

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF MONTCLAIR**

**Township of Montclair School District
Board of Education
Montclair, New Jersey**

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2014**

**Comprehensive Annual
Financial Report**

of the

Township of Montclair School District

Montclair, New Jersey

For the Fiscal Year Ended June 30, 2014

Prepared by

**Township of Montclair School District
Board of Education**

Finance Department

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2014

INTRODUCTORY SECTION (Unaudited)

Letter of Transmittal	1
Organizational Chart.....	4
Roster of Officials.....	5
Consultants and Advisors	6

FINANCIAL SECTION

Independent Auditors' Report	8
------------------------------------	---

Required Supplementary Information	11
Management's Discussion and Analysis (Unaudited).....	12

Basic Financial Statements (Sections A and B).....	20
--	----

A. District-Wide Financial Statements	21
---	----

A-1 Statement of Net Position.....	22
------------------------------------	----

A-2 Statement of Activities	23
-----------------------------------	----

B. Fund Financial Statements	25
------------------------------------	----

B-1 Balance Sheet – Governmental Funds.....	26
---	----

B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds	27
--	----

B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	29
--	----

B-4 Statement of Net Position – Proprietary Funds	30
---	----

B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds	31
---	----

B-6 Statement of Cash Flows – Proprietary Funds	32
---	----

B-7 Statement of Fiduciary Net Position – Fiduciary Funds.....	33
--	----

B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	34
---	----

Notes to the Basic Financial Statements	35
---	----

Supplementary Schedules (Sections C through I)

C. Budgetary Comparison Schedules	56
---	----

C-1 Budgetary Comparison Schedule – Budgetary Basis – General Fund (Unaudited).....	57
---	----

C-2 Budgetary Comparison Schedule – Budgetary Basis – Special Revenue Fund (Unaudited).....	71
---	----

C-3 Budgetary Comparison Schedule – Note to Required Supplementary Information (Unaudited)	72
---	----

D. School Level Schedules (Not Applicable)	74
--	----

E. Special Revenue Fund.....	75
------------------------------	----

E-1 Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis	76
--	----

E-2 Pre-School Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	81
---	----

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

FINANCIAL SECTION (Cont'd)

F.	Capital Projects Fund	82
F-1	Summary Schedule of Revenue Expenditures, and Changes in Fund Balance – Budgetary Basis	83
F-1a	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2003-30	84
F-1b	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2004-20	85
F-1c	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2004-21	86
F-1d	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2005-24	87
F-1e	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2006-30	88
F-1f	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2007-26	89
F-1g	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2008-14	90
F-1h	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2009-20	91
F-1i	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2010-28	92
F-1j	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2011-14	93
F-1k	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2012-32	94
F-1l	Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2013-17	95
G.	Proprietary Funds	96
	Enterprise Fund:	
G-1	Combining Statement of Net Position	97
G-2	Combining Statement of Revenue, Expenses and Changes in Fund Net Position	99
G-3	Combining Statement of Cash Flows	101
H.	Fiduciary Funds.....	103
H-1	Combining Statement of Fiduciary Net Position.....	104
H-2	Statement of Changes in Fiduciary Net Position.....	105
H-3	Student Activity Agency Fund Schedule of Receipts and Disbursements	106
H-4	Student Activity Agency Fund Statement of Activity.....	107
H-5	Payroll Agency Fund Schedule of Receipts and Disbursements.....	108
I.	Long-Term Debt (Not Applicable).....	109

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

FINANCIAL SECTION (Cont'd)

J. Statistical Section (Unaudited)	110
J-1 Net Position by Component.....	111
J-2 Changes in Net Position	112
J-3 Fund Balances - Governmental Funds	115
J-4 Changes in Fund Balance – Governmental Funds.....	116
J-5 General Fund Other Local Revenue by Source.....	117
J-6 Assessed Value and Actual Value of Taxable Property	118
J-7 Direct and Overlapping Property Tax Rates.....	119
J-8 Principal Property Tax Payers	120
J-9 Property Tax Levies and Collections	121
J-10 Ratios of Outstanding Debt by Type (Not Applicable).....	122
J-11 Ratios of Net General Bonded Debt Outstanding (Not Applicable)	123
J-12 Ratios of Overlapping Governmental Activities Debt	124
J-13 Legal Debt Margin Information	125
J-14 Demographic and Economic Statistics.....	126
J-15 Principal Employers	127
J-16 Full-Time Equivalent District Employees by Function/Program.....	128
J-17 Operating Statistics.....	129
J-18 School Building Information.....	130
J-19 Schedule of Required Maintenance for School Facilities	132
J-20 Insurance Schedule.....	133
K. Single Audit Section	134
K-1 Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i>	135
K-2 Independent Auditors’ Report on Compliance For Each Major Federal and State Program; Report on Internal Control over Compliance required by OMB Circular A-133 and New Jersey’s OMB Circular 04-04.....	137
Schedule of Expenditures of Federal Awards	139
Schedule of Expenditures of State Awards	141
Notes to the Schedules of Expenditures of Federal and State Awards.....	143
Schedule of Findings and Questioned Costs	145
Summary Schedule of Prior Audit Findings	147

INTRODUCTORY SECTION



MONTCLAIR PUBLIC SCHOOLS

BUSINESS OFFICE

22 VALLEY ROAD ~ MONTCLAIR, NEW JERSEY 07042

WWW.MONTCLAIR.K12.NJ.US

October 17, 2014

The Honorable President and Members of
the Board of Education
Montclair School District
County of Essex, New Jersey

Dear Board Members:

The Comprehensive Annual Financial Report of the Montclair School District (the "District") for the fiscal year ended June 30, 2014, 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 (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of officials and a list of principal consultants and advisors. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

1) REPORTING ENTITY AND ITS SERVICES: The Montclair School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board ("GASB") in codification section 2100. All funds of the District are included in this report. The Montclair School District and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre K through 12. The educational services provided include regular and vocational programs as well as special education for handicapped children. The District completed the 2013-2014 fiscal year with an enrollment of 6,736 students, which is a increase of 69 students from the previous year's enrollment.

The Honorable President and Members of
 the Board of Education
 Montclair School District
 Page 2
 October 17, 2014

2) ECONOMIC CONDITION AND OUTLOOK: The Township of Montclair is primarily residential with a few commercial ratables and with little space remaining for development. Several years ago, the Township completed a revaluation of all property. Since then, many tax appeals have resulted in a decrease in the net valuation taxable from \$7.335 billion in 2008 to \$5.775 billion in 2012. The Township has completed another revaluation of property which resulted in decreased property values for the 2012 tax year. As state and federal aid to education declines, the local tax levy has assumed a larger percentage of the school budget- from 70% in 1986 to 88% in 2013-14.

Families with young children choose Montclair for its excellent schools. The housing market remains active as senior citizens leave the area and are replaced by younger families. The school system is expected to continue to maintain enrollment at approximately 6,800 students for the next ten years.

3) MAJOR INITIATIVES: In 2013-2014, the District implemented year one of a two-year Strategic Operating Plan for the District, which was approved by the Board in June 2013. The Strategic Operating Plan includes seven broad goals with specific objectives and strategies for attaining those goals. The seven goals are: (1) High Expectations and Achievement for All; (2) Consistent and Rigorous Instruction Across All Classrooms; (3) Highly Effective Central Services Support to Schools; (4) Effective Internal and External Communications and Parent Engagement; (5) Effective and Accountable Leadership at the School and District Levels; (6) Equitable Resources/School Offerings, and (7) Focus/Attention on Montclair High School.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2014.

The Honorable President and Members of
 the Board of Education
 Montclair School District
 Page 3
 October 17, 2014

6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the GASB. The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect governmental units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

8) RISK MANAGEMENT: The Board carries various forms of insurance, including, but not limited to, general liability, excess liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. The Board oversees Risk Management for the District. A schedule of insurance coverage is found in J-20.

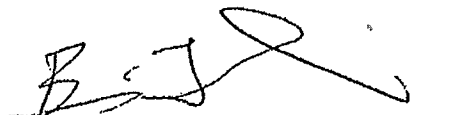
9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

