB-187014	17,253	07/01/2013-06/30/2014	(3,525)		3,525						
NCLB Title III	84.365A	NCLB-187015	17,135	07/01/2014-06/30/2015			15,095	17,107			(2,040)	28	
NCLB Title III Immigrant	84.365A	NCLB-187015	6,992	07/01/2014-06/30/2015			6,992	6,992					
Perkins Secondary Carry-over	84.048A	PERKSEC-187013	17,378	07/01/2013-06/30/2014	11			11					
Perkins Secondary	84.048A	PERKSEC-187014	17,943	07/01/2013-06/30/2014	(16,043)		15,714		329				
Perkins Secondary	84.048A	PERKSEC-187014	17,943	07/01/2013-06/30/2014	385			56	(329)				
Perkins Secondary	84.048A	PERKSEC-187015	14,556	07/01/2014-06/30/2015			10,091	14,267			(4,465)	289	
Special Education IDEA Cluster													
IDEA Basic	84.027	IDEA-187014	330,693	07/01/2013-06/30/2014	(76,029)		76,029				(18,315)	18,315	
IDEA Basic	84.027	IDEA-187015	421,765	07/01/2014-06/30/2015			383,040	403,450			(38,725)	18,315	
IDEA Preschool	84.173	IDEA-187014	9,844	07/01/2013-06/30/2014	(9,375)		9,375				(469)	469	
IDEA Preschool	84.173	IDEA-187015	10,936	07/01/2014-06/30/2015			10,467	10,467			(469)	469	
Total Special Education IDEA Cluster					(85,404)	-	478,911	413,917	-	-	(57,978)	37,568	
Total Special Revenue Fund					(105,530)	-	724,927	694,976	-	-	(128,540)	52,961	

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

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

Grantor/Program Title	Federal CFDA Number	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014	Carryover Amount	Cash Received	Budgetary Expenditure	Adjustment	Repayment of Prior Year Balance	Balance June 30, 2015		
											Accounts Receivable	Unearned Revenue	Due to Grantor
US Department of Agriculture Passed Through State Department of Agriculture Enterprise Fund:													
Child Nutrition Cluster:													
National School Lunch Program- Cash Assistance	10 555	N/A	\$ 142,835	07/01/2013-06/30/2014	\$ (9,545)		\$ 9,545						
National School Lunch Program- Noncash Assistance (Commodities)	10 555	N/A	31,245	07/01/2013-06/30/2014	601			\$ 601					
National School Lunch Program- Cash Assistance	10 555	N/A	165,386	07/01/2014-06/30/2015			153,307	165,386			\$ (12,079)		
National School Lunch Program- Noncash Assistance (Commodities)	10 555	N/A	28,973	07/01/2014-06/30/2015			28,973	28,099				\$ 874	
Special Milk Program	10 556	N/A	11	07/01/2014-06/30/2015			11	11					
School Breakfast Program	10 553	N/A	24,599	07/01/2013-06/30/2014	(2,051)		2,051						
School Breakfast Program	10 553	N/A	31,712	07/01/2014-06/30/2015			28,568	31,712			(3,144)		
Total Child Nutrition Cluster					(10,995)	\$ -	222,455	225,809	\$ -	\$ -	(15,223)	874	\$ -
Total Enterprise Fund					(10,995)	-	222,455	225,809	-	-	(15,223)	874	-
TOTAL FEDERAL FINANCIAL ASSISTANCE					\$ (116,525)	\$ -	\$ 999,744	\$ 973,147	\$ -	\$ -	\$ (143,763)	\$ 53,835	\$ -

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

HACKETTSTOWN SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Balance June 30, 2015			MEMO		
				Unearned Rev. (Accts. Rec.)	Due to Grantor				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures	
<u>State Department of Education</u>														
General Fund:														
Categorical Special Education Aid	15-495-034	\$ 740,338	07/01/2014-											
	-5120-089		06/30/2015			\$ 740,338	\$ 740,338						\$ 71,339	\$ 740,338
Equalization Aid	15-495-034	4,244,551	07/01/2014-											
	-5120-078		06/30/2015			4,244,551	4,244,551						409,008	4,244,551
Categorical Security Aid	15-495-034	33,016	07/01/2014-											
	-5120-084		06/30/2015			33,016	33,016						3,181	33,016
Categorical Transportation Aid	15-495-034	16,384	07/01/2013-											
	-5120-014		06/30/2014			16,384	16,384						1,579	16,384
School Choice Aid	15-495-034	39,220	07/01/2013-											
	-5120-068		06/30/2014			39,220	39,220						3,779	39,220
PARCC Readiness Aid	15-495-034	13,860	07/01/2014-											
	-5120-098		06/30/2015			13,860	13,860						1,336	13,860
Per Pupil Growth Aid	15-495-034	13,860	07/01/2014-											
	-5120-097		06/30/2015			13,860	13,860						1,336	13,860
Extraordinary Special Education Costs Aid	15-100-034	103,517	07/01/2014-											
	-5120-473		06/30/2015											
Extraordinary Special Education Costs Aid	14-100-034	104,505	07/01/2014-											
	-5120-473		06/30/2015	\$ (103,426)		104,505	1,079			\$ (103,517)				103,517
On-Behalf TPAF Pension Contribution-Post Retirement Medical	15-495-034	1,135,824	07/01/2014-											
	-5094-001		06/30/2015			1,135,824	1,135,824							1,135,824
On-Behalf TPAF Pension Contribution-Non-Contributory Insurance	15-495-034	48,021	07/01/2014-											
	-5094-007		06/30/2015			48,021	48,021							48,021
On-Behalf TPAF Pension Contribution-Normal Cost and Accrued Liability	15-495-034	667,458	07/01/2014-											
	-5094-006		06/30/2015			667,458	667,458							667,458
Reimbursed TPAF Social Security Contribution	15-495-034	976,272	07/01/2014-											
	-5094-003		06/30/2015			928,034	976,272			(48,238)				976,272
Reimbursed TPAF Social Security Contribution	14-495-034	994,591	07/01/2013-											
	-5095-002		06/30/2014	(47,824)		47,824								994,591
Total General Fund				(151,250)	\$ -	8,032,895	8,033,400	\$ -	(151,755)	\$ -	\$ -		491,558	9,131,417