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

Respectfully submitted,

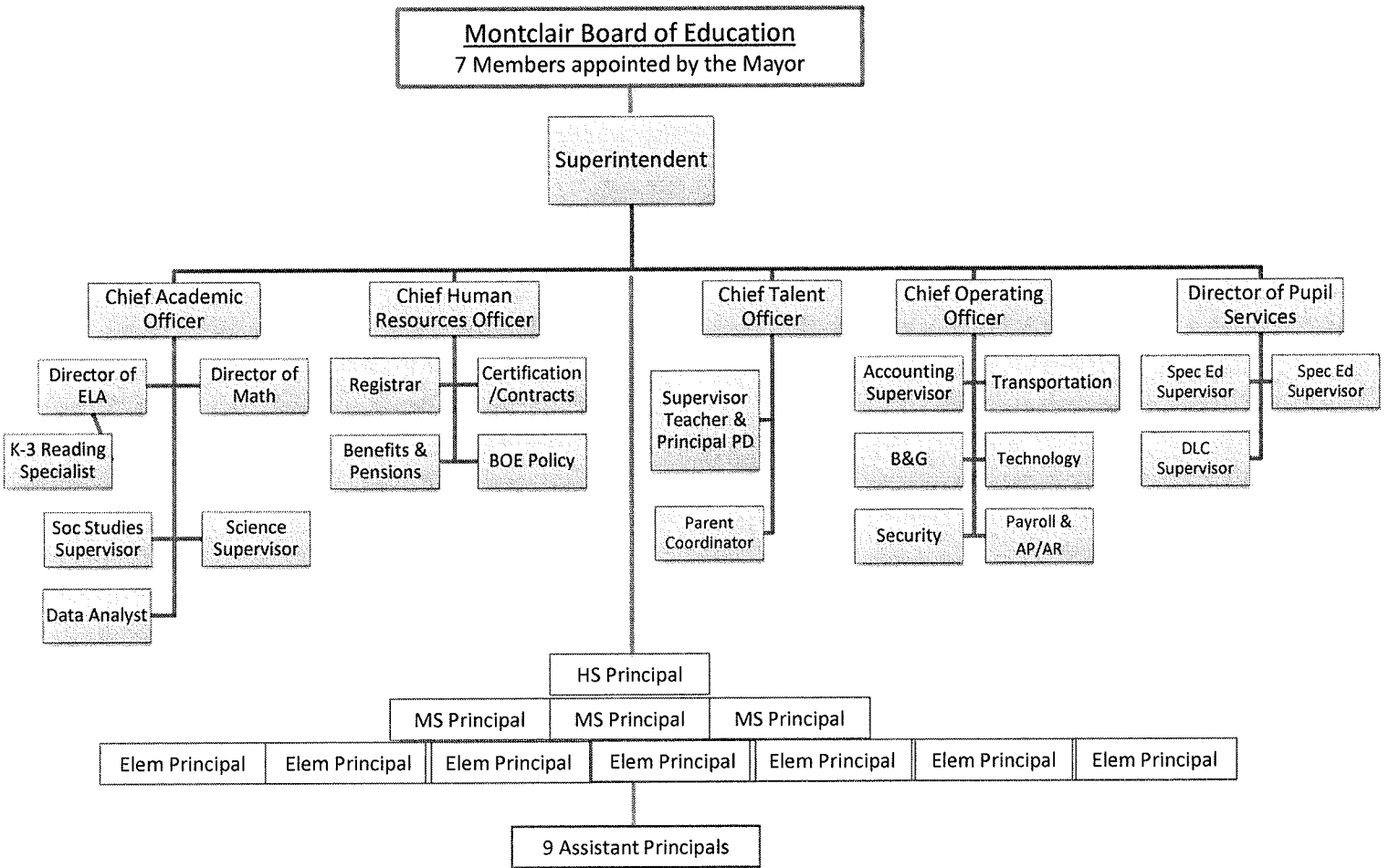


Penny MacCormack
 Superintendent



Brian Fleischer
 Chief Operating Officer

Montclair Public Schools Organizational Chart 2013-2014



CS: Supt. Office:
Revised 4.2.14

**MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2014**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
David Deutch, President	2017
Anne Mernin, Vice President	2018
Robin Kulwin	2016
Leslie Larson	2015
Shelly Lombard	2015
David Cummings	2017
Jessica de Koninck	2018

<u>Other Officers</u>	<u>Title</u>
Penny MacCormack	Superintendent of Schools
Brian Fleischer	Chief Operating Officer
Michael Zazzarino	Treasurer

MONTCLAIR TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors

Architect

Richard Rigolo
151 Grove Street
Clifton, New Jersey 07013

Attorney

Weiner Lesniak LLP
629 Parsippany Road
P.O. Box 0438
Parsippany, New Jersey 07054

Audit Firm

Nisivoccia LLP
Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mount Arlington, New Jersey 07856

Official Depositories

Investors Savings Bank
505 Bloomfield Avenue
Montclair, New Jersey 07042

State of New Jersey Cash Management Fund
Citifund Services
P.O. Box 182218
Columbus, Ohio 43218-2218

Bank of America
605 Valley Road
Montclair, New Jersey 07042

TD Bank
233 Bloomfield Avenue
Montclair, New Jersey 07042

Capital One Bank
605 Valley Road
Upper Montclair, New Jersey 07043

Valley National Bank
1460 Valley Road
Wayne, New Jersey 07470

FINANCIAL SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Montclair Township School District
 County of Essex, 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 Montclair Township School District (the "District"), a component unit of the Township of Montclair, in the County of Essex, as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free 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 District'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 District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

The Honorable President and Members
of the Board of Education
Montclair Township School District
Page 2

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 Board of Education of the Montclair Township School District, in the County of Essex, as of June 30, 2014, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal 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, which follows this report, and the budgetary comparison information in Exhibits C-1 through C-3 and I-3 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 accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate 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 supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Honorable President and Members
of the Board of Education
Montclair Township School District
Page 3

The accompanying other information such as the introductory and statistical sections has not been subjected 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 October 17, 2014 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.

October 17, 2014
Mount Arlington, New Jersey

NISIVOCCIA LLP



Raymond G. Safinelli
Licensed Public School Accountant #864
Certified Public Accountant

**REQUIRED SUPPLEMENTARY INFORMATION
MANAGEMENT'S DISCUSSION AND ANALYSIS**

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

This section of the Montclair Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2014. Please read it in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

Financial Highlights

- Total net position has decreased by \$7,798,592 or 9.55%.
- Overall revenue was \$120,745,712.
- Overall expenditures were \$127,961,756.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the district:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the district's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the district, reporting the district's operations in *more* detail than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the short-term as well as what remains for future spending.
- *Proprietary funds* statements offer *short-* and *long-term* financial information about the activities the district operates like a business, such as food services, provisional teacher, Saturday music, and Summer programs.
- *Fiduciary funds statements* provide information about the financial relationships in which the district acts solely as a trustee or agent for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the district's budget for the fiscal year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1
Organization of Montclair Township School District's Financial Report**

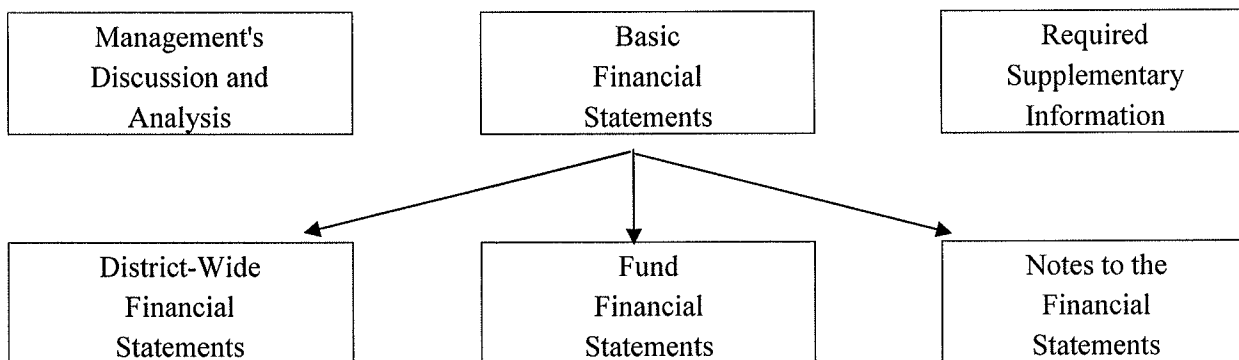


Figure A-2 summarizes the major features of the district's financial statements, including the portion of the district's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents of each of the statements.

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district (except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as special education and building maintenance	Activities the district operates similar to private businesses, food services, provisional teacher, Saturday music, and Summer programs	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and student activities monies.
Required Financial Statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of Asset/Liability Information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the fiscal year or soon thereafter; no capital assets or long-term liabilities are included	All assets and liabilities, both financial and capital, short-term and long-term	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can
Type of Inflow/Outflow Information	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	Revenue for which cash is received during or soon after the end of the fiscal year; expenditures when goods or services have been received and the related liability is due and payable	All revenue and expenses during the fiscal year, regardless of when cash is received or paid	All additions and deductions during the fiscal year, regardless of when cash is received or paid

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

District-wide Statements

The district-wide statements report information about the district as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the district's assets, deferred inflow and outflows and liabilities. All of the current fiscal year's revenue and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the district's *net position* and how it has changed. Net position – the difference between the district's assets, deferred inflows and outflows and liabilities – is one way to measure the district's financial health or *position*.

- Over time, increases or decreases in the district's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the district's overall health, you need to consider additional nonfinancial factors such as changes in the district's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the district's activities are divided into two categories:

- *Governmental activities*: Most of the district's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state formula aid finance most of these activities.
- *Business-type activities*: The district charges fees to help it cover the costs of certain services it provides. The district's food service and special programs are included here.

Fund Financial Statements

The fund financial statements provide more detailed information about the district's funds, focusing on its most significant or "major" funds – not the district as a whole. Funds are accounting devices the district uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The district establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenue (such as federal grants).

The district has three kinds of funds:

- *Governmental funds*: Most of the district's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at fiscal year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the district's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

- *Proprietary funds:* Services for which the district charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements. The district's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. The District uses *internal service funds* (the other kind of proprietary fund) to report activities that provide supplies and services for its other programs and activities. The District currently does not maintain any internal service funds.
- *Fiduciary funds:* The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the district-wide financial statements because it cannot use these assets to finance its operations.
- *Notes to the basic financial statements:* The notes provide information that is essential to a full understanding of the data provided in the District-wide and fund financial statements. The notes to the basic financial statements can be found immediately following the fund financial statements.

Financial Analysis of the District as a Whole

Net Position. The District's *combined* net position was \$73,822,651 on June 30, 2014, \$7,798,592 or 9.55% less than it was the fiscal year before. (See Figure A-3).

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	
Current and Other Assets	\$ 14,836,686	\$21,454,676	\$ 698,620	\$615,342	\$ 15,535,306	\$22,070,018	-29.61%
Capital Assets	68,012,577	68,606,368	174,783	169,864	68,187,360	68,776,232	-0.86%
Total Assets	<u>82,849,263</u>	<u>90,061,044</u>	<u>873,403</u>	<u>785,206</u>	<u>83,722,666</u>	<u>90,846,250</u>	-7.84%
Long-Term Liabilities	3,138,580	1,969,028			3,138,580	1,969,028	59.40%
Other Liabilities	6,421,196	7,024,829	340,239	231,150	6,761,435	7,255,979	-6.82%
Total Liabilities	<u>9,559,776</u>	<u>8,993,857</u>	<u>340,239</u>	<u>231,150</u>	<u>9,900,015</u>	<u>9,225,007</u>	7.32%
Net Position:							
Net Investment in Capital							
Assets	68,012,577	68,606,368	174,783	169,864	68,187,360	68,776,232	-0.86%
Restricted	5,435,873	11,270,241			5,435,873	11,270,241	-51.77%
Unrestricted/(Deficit)	<u>(158,963)</u>	<u>1,190,578</u>	<u>358,381</u>	<u>384,192</u>	<u>199,418</u>	<u>1,574,770</u>	-87.34%
Total Net Position	<u>\$ 73,289,487</u>	<u>\$81,067,187</u>	<u>\$ 533,164</u>	<u>\$554,056</u>	<u>\$ 73,822,651</u>	<u>\$81,621,243</u>	-9.55%

Changes in Net Position. The district's combined net position decreased \$7,798,592 or 9.55%. Net position from governmental activities decreased \$7,777,700 and there was a decrease in net position from business-type activities of \$20,892. Net investment in capital assets decrease \$588,872 due to an increase in capital assets offset by current fiscal year depreciation, restricted net position decreased \$5,834,368 and unrestricted net position decreased by \$1,375,352.

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

**Figure A-4
Changes in Net Position from Operating Results**

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2013/2014	2012/2013	2013/2014	2012/2013	2013/2014	2012/2013	
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,499,017	\$ 783,292	\$ 539,059	\$ 549,990	\$ 2,038,076	\$ 1,333,282	52.86%
Operating Grants & Contributions	18,068,049	19,506,729	686,942	642,348	18,754,991	20,149,077	-6.92%
Capital Grants and Contributions	528,704	3,243,859			528,704	3,243,859	-83.70%
General Revenue:							
Property Taxes	97,509,698	97,509,698			97,509,698	97,509,698	0.00%
Unrestricted Federal & State Aid	1,604,800	1,346,151			1,604,800	1,346,151	19.21%
Other	308,361	339,293	1,082	222,457	309,443	561,750	-44.91%
Total Revenue	<u>119,518,629</u>	<u>122,729,022</u>	<u>1,227,083</u>	<u>1,414,795</u>	<u>120,745,712</u>	<u>124,143,817</u>	-2.74%
Expenses:							
Instruction	68,786,357	68,320,626			68,786,357	68,320,626	0.68%
Pupil and Instruction Services	29,528,610	28,210,897			29,528,610	28,210,897	4.67%
Administrative and Business	11,262,052	9,804,993			11,262,052	9,804,993	14.86%
Maintenance and Operations	9,640,014	9,178,249			9,640,014	9,178,249	5.03%
Transportation	4,615,598	4,666,981			4,615,598	4,666,981	-1.10%
Special Schools	402,760	477,788			402,760	477,788	-15.70%
Other	2,451,546	2,629,557	1,274,819	1,293,002	3,726,365	3,922,559	-5.00%
Total Expenses	<u>126,686,937</u>	<u>123,289,091</u>	<u>1,274,819</u>	<u>1,293,002</u>	<u>127,961,756</u>	<u>124,582,093</u>	2.71%
Increase/(Decrease) in Net Position	<u>\$ (7,168,308)</u>	<u>\$ (560,069)</u>	<u>\$ (47,736)</u>	<u>\$ 121,793</u>	<u>\$ (7,216,044)</u>	<u>\$ (438,276)</u>	-1546.46%

Revenue Sources. The district's total revenue for the 2013-2014 school year was \$120,745,712. (See Figure A-4). Property taxes accounted for most of the district's revenue with local taxes accounting for \$97,509,698 of the total, or 80.76%. (See Figure A-5). Another 17.29% came from state formula aid and federal and state categorical grants and the remainder from miscellaneous sources. Montclair Township School District basically conducts its operations from the revenues it receives from its local taxpayers.

**Figure A-5
Sources of School District Revenue - Fiscal Year 2014**

	Amount	Percentage
Sources of Income:		
State Formula Aid	\$ 6,586,651	5.45%
Property Taxes	97,509,698	80.76%
Federal and State Categorical Grants	14,301,844	11.84%
Charges for Services	2,038,076	1.69%
Other	309,443	0.26%
	<u>\$ 120,745,712</u>	<u>100.00%</u>

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

The total cost of all programs and services was \$127,961,756. The district's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (80.45 percent). (See Figure A-6). The District's administrative and business activities accounted for 8.80%. The Montclair Township School District operates 12 schools, and an administration building which results in maintenance costs of 7.53 percent.

**Figure A-6
Sources of School District Expenses - Fiscal Year 2014**

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 68,786,357	53.76%
Pupil and Instruction Services	29,528,610	23.08%
Administrative and Business	11,262,052	8.80%
Maintenance and Operations	9,640,014	7.53%
Transportation	4,615,598	3.61%
Special Schools	402,760	0.31%
Other	3,726,365	2.91%
	<u>\$ 127,961,756</u>	<u>100.00%</u>

Governmental Activities

Net position from the district's governmental activities decreased by \$7,168,308 in 2013-2014. A majority of all revenue for the Montclair Township School District is collected through property taxes. Each fiscal year, the District must seek Board of School Estimate approval for its operations. Property taxes made up 80.76% of revenues for governmental activities.

Instruction comprises 76.84% of District expenses, support services 19.94%, and all others 3.22%.

Figure A-7 presents the cost of seven major district activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, special schools and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the district's taxpayers by each of these functions.

**Figure A-7
Net Cost of Governmental Activities**

	<u>Total Costs of Services</u>		<u>Net Cost of Services</u>	
	<u>2013/2014</u>	<u>2012/2013</u>	<u>2013/2014</u>	<u>2012/2013</u>
Instruction	\$ 68,786,357	\$ 68,320,626	\$ 55,467,258	\$ 53,906,199
Pupil and Instruction Services	29,528,610	28,210,897	26,182,131	25,470,747
Administrative and Business	11,262,052	9,804,993	10,433,856	8,884,202
Maintenance and Operations	9,640,014	9,178,249	9,133,479	8,578,845
Transportation	4,615,598	4,666,981	3,380,087	3,467,080
Special Schools	402,760	477,788	71,514	62,440
Other	2,451,546	2,629,557	1,922,842	(614,302)
	<u>\$ 126,686,937</u>	<u>\$ 123,289,091</u>	<u>\$ 106,591,167</u>	<u>\$ 99,755,211</u>

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

Business-Type Activities

- Net position from the district's business-type activity decreased \$47,736. (Refer to Figure A-4).

General Fund Budgetary Highlights

Over the course of the fiscal year, the district revised the annual operating budget several times. Budget amendments were made during the fiscal year within various budgetary line items for changes in school-based needs for programs and supplies.

Capital Asset and Debt Administration

**Figure A-8
Capital Assets (Net of Depreciation)**

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2013/2014	Restated 2012/2013	2013/2014	Restated 2012/2013	2013/2014	Restated 2012/2013	
Land	\$ 5,187,355	\$ 5,187,355			\$ 5,187,355	\$ 5,187,355	0.00%
Site Improvements	6,677,283	6,677,283			6,677,283	6,677,283	0.00%
Buildings and Improvements	75,245,431	72,631,699			75,245,431	72,631,699	3.60%
Machinery and Equipment	6,868,962	6,839,802	\$ 174,782	\$ 196,707	7,043,744	7,036,509	0.10%
Total Capital Assets, Net	<u>\$ 93,979,031</u>	<u>\$ 91,336,139</u>	<u>\$ 174,782</u>	<u>\$ 196,707</u>	<u>\$ 94,153,813</u>	<u>\$91,532,846</u>	2.86%

The District's capital assets increased by \$2,620,967. Capital acquisitions were \$2,642,892 offset by a total depreciation of \$2,649,216. \$2,627,291 designated for the governmental activities and \$21,925 for business type activities.

Long-term Debt

At fiscal year-end, the District had \$3,138,580 in Compensated Absences Payable outstanding – an increase of \$1,169,552 from the prior fiscal year, the majority of the increase was due to an adjustment of prior year compensated absences. - as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.)

**Figure A-9
Outstanding Long-Term Debt**

	Total School District		Percentage Change
	2013/2014	2012/2013	
Compensated Absences Payable	<u>\$ 3,138,580</u>	<u>\$ 1,969,028</u>	<u>59.40%</u>

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2014
(Unaudited)**

Factors Bearing on the District's Future Revenue/Expense Changes

The Audit for Fiscal Year 2014 reflects a strong financial position for the Montclair School District, which is supporting the current fiscal year (2014-2015) budget through the use of fund balance and an increased tax levy base. Prior year contributions to the Capital Reserve account are being utilized in the current year to protect the district's infrastructure and support the district's technology needs.

As the district prepares for the development of the 2015-2016 budget it will face the ongoing challenges of the State mandated 2% Cap on the Tax Levy while recurring expenses in the areas of special education costs, utilities and employee health benefits are expected to increase in excess of the cap. As the district's fund balance continues to decline from an historic high to a level more consistent with previous norms for the district, the ability to generate consistent revenue to cover annual expenses will continue to require a creative approach to budgeting for the foreseeable future.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the district's finances and to demonstrate the district's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, 22 Valley Road, Montclair, New Jersey 07042.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 9,308,714	\$ 593,676	\$ 9,902,390
Receivables from Other Governments	2,398,324	85,905	2,484,229
Accounts Receivable- Other		8,003	8,003
Interfund Receivable	1,000		1,000
Inventory		11,036	11,036
Restricted Cash and Cash Equivalents	3,128,648		3,128,648
Capital Assets:			
Sites (Land)	5,187,355		5,187,355
Depreciable Buildings and Building Improvements and Machinery and Equipment	62,825,222	174,783	63,000,005
Total Assets	<u>82,849,263</u>	<u>873,403</u>	<u>83,722,666</u>
LIABILITIES:			
Accounts Payable	3,451,343	296,828	3,748,171
Accrued Liability for Health Benefit Claims	2,605,366		2,605,366
Unearned Revenue	279,157	43,411	322,568
Payable to Federal Government	51,124		51,124
Payable to State Government	34,206		34,206
Noncurrent Liabilities:			
Due Beyond One Year	3,138,580		3,138,580
Total Liabilities	<u>9,559,776</u>	<u>340,239</u>	<u>9,900,015</u>
NET POSITION:			
Net Investment in Capital Assets	68,012,577	174,783	68,187,360
Restricted for:			
Capital Projects	2,926,251		2,926,251
Other Purposes	2,509,622		2,509,622
Unrestricted/(Deficit)	(158,963)	358,381	199,418
Total Net Position	<u>\$ 73,289,487</u>	<u>\$ 533,164</u>	<u>\$ 73,822,651</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 49,932,850		\$ 4,929,855		\$ (45,002,995)		\$ (45,002,995)
Special Education	14,463,175		8,006,716		(6,456,459)		(6,456,459)
Other Special Instruction	2,517,238		238,467		(2,278,771)		(2,278,771)
School Sponsored Instruction	1,873,094		144,061		(1,729,033)		(1,729,033)
Support Services:							
Tuition	4,908,073	\$ 1,167,771			(3,740,302)		(3,740,302)
Student Services	21,670,673		1,904,899		(19,765,774)		(19,765,774)
Instruction Services	2,949,864		273,809		(2,676,055)		(2,676,055)
General Administrative Services	1,954,247		47,816		(1,906,431)		(1,906,431)
School Administrative Services	6,618,614		602,435		(6,016,179)		(6,016,179)
Central Services	1,917,572		160,295		(1,757,277)		(1,757,277)
Administrative Information Technology	771,619		17,650		(753,969)		(753,969)
Plant Operations and Maintenance	9,640,014		506,535		(9,133,479)		(9,133,479)
Pupil Transportation	4,615,598		1,235,511		(3,380,087)		(3,380,087)
Capital Outlay	85,938			\$ 528,704	442,766		442,766
Charter Schools	7,204				(7,204)		(7,204)
Special Schools	402,760	331,246			(71,514)		(71,514)
Unallocated Depreciation	2,358,404				(2,358,404)		(2,358,404)
Total Governmental Activities	126,686,937	1,499,017	18,068,049	528,704	(106,591,167)		(106,591,167)