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

HACKETTSTOWN SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE, SCHEDULE B  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

Grantor/Program Title	Project Number	Program or Award Amount	Grant Period From To	Balance June 30, 2014		Cash Received	Budgetary Expenditure	Repayment of Prior Year Balances	Balance June 30, 2015			MEMO	
				Unearned Rev (Accts. Rec.)	Due to Grantor				Accounts Receivable	Unearned Revenue	Due to Grantor	Budgetary Receivable	Cumulative Expenditures
<b>State Department of Education</b>													
Capital Projects Fund:													
NJ School Development Authority (SDA):													
Middle School Fire Escape	1870-060-10-1007	\$ 22,955	N/A	\$ (22,955)		\$ 10,957	\$ (11,998)						\$ 10,957
High School Parking Lot Paving	1870-050-10-1004	52,051	N/A	(52,051)					\$ (52,051)				52,051
Hatchery Hill Playground	1870-070-10-1010	18,077	N/A	(18,077)					(18,077)				18,077
High School Auditorium	1870-050-10-1001	152,442	N/A	(152,442)					(152,442)				152,442
High School Science Lab	1870-050-10-1002	358,759	N/A	(358,759)		143,504			(215,255)				358,759
Middle School Courtyard Drainage	1870-060-10-1006	51,314	N/A	(51,314)					(51,314)				51,314
Hatchery Hill Asbestos	1870-070-10-1011	293,815	N/A	(293,815)					(293,815)				293,815
Middle School Auditorium Ventilation System	1870-060-09-1006	108,551	N/A	(108,551)					(108,551)				108,551
High School Auditorium Ventilation System	1870-050-09-1002	108,551	N/A	(108,551)					(108,551)				108,551
High School Boiler Replacement	1870-050-10-1003	172,934	N/A	(172,934)		172,934							172,934
High School Unbundled Projects	1870-050-14-1004	496,400	N/A	(297,400)					(297,400)				297,400
Middle School Security Cameras, Security Vestibule, Doors and Roof Replacement	1870-060-14-1005	221,200	N/A	(43,189)					(43,189)				43,189
Hatchery Hill School Unbundled Projects	1870-070-14-1006	173,880	N/A	(24,020)					(24,020)				24,020
Willow Grove School Unbundled Projects	1870-090-14-1007	185,900	N/A	(29,500)					(29,500)				29,500
High School Partial Exterior Window Replacement	1870-050-09-1001	140,359	N/A			140,359	140,359						140,359
Willow Grove School Driveway and Parking Lot Paving	1870-090-09-1009	47,373	N/A			47,373	47,373						47,373
High School Cafeteria Floor Replacement	1870-050-09-1010	11,349	N/A			11,349	11,349						11,349
Hatchery Hill School Playground Paving	1870-070-09-1012	10,032	N/A			10,032	10,032						10,032
Middle School Gym Floor Replacement	1870-060-09-1011	9,194	N/A			9,194	9,194						9,194
Middle School Playground Paving	1870-060-09-1008	37,674	N/A			37,674	37,674						37,674
<b>Total Capital Project Fund</b>				<u>(1,733,558)</u>	<u>\$ -</u>	<u>583,376</u>	<u>243,983</u>	<u>\$ -</u>	<u>(1,394,165)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>1,977,541</u>
<b>State Department of Agriculture</b>													
Enterprise Fund:													
State School Lunch Program	14-100-010	4,722	07/01/2013-										
	-3350-023		06/30/2014	(514)		514							4,722
State School Lunch Program	15-100-010	4,910	07/01/2014-										
	-3350-023		06/30/2015			4,421	4,910		(489)				4,910
<b>Total Enterprise Fund</b>				<u>(514)</u>	<u>-</u>	<u>4,935</u>	<u>4,910</u>	<u>-</u>	<u>(489)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,632</u>
<b>TOTAL STATE FINANCIAL ASSISTANCE</b>				<u>\$ (1,885,322)</u>	<u>\$ -</u>	<u>\$ 8,621,206</u>	<u>\$ 8,282,293</u>	<u>\$ -</u>	<u>\$ (1,546,409)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 491,558</u>	<u>\$ 11,118,590</u>