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:							
Food Service	\$ 1,204,386	\$ 470,459	\$ 520,727			\$ (213,200)	\$ (213,200)
Special Programs	70,433	68,600				(1,833)	(1,833)
Total Business-Type Activities	1,274,819	539,059	520,727			(215,033)	(215,033)
Total Primary Government	<u>\$ 127,961,756</u>	<u>\$ 2,038,076</u>	<u>\$ 18,588,776</u>	<u>\$ 528,704</u>	\$ (106,591,167)	(215,033)	(106,806,200)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					97,509,698		97,509,698
Federal and State Aid Not Restricted					1,604,800		1,604,800
Investment Earnings					46,645	187	46,832
Miscellaneous Income					427,931		427,931
Cancellation of Accounts Payable						895	895
Transfers					(166,215)	166,215	
Total General Revenues , Special Items & Transfers					99,422,859	167,297	99,590,156
Change in Net Position					(7,168,308)	(47,736)	(7,216,044)
Net Position - Beginning (As Restated)					80,457,795	580,900	81,038,695
Net Position - Ending					<u>\$ 73,289,487</u>	<u>\$ 533,164</u>	<u>\$ 73,822,651</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

FUND FINANCIAL STATEMENTS

Exhibit B-1

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 9,206,529	\$ 10,834	\$ 91,351	\$ 9,308,714
Interfund Receivable	69,771			69,771
Receivables From Federal Government	253,527	669,230		922,757
Receivables From State Government	788,690	5,036		793,726
Accounts Receivable- Other	656,202	616	25,023	681,841
Restricted Cash and Cash Equivalents	3,128,648			3,128,648
Total Assets	\$ 14,103,367	\$ 685,716	\$ 116,374	\$ 14,905,457
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	3,130,114	321,229		3,451,343
Accrued Liability for Health Benefit Claims	2,605,366			2,605,366
Interfund Payable			68,771	68,771
Unearned Revenue		279,157		279,157
Payable to Federal Government		51,124		51,124
Payable to State Government		34,206		34,206
Total Liabilities	5,735,480	685,716	68,771	6,489,967
Fund Balances:				
Restricted:				
Capital Reserve Account	2,878,648			2,878,648
Maintenance Reserve	250,000			250,000
Excess Surplus - For Subsequent Year's Expenditures	2,259,622			2,259,622
Capital Projects Fund			47,603	47,603
Assigned:				
Year End Encumbrances	1,343,119			1,343,119
For Subsequent Year's Expenditures	1,500,000			1,500,000
Unassigned	136,498			136,498
Total Fund Balances	8,367,887		47,603	8,415,490
Total Liabilities and Fund Balances	\$ 14,103,367	\$ 685,716	\$ 116,374	14,905,457

Amounts Reported for *Governmental Activities* in the Statement of Net Position (A-1) are Different Because:

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$93,979,031 and the accumulated depreciation is \$25,966,454	68,012,577
Long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,138,580)
Net Position of Governmental Activities	\$ 73,289,487

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 97,509,698			\$ 97,509,698
Interest Earned on Capital Reserve Funds	6,238			6,238
Rents and Royalties	129,622			129,622
Other Restricted Miscellaneous Revenue	331,246			331,246
Miscellaneous	411,859	\$ 183,126	\$ 360,632	955,617
Total - Local Sources	98,388,663	183,126	360,632	98,932,421
State Sources	16,998,654	471,204	168,072	17,637,930
Federal Sources	348,753	2,765,740		3,114,493
Total Revenue	115,736,070	3,420,070	528,704	119,684,844
EXPENDITURES:				
Current:				
Regular Instruction	36,994,770	235,783		37,230,553
Special Education Instruction	9,175,501	2,089,659		11,265,160
Other Special Instruction	1,885,558			1,885,558
School Sponsored Instruction	1,491,489			1,491,489
Support Services and Undistributed Costs:				
Tuition	3,813,445	1,094,628		4,908,073
Student Services	16,268,218			16,268,218
Instruction Services	2,224,569			2,224,569
General Administration Services	1,833,498			1,833,498
School Administration Services	4,574,757			4,574,757
Central Services	1,423,763			1,423,763
Administration Information Technology	713,418			713,418
Plant Operations and Maintenance	8,035,186			8,035,186
Pupil Transportation	4,519,707			4,519,707
Unallocated Benefits	26,020,243			26,020,243

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
EXPENDITURES:				
Capital Outlay	\$ 115,098		\$ 2,613,732	\$ 2,728,830
Charter School	7,204			7,204
Special Schools	402,760			402,760
Total Expenditures	119,499,184	\$ 3,420,070	2,613,732	125,532,986
Excess/(Deficiency) of Revenue over Expenditures	(3,763,114)		(2,085,028)	(5,848,142)
OTHER FINANCING SOURCES/(USES):				
Transfers In	68,771			68,771
Transfers Out	(166,215)		(68,771)	(234,986)
Total Other Financing Sources/(Uses)	(97,444)		(68,771)	(166,215)
Net Change in Fund Balances	(3,860,558)		(2,153,799)	(6,014,357)
Fund Balance—July 1	12,228,445		2,201,402	14,429,847
Fund Balance—June 30	\$ 8,367,887	\$ -0-	\$ 47,603	\$ 8,415,490

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

MONTCLAIR TOWNSHIP 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, 2014

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (6,014,357)

Amounts Reported for Governmental Activities in the Statement of Activities (Exhibit A-2) are Different Because:

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

This is the amount by which capital outlays differ from depreciation.

	Depreciation expense	\$ (2,627,291)	
	Capital outlays	<u>2,642,892</u>	
			15,601

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

(1,169,552)

Total Change in Net Position - Governmental Activities (Exhibit A-2)

\$ (7,168,308)

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-4

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2014

	<u>Major Program</u> Food Service Program	<u>Non-Major</u> Programs	<u>Total</u> Business-Type Activities - Enterprise
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 370,115	\$ 223,561	\$ 593,676
Intergovernmental Accounts Receivable:			
State	2,220		2,220
Federal	83,685		83,685
Accounts Receivable- Other	6,357	1,646	8,003
Inventories	11,036		11,036
Total Current Assets	<u>473,413</u>	<u>225,207</u>	<u>698,620</u>
Non-Current Assets:			
Capital Assets	717,422		717,422
Less: Accumulated Depreciation	<u>(542,639)</u>		<u>(542,639)</u>
Total Non-Current Assets	<u>174,783</u>		<u>174,783</u>
Total Assets	<u>648,196</u>	<u>225,207</u>	<u>873,403</u>
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	43,411		43,411
Accounts Payable	<u>294,328</u>	<u>2,500</u>	<u>296,828</u>
Total Liabilities	<u>337,739</u>	<u>2,500</u>	<u>340,239</u>
NET POSITION:			
Net Investment in Capital Assets	174,783		174,783
Unrestricted	<u>135,674</u>	<u>222,707</u>	<u>358,381</u>
Total Net Position	<u>\$ 310,457</u>	<u>\$ 222,707</u>	<u>\$ 533,164</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-5

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Major Program</u> <u>Food Service</u> <u>Program</u>	<u>Non-Major</u> <u>Programs</u>	<u>Total</u> <u>Business-Type</u> <u>Activities -</u> <u>Enterprise Funds</u>
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 424,344		\$ 424,344
Special Functions	46,115		46,115
Mentor Fees		\$ 68,600	68,600
Total Operating Revenue	<u>470,459</u>	<u>68,600</u>	<u>539,059</u>
Operating Expenses:			
Cost of Sales	428,730		428,730
Salaries, Benefits & Payroll Taxes	553,821	69,464	623,285
Administrative Expenses	49,916		49,916
Supplies and Materials	36,536	969	37,505
Management Fee	76,848		76,848
Miscellaneous Expenses	36,610		36,610
Depreciation Expense	21,925		21,925
Total Operating Expenses	<u>1,204,386</u>	<u>70,433</u>	<u>1,274,819</u>
Operating (Loss)	(733,927)	(1,833)	(735,760)
Non-Operating Revenue:			
Local Sources:			
Interest Income	187		187
Board Contribution	166,215		166,215
State Sources:			
State School Lunch Program	11,312		11,312
Federal Sources:			
National School Breakfast Program	32,441		32,441
National School Lunch Program	394,227		394,227
Food Distribution Program	82,747		82,747
Total Non-Operating Revenue	<u>687,129</u>		<u>687,129</u>
Change in Net Position before Other Items	(46,798)	(1,833)	(48,631)
Cancellation of Prior Year Accounts Payable		895	895
Change in Net Position After Other Items	(46,798)	(938)	(47,736)
Net Position - Beginning of Year (As Restated)	<u>357,255</u>	<u>223,645</u>	<u>580,900</u>
Net Position - End of Year	<u>\$ 310,457</u>	<u>\$ 222,707</u>	<u>\$ 533,164</u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-6

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Major Program</u> <u>Food Service</u> <u>Program</u>	<u>Non-Major</u> <u>Programs</u>	<u>Total</u> <u>Business-Type</u> <u>Activities -</u> <u>Enterprise</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 570,044	\$ 68,600	\$ 638,644
Payments to Employees	(553,821)	(73,285)	(627,106)
Payments to Food Service Vendor	(411,139)		(411,139)
Payments to Suppliers	(36,610)	(969)	(37,579)
Net Cash Used for Operating Activities	<u>(431,526)</u>	<u>(5,654)</u>	<u>(437,180)</u>
Cash Flows from Investing Activities:			
Local Sources:			
Interest Income	187		187
Net Cash Provided by Investing Activities	<u>187</u>		<u>187</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	448,770		448,770
Cash Received from Operating Transfers - Board Contribution	316,391	895	317,286
Net Cash Provided by Noncapital Financing Activities	<u>765,161</u>	<u>895</u>	<u>766,056</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	333,822	(4,759)	329,063
Cash and Cash Equivalents, July 1	<u>36,293</u>	<u>228,320</u>	<u>264,613</u>
Cash and Cash Equivalents, June 30	<u>\$ 370,115</u>	<u>\$ 223,561</u>	<u>\$ 593,676</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating (Loss)	\$ (733,927)	\$ (1,833)	\$ (735,760)
Adjustment to Reconcile Operating (Loss) to Net Cash Used for Operating Activities:			
Depreciation	21,925		21,925
Food Distribution Program	82,747		82,747
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	79,128	(1,646)	77,482
Increase/(Decrease) in Unearned Revenue	20,457		20,457
(Increase)/Decrease in Inventory	7,336		7,336
Increase/(Decrease) in Accounts Payable	90,808	(2,175)	88,633
Net Cash Used for Operating Activities	<u>\$ (431,526)</u>	<u>\$ (5,654)</u>	<u>\$ (437,180)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$82,747 for the fiscal year ended June 30, 2014.

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2014

	Agency	Unemployment Compensation Trust
ASSETS:		
Cash and Cash Equivalents	\$ 556,668	\$ 516,342
Total Assets	556,668	516,342
LIABILITIES:		
Interfund Payable	1,000	
Due to Student Groups	426,686	
Payroll Deductions and Withholdings	128,982	
Total Liabilities	556,668	
NET POSITION:		
Held in Trust for:		
Unemployment Compensation Claims		516,342
Total Net Position	\$ -0-	\$ 516,342

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
 AN INTEGRAL PART OF THIS STATEMENT

Exhibit B-8

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Unemployment Compensation Trust</u>
Additions:	
Contributions:	
Employee Contributions	\$ 202,760
Total Contributions	<u>202,760</u>
Investment Earnings:	
Interest	<u>946</u>
Net Investment Earnings	<u>946</u>
Total Additions	<u>203,706</u>
Deductions	
Unemployment Compensation Claims	79,141
Transfers to Agency	<u>82,305</u>
Total Deductions	<u>161,446</u>
Change in Net Position	42,260
Net Position - Beginning of the Year	<u>474,082</u>
Net Position - End of the Year	<u><u>\$ 516,342</u></u>

THE ACCOMPANYING NOTES TO THE BASIC FINANCIAL STATEMENTS ARE
AN INTEGRAL PART OF THIS STATEMENT

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

The Board is an instrumentality of the State of New Jersey, established to function as an educational institution. The Board consists of elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District.

Governmental Accounting Standards Board publication, Codification of Governmental Accounting and Financial Reporting Standards, Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. The basic criterion for inclusion or exclusion from the financial reporting entity is the exercise of oversight responsibility over agencies, boards and commissions by the primary government. The exercise of oversight responsibility includes financial interdependency and a resulting financial benefit or burden relationship, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters. Accordingly, the Montclair Township School District is a component unit of the Township of Montclair under the provisions of Governmental Accounting Standards Board's Codification Section 2100. In addition, certain legally separate, tax-exempt entities that meet specific criteria (i.e. benefit of economic resources, access/entitlement to economic resources, and significances) should be included in the financial reporting entity. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include 8 elementary schools, 3 middle schools, and 1 high school located in Montclair Township. There were no additional entities required to be included in the reporting entity under the criteria as described above, in the current fiscal year. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

B. Basis of Presentation

District-Wide Financial Statements:

The statement of net position and the statement of activities present financial information about the District's governmental and business type activities. These statements include the financial activities of the overall District in its entirety, except those that are fiduciary. Eliminations have been made to minimize the double counting of internal transactions. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenue and other non-exchange transactions. Business-type activities are financed in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenue for business-type activities and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with and are clearly identifiable to a particular function. Indirect expenses are allocated to the functions using an appropriate allocation method or association with the specific function. Indirect expenses include health benefits, employer's share of payroll taxes, compensated absences and tuition reimbursements. Program revenue includes (a) charges paid by the recipients of goods or services offered by the programs, and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenue that is not classified as program revenue, including all taxes, is presented as general revenue. The comparison of direct expenses with program revenues identifies the extent to which each government function or business segment is self-financing or draws from the general revenues of the District.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

B. Basis of Presentation (Cont'd)

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

The District reports the following governmental funds:

General Fund: The General Fund is the general operating fund of the District and is used to account for and report all expendable financial resources not accounted for and reported in another fund. Included are certain expenditures for vehicles and movable instructional or non-instructional equipment which are classified in the capital outlay sub-fund.

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states 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 revenue. 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 expenses by board resolution.

Special Revenue Fund: The Special Revenue Fund is used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. Thus the Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Governments (other than major capital projects, debt service or the enterprise funds) and local appropriations that are legally restricted or committed to expenditures for specified purposes.

Capital Projects Fund: The Capital Projects Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets (other than those financed by proprietary funds). The financial resources are derived from bond ordinances that are specifically authorized by the Township of Montclair and from aid provided by the state to offset the cost of approved capital projects.

Debt Service Fund: Because School District capital projects are authorized by the Township of Montclair under a bond ordinance and the subsequent debt is funded directly from the Township budget, the Debt Service Fund does not apply to the Montclair Township School District.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

B. Basis of Presentation (Cont'd)

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Fund accounts for all revenue and expenses pertaining to the District's Enterprise Funds. The District operates several Enterprise Funds. The District's Enterprise Funds are comprised of the Food Service, Provisional Teacher, Saturday Music and Summer Programs. These Enterprise Funds are 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 or to the public on a continuing basis is financed or recovered primarily through user charges. None of the District's individual Enterprise Funds except for the Food Service Fund is a major fund.

Additionally, the District reports the following fund type:

Fiduciary Funds: The Fiduciary Funds are used to account for assets held by the District on behalf of others and includes the Student Activities Fund, Payroll Agency Fund and Unemployment Compensation Insurance Trust Fund.

C. Measurement Focus and Basis of Accounting

The district-wide financial statements and the proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash transaction takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenue is recognized when measurable and available. The District considers all revenue reported in the governmental funds to be available if the revenue is collected within sixty days after the end of the fiscal year. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as other financing sources.

It is the District's policy, that when an expenditure is incurred for purposes for which both restricted and unrestricted (committed, assigned, or unassigned) amounts are available, to apply restricted resources first followed by unrestricted resources. Similarly, within unrestricted fund balance, it is the District's policy to apply committed resources first followed by assigned resource and then unassigned resources when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

Under the terms of grant agreements, the District may fund certain programs by a combination of specific cost-reimbursement grants, categorical block grants and general revenue. Therefore, when program expenses are incurred, both restricted and unrestricted net position may be available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by general revenue.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ended June 30, 2014 was submitted to the County office by the Board of School Estimate and was approved by a vote of the Board of School Estimate. 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 N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of 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.

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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording the last two state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements. The capital projects fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of revenue from the Township ordinances. Ordinance revenue is recognized in full in the year the ordinances are authorized on the budgetary basis; but, are not recognized on the GAAP basis until funds are expended and submitted for reimbursement from the Township.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 115,742,298	\$ 3,580,456
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not		(159,686)
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	636,915	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(643,143)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 115,736,070</u>	<u>\$ 3,420,770</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 119,499,184	\$ 3,580,456
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.		(159,686)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 119,499,184	\$ 3,420,770
		Capital Projects Fund
Actual Amounts (Budgetary Basis) "Revenue and Other Financing Sources" from the Summary Schedule of Revenues, Expenditures and Changes in Fund Balance Township of Montclair Ordinances and SDA Grants		\$ (6,039,038) 6,567,742
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		\$ 528,704
		Capital Projects Fund
Restricted		\$ 6,384,426
Reconciliation to Governmental Funds Statements (GAAP):		
Township and SDA Grant Receivables not Recognized on GAAP Basis		(6,336,823)
Fund Balance per Governmental Funds (GAAP)		\$ 47,603

E. Cash and Cash Equivalents

Cash and cash equivalents include petty cash and cash in banks. Certificates of deposit with maturities of one year or less when purchased are stated at cost.

New Jersey school districts are limited as to type 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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

E. Cash and Cash Equivalents (Cont'd)

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

F. Interfund Transactions

Transfers between governmental and business-type activities on the District-wide statements are reported in the same manner as general revenues. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after non-operating revenues/expenses in the enterprise funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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

G. Allowance for Uncollectible Accounts

No allowance for uncollectible accounts has been recorded as all amounts are considered collectible.

H. 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 restricted, committed and/or assigned fund balances at the fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

Open encumbrances in the special revenue fund for which the District has received advances are reflected in the balance sheet as unearned revenue 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.

I. Short-term Interfund Receivables/Payables

Short-term interfund receivables/payables represent 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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

J. Inventories and Prepaid Expenses

Inventories and prepaid expenses, 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. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2014.

K. Capital Assets

During the year ended June 30, 1994, the District established a formal system of accounting for its capital assets. Capital assets acquired or constructed subsequent to June 30, 1994, are recorded at historical cost including ancillary charges necessary to place the asset into service. Capital assets acquired or constructed prior to the establishment of the formal system are valued at cost based on historical records or through estimation procedures performed by an independent appraisal company. Land has been recorded at estimated historical cost. Donated capital assets are valued at their estimated fair market value on the date received. The cost of normal maintenance and repairs is not capitalized. The District does not possess any infrastructure. Capital assets have been reviewed for impairment.