SEE ACCOMPANYING NOTES TO SCHEDULES OF FINANCIAL ASSISTANCE

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2015

**NOTE 1. GENERAL**

The accompanying schedules of financial assistance present the activity of all federal and state financial assistance programs of the Board of Education, Hackettstown School District. The Board of Education is defined in Note 1 (A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal financial assistance passed through other government agencies, is included on the schedule of federal financial assistance.

**NOTE 2. BASIS OF ACCOUNTING**

The accompanying schedules of financial assistance are presented using 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 and those recorded in the special revenue fund, which are presented using the budgetary basis of accounting. These bases of accounting are described in Notes 1 (C) and 1 (D) to the Board's financial statements.

**NOTE 3. RELATIONSHIP OF GENERAL-PURPOSE FINANCIAL STATEMENTS**

The financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 PL 2003, Ch 97 (A3521). 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 net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$9,188) for the general fund, \$14,924 for the special revenue fund and \$433,907 for the capital projects fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds and Exhibit F-2 for the capital projects fund.

Financial assistance revenues are reported in the Board's financial statements on a GAAP basis as follows:

	<u>Local</u>	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 52,362	\$ 8,024,212	\$ 8,076,574
Special Revenue Fund	\$ 2,007	709,900		711,907
Capital Projects Fund			677,890	677,890
Enterprise Fund		<u>225,809</u>	<u>4,910</u>	<u>230,719</u>
	<u>\$ 2,007</u>	<u>\$ 988,071</u>	<u>\$ 8,707,012</u>	<u>\$ 9,697,090</u>

HACKETTSTOWN SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE  
JUNE 30, 2015  
(Continued)

**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 USDA Commodities Program represent current year distributions respectively. The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for the year ended June 30, 2015. TPAF Social Security Contribution represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2015.

Schedule K-3 Special Revenue Fund Section:

1. Perkins Secondary Grant: adjustments of (\$329) and \$329 for grant year 2014 represents unexpended funds not received by Grantor which are considered released

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

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of Auditor's Report Issued: Unmodified

Internal Control Over Financial Reporting:

1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified that are not considered to be material weaknesses? Yes X No

Noncompliance Material to General-Purpose Financial Statements Noted? Yes X No

Federal Awards

Internal Control Over Major Programs:

1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified that are not considered to be material weaknesses? Yes X No

Type of Auditor's Report Issued on Compliance for Major Programs? Unmodified

Any Audit Findings Disclosed that are Required to be Reported in Accordance with Section .510 (a) of Circular A-133? Yes X No

Identification of Major Programs:

<u>CFDA Numbers</u>	<u>Amount</u>	<u>Name of Federal Program</u>
84.010A	\$ 204,284	NCLB Title I
IDEA Cluster:		
84.027	403,450	IDEA Basic
84.173	10,467	IDEA Preschool
Child Nutrition Cluster:		
10.553	31,712	School Breakfast Program
		National School Lunch Program:
10.555	165,386	Cash Assistance
10.555	28,700	Non-Cash Assistance (Commodities)

HACKETTSTOWN SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

SECTION I-SUMMARY OF AUDITOR'S RESULTS

Federal Awards (Cont'd)

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs: \$ 300,000

Auditee qualified as a low-risk auditee Yes X No

State Awards

Dollar Threshold used to Distinguish Between  
Type A and Type B Programs: \$ 300,000

Auditee Qualified as low-risk auditee Yes X No

Type of Auditor's Report Issued on Compliance  
for Major Programs: Unmodified

Internal Control Over Major Programs:  
1. Material weakness(es) identified? Yes X No

2. Reportable conditions identified  
that are not considered to be material  
weaknesses? Yes X No

Any Audit Findings Disclosed That are Required  
to be Reported in Accordance with NJ OMB  
Circular Letter 15-08? Yes X No

Identification of Major Programs:

Identification of Major Programs:

<u>GMIS Numbers</u>	<u>Amount</u>	<u>Name of State Program</u>
15-495-034-5120-078	\$ 4,244,551	Equalization Aid
15-495-034-5120-089	740,338	Categorical Special Education Aid

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

SECTION II-FINANCIAL STATEMENT FINDINGS

There were no findings or questioned costs for the year ended June 30, 2015.

SECTION III-FEDERAL AWARDS AND STATE FINANCIAL  
ASSISTANCE FINDINGS AND QUESTIONED COSTS

There were no findings or questioned costs for the year ended June 30, 2015.

HACKETTSTOWN SCHOOL DISTRICT  
SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

K-7

In accordance with government auditing standards, our procedures included a review of all prior year recommendations. Corrective action was taken on all prior year recommendations.