The capitalization threshold (the dollar value above which asset acquisitions are added to the capital asset accounts) is \$2,000. The depreciation method is straight-line. The estimated useful lives of capital assets reported in the district-wide statements and proprietary funds are as follows:

	<u>Estimated Useful Life</u>
Buildings	50 years
Site Improvements	20 years
Furniture and Equipment	10 to 15 years
Computer and Related Technology	5 years
Vehicles	8 years

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures in the governmental fund upon acquisition. Capital assets are not capitalized and related depreciation is not reported in the fund financial statements.

L. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but not undisbursed amounts be retained in a separate bank account. As of June 30, 2014, the amount earned by these employees but not disbursed was \$449,059, which is recorded as an accounts payable in the General Fund.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

M. Long Term Liabilities

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, 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 issuances are reported as other financing uses.

N. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 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. Upon termination, employees are paid for accrued vacation. 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 District's agreements with the various employee unions.

In the district-wide *Statement of Net Position*, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year.

O. Unearned Revenue

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

P. Fund Balance Appropriated

General Fund: Of the \$8,367,887 General Fund fund balance at June 30, 2014, \$1,343,119 is assigned for encumbrances; \$1,500,000 is assigned as designated for subsequent year's expenditures; \$2,878,648 is restricted in the capital reserve account; \$250,000 is restricted in the maintenance reserve; \$0- is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) and will be appropriated and included as anticipated revenue for the year ending June 30, 2016; \$2,259,622 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the year ending June 30, 2015, and \$136,498 is unassigned which is \$643,143 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which were not recognized on the GAAP basis.

Capital Projects Fund: The Capital Projects Fund has \$47,603 of restricted fund balance at June 30, 2014.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

Calculation of Excess Surplus: The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to restrict General 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 year's budget. The excess surplus at June 30, 2014 is \$2,259,622-, as detailed on the prior page.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$643,143 as reported in the fund financial statements (modified accrual basis). P.L. 2004, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Deficit Net Position

The District has a deficit in unrestricted net position of \$158,963 in governmental activities, which is due to assigned fund balance of \$2,843,119 and unassigned fund balance of \$136,498 reduced by the recording of \$3,138,580 of compensated absences payable. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, during the prior fiscal year. This statement defines net position as the residual of all other elements presented in a statement of financial position. It is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources. This Statement provides guidance for reporting net position within a framework that includes deferred outflows of resources and deferred inflows of resources, in addition to assets and liabilities.

The District implemented GASB No. 65, *Items Previously Reported as Assets and Liabilities*, during the current fiscal year. This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District did not have any deferred inflows or outflows of resources at June 30, 2015.

Net position is displayed in three components - net investment in capital assets; restricted and unrestricted.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

R. Net Position (Cont'd)

The net investment in capital assets component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt also would be included in this component of net position.

The restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

The unrestricted component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

S. Fund Balance Restrictions, Commitments and Assignments:

The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. The committed fund balance classification includes amounts that can be used only for the specific purposes determined for a formal action of the District's highest level of decision-making authority. Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Unassigned fund balance is the residual classification for the District's General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classifications should be used only to report a deficit balance resulting from overspending for specific purposes for which amounts has been restricted, committed or assigned.

Fund balance restrictions have been established for excess surplus, a capital reserve, a maintenance reserve, and Capital Projects Fund.

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2014.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for fiscal year-end encumbrances and for amounts designated for subsequent fiscal year's expenditures in the General Fund at June 30, 2014.

T. Revenue - Exchange and Non-exchange Transactions

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

T. Revenue - Exchange and Non-exchange Transactions (Cont'd)

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the fiscal year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, interest and tuition.

U. Operating Revenue and Expenses

Operating revenue are those revenues that are generated directly from the primary activity of the Enterprise Funds. For the School District, these revenues are for food service, provisional teacher, Saturday music and summer programs. Operating expenses are necessary costs incurred to provide the service that is the primary activity of the Enterprise Funds.

V. Management Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. EXPLANATION OF CERTAIN DIFFERENCES BETWEEN GOVERNMENTAL FUND STATEMENTS AND DISTRICT-WIDE STATEMENTS

Due to the differences in the measurement focus and basis of accounting used on the government fund statements and district-wide statements, certain financial transactions are treated differently. The basic financial statements contain a full reconciliation of these items.

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents include petty cash, change funds, amounts in deposits, and short-term investments with original maturities of three months or less.

Investments are stated at cost, which approximates market. The Board classifies certificates of deposit which have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments.

GASB Statement No. 40, *Governmental Accounting Standards Board Deposit and Investment Risk Disclosures*, requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents, and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

Deposits: (Cont'd)

Interest Rate Risk - In accordance with its cash management plan, the District ensures that any deposit or investment matures within the time period that approximates the prospective need for the funds, deposited or invested, so that there is not a risk to the market value of such deposits or investments.

Credit Risk - The District limits its investments to those authorized in its cash management plan which are those permitted under state statute as detailed on the following page.

Deposits:

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey which are insured by the Federal Deposit Insurance Corporation, the Federal Savings and Loan Insurance Corporation, or by any other agency of the United States that insures deposits made in public depositories. School districts are also permitted to deposit public funds in the State of New Jersey Cash Management Fund.

New Jersey statutes require public depositories to maintain collateral for deposits of public funds that exceed depository insurance limits as follows:

The market value of the collateral must equal at least 5% of the average daily balance of collected public funds on deposit.

In addition to the above collateral requirement, if the public funds deposited exceed 75% of the capital funds of the depository, the depository must provide collateral having a market value at least equal to 100% of the amount exceeding 75%.

All collateral must be deposited with the Federal Reserve Bank of New York, the Federal Reserve Bank of Philadelphia, the Federal Home Loan Bank of New York, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

New Jersey statutes permit the Board to purchase the following types of securities:

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

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

Investments: (Cont'd)

- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

As of June 30, 2014, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Capital Reserve Account</u>	<u>Maintenance Reserve Account</u>	<u>Total</u>
Checking and Savings Accounts	<u>\$ 10,975,400</u>	<u>\$ 2,878,648</u>	<u>\$ 250,000</u>	<u>\$ 14,104,048</u>

During the period ended June 30, 2014, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2014, was \$14,104,048 and the bank balance was \$17,245,819.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Montclair Township School District by inclusion of \$1 on September 30, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT (Cont'd)

The activity of the capital reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Balance July 1, 2013	\$ 2,803,639
Interest Earnings	6,238
Transferred from Capital Projects Fund	<u>68,771</u>
Balance June 30, 2014	<u><u>\$ 2,878,648</u></u>

The balance in the capital reserve at June 30, 2014 did not exceed the balance of the local support costs of uncompleted capital projects in the District's approved LRFP.

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$500,000 was established by the Montclair Township School District on June 18, 2012. The funds for the establishment of this reserve were withdrawn from unassigned general fund balance. These funds are restricted to be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the district by transferring unassigned general fund balance or by transferring excess, unassigned general fund balance that is anticipated to be deposited during the current year in the advertised recapitulation of balances of the subsequent year's budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the year by board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan. Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current year of the district's school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent year's budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

The activity of the maintenance reserve for the July 1, 2013 to June 30, 2014 fiscal year is as follows:

Balance July 1, 2013	\$ 750,000
Budgeted Withdrawal	<u>(500,000)</u>
Balance June 30, 2014	<u><u>\$ 250,000</u></u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2014, there was \$13,577 in transfers to the capital outlay accounts.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2014 were as follows:

	Restated Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 5,187,355			\$ 5,187,355
Total Capital Assets Not Being Depreciated	<u>5,187,355</u>			<u>5,187,355</u>
Capital Assets Being Depreciated:				
Site Improvements	6,677,283			6,677,283
Buildings and Building Improvements	72,631,699	\$ 2,613,732		75,245,431
Machinery and Equipment	6,839,802	29,160		6,868,962
Total Capital Assets Being Depreciated	<u>86,148,784</u>	<u>2,642,892</u>		<u>88,791,676</u>
Governmental Activities Capital Assets	<u>91,336,139</u>	<u>2,642,892</u>		<u>93,979,031</u>
Less Accumulated Depreciation for:				
Site Improvements	(3,154,610)	(270,880)		(3,425,490)
Buildings and Building Improvements	(15,160,128)	(1,860,845)		(17,020,973)
Machinery and Equipment	(5,024,425)	(495,566)		(5,519,991)
	<u>(23,339,163)</u>	<u>(2,627,291)</u>		<u>(25,966,454)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 67,996,976</u>	<u>\$ 15,601</u>	<u>\$ -0-</u>	<u>\$ 68,012,577</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 717,422			\$ 717,422
Less Accumulated Depreciation	(520,715)	(21,925)		(542,640)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 196,707</u>	<u>\$ (21,925)</u>	<u>\$ -0-</u>	<u>\$ 174,782</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 152,576
Support/Administration	94,531
Transportation	10,293
Maintenance/Custodial	11,487
Unallocated	2,358,404
	<u>\$ 2,627,291</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2014, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2013</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2014</u>
Compensated Absences Payable	<u>\$ 1,969,028</u>	<u>\$ 1,185,911</u>	<u>\$ 16,359</u>	<u>\$ 3,138,580</u>

A. Bonds and Loans Payable:

Bonds are authorized in accordance with State law by the Township of Montclair by adopting an ordinance. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Township of Montclair are general obligation bonds of the Township of Montclair and there are not recorded as debt of the Montclair Township School District.

B. Capital Leases Payable:

The District had no capital leases payable as of June 30, 2014.

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. There is no current portion of the compensated absences balance of the governmental funds in the current year; therefore, the entire \$3,138,580 represents the long-term liability balance of compensated absences and will be liquidated through the General Fund.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2014, no liability existed for compensated absences in the Enterprise Funds.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS) of New Jersey, or the Defined Contribution Retirement Program (DCRP). These systems are sponsored and administered by the State of New Jersey. The TPAF 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 non-contribution employers. The PERS is also considered a cost-sharing, multiple-employer plan. Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. As a general rule, all full-time employees are eligible to join the TPAF or the PERS. However, if an employee is ineligible to enroll in the TPAF or the PERS, the employee may be eligible to enroll in the DCRP.

Employees who are members of PERS and TPAF and retire at a specified age 55 according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of credible service. Vesting occurs after 8 to 10 years of service. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

Employees who are members of TPAF or PERS and retire at a specified age according to the relevant tier category for that employee are entitled to a retirement benefit based upon a formula which takes "final average salary" during years of credible service. Vesting occurs after 8 to 10 years of service. The DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. 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.

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. For PERS and TPAF, the contribution rate was 6.64% effective July 1, 2012 and increased to 6.78% effective July 1, 2013. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

District Contributions to PERS amounted to \$1,355,805, \$1,441,154, and \$1,528,896 for the fiscal years ended June 30, 2014, 2013, and 2012 respectively.

During the fiscal years ended June 30, 2014, 2013, and 2012 the State of New Jersey contributed \$2,204,571, \$3,434,678, and \$1,737,010, respectively, to the TPAF for pension benefits on-behalf of the District.

Employee and employer contributions for the DCRP for the years ended June 30, 2014, 2013 and 2012 were \$86,484, \$80,237 and \$50,108 respectively.

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Laws 2007 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, 2013, there were 100,134 retirees receiving post-retirement medical benefits, and the State contributed \$1.07 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$173.8 million toward Chapter 126 benefits for 17,356 eligible retired members in Fiscal Year 2013.

The State's on behalf Post-Retirement Medical Contributions for TPAF for the District amount to \$3,614,667, \$3,883,755 and \$3,491,842, for 2014, 2013, and 2012, respectively.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 11. 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. The District obtains its health and dental coverages through Horizon Blue Cross Blue Shield and Delta Dental, respectively.

Property and Liability

The Montclair Township School District is a member of the New Jersey Schools Insurance Group (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report. The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum.

Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body. In accordance with Statement No.10 of the Governmental Accounting Standards Board, these distributions are used to reduce the amount recorded for membership expense in the year in which the distribution was declared.

Selected, summarized financial information for the Group as of June 30, 2014 is as follows:

	<u>New Jersey Schools Insurance Group</u>
Total Assets	\$ 293,795,686
Net Position	\$ 66,169,762
Total Revenue	\$ 120,623,875
Total Expenses	\$ 119,843,435
Change in Net Position	\$ 780,440
Member Dividends	\$ -0-

Financial statements for the Fund are available at the Fund's Executive Director's Office:

New Jersey Schools Insurance Group
450 Veterans Drive
Burlington, NJ 08016
Phone: (609) 386-6060 Fax: (609) 386-8877

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013		\$ 946	\$ 202,759	\$ 161,445	\$ 516,342
2012-2013		898	184,179	210,827	474,082
2011-2012	\$ 500,000	834	168,721	520,526	499,832

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 69,771	
Capital Projects Fund		\$ 68,771
Fiduciary Funds		1,000
	<u>\$ 69,771</u>	<u>\$ 69,771</u>

The interfund between the General Fund and the Capital Projects Fund represents the cancellation of Ordinance #04-22 back to the Capital Reserve account. The interfund between the General Fund and the Proprietary Funds represents the balance of the Board Contribution.

NOTE 13. 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). These 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:

Lincoln National Life Insurance Company
Valic
MetLife Investors

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 14. ECONOMIC DEPENDENCY

The Board of Education receives a substantial amount of its support from federal and state governments. A significant reduction in the level of support, if this were to occur, may have an effect on the Board of Education's programs and activities.

NOTE 15. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year. The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10.

Taxes are collected by the constituent municipalities and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

The District is periodically involved in claims and lawsuits arising from operations. The District estimates that any potential claims against it resulting from such litigation and not covered by insurance would not materially affect the financial position of the District.

Encumbrances

At June 30, 2014, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ 1,343,119	\$ 159,686	\$ 1,045,410	\$ 2,548,215

On the District's Governmental Funds Balance Sheet as of June 30, 2014, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund and Capital Projects Fund, which is \$159,686 and \$1,045,410, respectively less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis for the Special Revenue Fund, encumbrances are not recognized and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

NOTE 16. ACCOUNTS PAYABLE

At June 30, 2014, there were accounts payable as detailed below in the governmental funds and proprietary funds.

	<u>Governmental Funds</u>		<u>Total</u>	<u>Business-Type</u>
	<u>General</u>	<u>Special Revenue</u>	<u>Governmental</u>	<u>Enterprise</u>
	<u>Fund</u>	<u>Fund</u>	<u>Funds</u>	<u>Funds</u>
Salaries and Wages	\$ 449,059		\$ 449,059	
Vendors	2,405,783	\$ 321,229	2,727,012	\$ 296,828
	<u>\$ 2,854,842</u>	<u>\$ 321,229</u>	<u>\$ 3,176,071</u>	<u>\$ 296,828</u>

NOTE 17. RESTATEMENT OF PRIOR YEAR CAPITAL ASSETS

The capital assets had to be restated as a result of further review by the new administration at the District. The following shows the change in the capital assets and the change in the Statement of Net Position.

	<u>Balance 6/30/13</u>	<u>Retroactive</u>	<u>Balance 6/30/13</u>
	<u>as Previously</u>	<u>Adjustments</u>	<u>as Restated</u>
	<u>Reported</u>		
<u>Statement of Net Position - Governmental Activities:</u>			
Assets:			
Capital Assets Being Depreciated:			
Site Improvements	\$ 310,681	\$ 6,366,602	\$ 6,677,283
Building and Building Improvements	79,105,869	(6,474,170)	72,631,699
Machinery and Equipment	7,834,699	(994,897)	6,839,802
Less Depreciation for:			
Site Improvements	(273,524)	(2,881,086)	(3,154,610)
Building and Building Improvements	(17,999,357)	2,839,229	(15,160,128)
Machinery and Equipment	(5,559,355)	534,930	(5,024,425)
Net Position:			
Net Investment in Capital Assets	68,606,368	(609,392)	67,996,976
<u>Statement of Net Position - Business Type Activities:</u>			
Assets:			
Capital Assets Being Depreciated:			
Furniture and Equipment	509,243	208,179	717,422
Less Depreciation for:			
Furniture and Equipment	(339,379)	(181,336)	(520,715)
Net Position:			
Net Investment in Capital Assets	169,864	26,843	196,707

BUDGETARY COMPARISON SCHEDULES

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 97,509,698		\$ 97,509,698	\$ 97,509,698	
Tuition - From Individuals	75,000		75,000	47,253	\$ (27,747)
Tuition - From Other LEA's within the State				25,891	25,891
Interest Earned on Capital Reserve				6,238	6,238
Rents and Royalties	85,000		85,000	129,622	44,622
Unrestricted Miscellaneous Revenue	110,000		110,000	338,715	228,715
Other Restricted Miscellaneous Revenue	554,666		554,666	331,246	(223,420)
Total - Local Sources	98,334,364		98,334,364	98,388,663	54,299
State Sources:					
Transportation Aid	1,164,526		1,164,526	1,164,526	
Special Education Categorical Aid	4,171,264		4,171,264	4,171,264	
Adjustment Aid	503,304		503,304	503,304	
Security Aid	747,557		747,557	747,557	
Extraordinary Aid	1,000,000		1,000,000	544,039	(455,961)
Nonpublic Transportation Aid				51,215	51,215
On-Behalf TPAF Pension Contribution (Non-Budgeted)				2,204,571	2,204,571
On-Behalf TPAF Post Retirement Benefit Contributions (Non-Budgeted)				3,614,667	3,614,667
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				4,003,739	4,003,739
Total State Sources	7,586,651		7,586,651	17,004,882	9,418,231
Federal Sources:					
Medicaid Reimbursement	89,836		89,836	348,753	258,917
Total Federal Sources	89,836		89,836	348,753	258,917
TOTAL REVENUES	106,010,851		106,010,851	115,742,298	9,731,447

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 1,563,808	\$ 103,309	\$ 1,667,117	\$ 1,666,563	\$ 554
Grades 1-5 - Salaries of Teachers	13,182,601	(507,082)	12,675,519	12,674,167	1,352
Grades 6-8 - Salaries of Teachers	9,698,507	(166,792)	9,531,715	9,528,673	3,042
Grades 9-12 - Salaries of Teachers	9,932,101	92,325	10,024,426	10,024,141	285
Regular Programs - Home Instruction:					
Salaries of Teachers	160,000	243,335	403,335	403,334	1
Purchased Professional-Educational Services	80,500	32,916	113,416	113,416	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	1,446,205	(226,080)	1,220,125	1,217,813	2,312
Purchased Professional-Educational Services	277,623	(45,723)	231,900	224,888	7,012
General Supplies	594,027	1,028,884	1,622,911	748,540	874,371
Textbooks	346,822	49,163	395,985	393,235	2,750
Total Regular Programs - Instruction	<u>37,282,194</u>	<u>604,255</u>	<u>37,886,449</u>	<u>36,994,770</u>	<u>891,679</u>
Special Education - Instruction					
Cognitive Mild:					
Salaries of Teachers	129,454	2,708	132,162	132,162	
Other Salaries for Instruction	29,911	(3,196)	26,715	26,714	1
Total Cognitive Mild	<u>159,365</u>	<u>(488)</u>	<u>158,877</u>	<u>158,876</u>	<u>1</u>
Learning and/or Language Disabilities:					
Salaries of Teachers	622,015		622,015	620,888	1,127
Other Salaries for Instruction	195,018	(31,246)	163,772	157,332	6,440
Total Learning and/or Language Disabilities	<u>817,033</u>	<u>(31,246)</u>	<u>785,787</u>	<u>778,220</u>	<u>7,567</u>
Behavioral Disabilities:					
Salaries of Teachers					
Other Salaries for Instruction	188,092	(65,000)	123,092	121,764	1,328
Purchased Professional-Educational Services	92,283	(7,190)	85,093	85,089	4
General Supplies	7,000	(1,400)	5,600	5,035	565
Total Behavioral Disabilities	<u>287,375</u>	<u>(73,590)</u>	<u>213,785</u>	<u>211,888</u>	<u>1,897</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Multiple Disabilities:					
Salaries of Teachers	\$ 235,925	\$ 6,791	\$ 242,716	\$ 242,715	\$ 1
Other Salaries for Instruction	47,857	12,037	59,894	59,894	
General Supplies		1,819	1,819	1,771	48
Total Multiple Disabilities	<u>283,782</u>	<u>20,647</u>	<u>304,429</u>	<u>304,380</u>	<u>49</u>
Resource Room/Resource Center:					
Salaries of Teachers	6,728,598	(15,875)	6,712,723	6,712,694	29
Other Salaries for Instruction	213,283	(16,911)	196,372	196,281	91
General Supplies	38,666	3,436	42,102	36,883	5,219
Total Resource Room/Resource Center	<u>6,980,547</u>	<u>(29,350)</u>	<u>6,951,197</u>	<u>6,945,858</u>	<u>5,339</u>
Autism:					
Salaries of Teachers	314,195	13,293	327,488	327,488	
General Supplies	10,500		10,500	9,821	679
Total Autism	<u>324,695</u>	<u>13,293</u>	<u>337,988</u>	<u>337,309</u>	<u>679</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	235,055		235,055	233,202	1,853
Other Salaries for Instruction	85,141		85,141	80,329	4,812
Total Preschool Disabilities - Part-Time	<u>320,196</u>		<u>320,196</u>	<u>313,531</u>	<u>6,665</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	123,688	1,751	125,439	125,439	
Total Preschool Disabilities - Full-Time	<u>123,688</u>	<u>1,751</u>	<u>125,439</u>	<u>125,439</u>	
Total Special Education Instruction	<u>9,296,681</u>	<u>(98,983)</u>	<u>9,197,698</u>	<u>9,175,501</u>	<u>22,197</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 1,045,595	\$ 11,351	\$ 1,056,946	\$ 1,056,946	
Total Basic Skills/Remedial - Instruction	<u>1,045,595</u>	<u>11,351</u>	<u>1,056,946</u>	<u>1,056,946</u>	
Bilingual Education - Instruction:					
Salaries of Teachers	193,272	3,277	196,549	196,548	\$ 1
General Supplies	600		600	500	100
Total Bilingual Education - Instruction	<u>193,872</u>	<u>3,277</u>	<u>197,149</u>	<u>197,048</u>	<u>101</u>
Vocational Programs - Local - Instruction:					
Salaries of Teachers	228,876	52,557	281,433	281,433	
Other Salaries for Instruction		6,480	6,480	6,480	
Total Vocational Programs - Local - Instruction	<u>228,876</u>	<u>59,037</u>	<u>287,913</u>	<u>287,913</u>	
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	259,800	2,765	262,565	262,518	47
Purchased Services (300-500 series)	15,500	3,938	19,438	18,522	916
Supplies and Materials	6,000	(6,000)			
Total School-Sponsored Cocurricular Activities - Instruction	<u>281,300</u>	<u>703</u>	<u>282,003</u>	<u>281,040</u>	<u>963</u>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	795,140	33,056	828,196	827,425	771
Purchased Services (300-500 series)	122,814	(6,300)	116,514	116,482	32
Supplies and Materials	191,000	80,171	271,171	266,542	4,629
Other Objects	31,000	(31,000)			
Total School-Sponsored Cocurricular Athletics - Instruction	<u>1,139,954</u>	<u>75,927</u>	<u>1,215,881</u>	<u>1,210,449</u>	<u>5,432</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Other Instructional Programs - Instruction:					
Salaries	\$ 100,388	\$ (60,494)	\$ 39,894	\$ 39,894	
Purchased Services (300-500 series)	45,000	(25,605)	19,395	16,695	\$ 2,700
Supplies and Materials	48,421	(7,182)	41,239	40,057	1,182
Total Other Instructional Programs - Instruction	<u>193,809</u>	<u>(93,281)</u>	<u>100,528</u>	<u>96,646</u>	<u>3,882</u>
After School Program - Instruction:					
Salaries of Teachers	10,000	15,660	25,660	25,660	
Purchased Professional and Technical Services	7,000		7,000	2,420	4,580
Supplies and Materials	2,300	(2,008)	292	292	
Total After School Program - Instruction	<u>19,300</u>	<u>13,652</u>	<u>32,952</u>	<u>28,372</u>	<u>4,580</u>
Summer Programs - Instruction:					
Salaries of Teachers	79,320	(3,840)	75,480	69,110	6,370
Other Salaries for Instruction	7,000	3,840	10,840	10,742	98
General Supplies	1,000	(586)	414	414	
Total Summer Programs - Instruction	<u>87,320</u>	<u>(586)</u>	<u>86,734</u>	<u>80,266</u>	<u>6,468</u>
Other Supplemental/At-Risk Programs - Instruction:					
Salaries of Teachers	50,500	(21,509)	28,991	28,991	
Other Salaries for Instruction	25,000		25,000	25,000	
Purchased Professional and Technical Services	19,000	(6,000)	13,000	13,000	
Other Purchased Services (400-500 series)	2,500		2,500	482	2,018
General Supplies	15,574	(14,840)	734	347	387
Total Other Supplemental/At-Risk Programs - Instruction	<u>112,574</u>	<u>(42,349)</u>	<u>70,225</u>	<u>67,820</u>	<u>2,405</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Community Service Programs - Operations - Instruction:					
Salaries of Teachers	\$ 112,485	\$ (42,598)	\$ 69,887	\$ 69,887	
Supplies and Materials	1,500		1,500	660	\$ 840
Total Community Service Programs - Operations - Instruction	<u>113,985</u>	<u>(42,598)</u>	<u>71,387</u>	<u>70,547</u>	<u>840</u>
Total Instruction	<u>49,995,460</u>	<u>490,405</u>	<u>50,485,865</u>	<u>49,547,318</u>	<u>938,547</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	80,000	18,988	98,988	98,988	
Tuition to Other LEAs Within the State - Special	132,276	(59,366)	72,910	72,910	
Tuition to County Vocational School District - Regular	14,500	7,371	21,871	21,871	
Tuition to County Vocational School District - Special	36,416	(9,103)	27,313	27,312	1
Tuition to CSSD and Regional Day Schools	97,600	29,176	126,776	126,776	
Tuition to Private Schools for the Handicapped - Within State	4,296,896	(743,081)	3,553,815	3,461,088	92,727
Tuition - State Facilities	4,500		4,500	4,500	
Total Undistributed Expenditures - Instruction	<u>4,662,188</u>	<u>(756,015)</u>	<u>3,906,173</u>	<u>3,813,445</u>	<u>92,728</u>
Attendance and Social Work:					
Salaries	22,000	238,859	260,859	260,314	545
Purchased Professional and Technical Services	108,612		108,612	108,085	527
General Supplies		500	500	212	288
Total Attendance and Social Work	<u>130,612</u>	<u>239,359</u>	<u>369,971</u>	<u>368,611</u>	<u>1,360</u>
Health Services:					
Salaries	1,062,275	16,248	1,078,523	1,078,522	1
Purchased Professional and Technical Services	275,000	872	275,872	268,238	7,634
Supplies and Materials	63,000	7,060	70,060	69,271	789
Total Health Services	<u>1,400,275</u>	<u>24,180</u>	<u>1,424,455</u>	<u>1,416,031</u>	<u>8,424</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	\$ 1,942,537	\$ (6,804)	\$ 1,935,733	\$ 1,935,397	\$ 336
Purchased Professional - Educational Services	138,000	195,914	333,914	312,032	21,882
Supplies and Materials	21,100	(1,059)	20,041	19,812	229
Total Other Support Services - Students - Related Services	<u>2,101,637</u>	<u>188,051</u>	<u>2,289,688</u>	<u>2,267,241</u>	<u>22,447</u>
Other Support Services - Students - Extra Services:					
Salaries	4,645,061	184,995	4,830,056	4,830,049	7
Purchased Professional - Educational Services		285,938	285,938	285,938	
Total Other Support Services - Students - Extra Services	<u>4,645,061</u>	<u>470,933</u>	<u>5,115,994</u>	<u>5,115,987</u>	<u>7</u>
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	2,257,770	(7,790)	2,249,980	2,249,528	452
Salaries of Secretarial and Clerical Assistants	246,696	(13,196)	233,500	233,019	481
Purchased Professional and Technical Services	3,200	(2,340)	860		860
Supplies and Materials	72,100	(46,260)	25,840	25,839	1
Total Other Support Services - Students - Guidance	<u>2,579,766</u>	<u>(69,586)</u>	<u>2,510,180</u>	<u>2,508,386</u>	<u>1,794</u>
Other Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	3,425,338	(124,870)	3,300,468	3,300,063	405
Salaries of Secretarial and Clerical Assistants	192,586	18,412	210,998	210,998	
Purchased Professional - Educational Services	497,000	150,703	647,703	646,116	1,587
Miscellaneous Purchased Services (400-500 Series other than Residential)	5,500	(867)	4,633	4,323	310
Supplies and Materials	40,815	15,234	56,049	54,848	1,201
Total Other Support Services - Students - Child Study Team	<u>4,161,239</u>	<u>58,612</u>	<u>4,219,851</u>	<u>4,216,348</u>	<u>3,503</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	\$ 1,319,792	\$ (64,739)	\$ 1,255,053	\$ 1,254,877	\$ 176
Salaries of Other Professional Staff	111,400	262,102	373,502	372,758	744
Salaries of Secretarial and Clerical Assistants	202,558	(22,173)	180,385	180,340	45
Purchased Professional - Educational Services	69,000	(31,300)	37,700	37,700	
Other Purchased Services (400-500)	25,500	(17,623)	7,877	7,613	264
Supplies and Materials	28,500	48,554	77,054	76,742	312
Total Improvement of Instructional Services	1,756,750	174,821	1,931,571	1,930,030	1,541
Educational Media Services/School Library:					
Salaries	306,969	7,343	314,312	314,312	
Purchased Professional and Technical Services	50,000	(15,663)	34,337	34,337	
Supplies and Materials	40,411	(11,898)	28,513	26,965	1,548
Total Educational Media Services/School Library	397,380	(20,218)	377,162	375,614	1,548
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction		145,056	145,056	145,056	
Salaries of Other Professional Staff	13,500	30,557	44,057	44,057	
Salaries of Secretarial and Clerical Assistants		74,505	74,505	74,505	
Purchased Professional - Educational Services	29,000	(22,615)	6,385	6,385	
Other Purchased Services (400-500)	29,369	(7,210)	22,159	22,159	
Supplies and Materials	3,000	(623)	2,377	2,377	
Total Instructional Staff Training Services	74,869	219,670	294,539	294,539	

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration:					
Salaries	\$ 406,880	\$ (44,899)	\$ 361,981	\$ 361,770	\$ 211
Legal Services	200,000	252,578	452,578	448,813	3,765
Architectural/Engineering Services		17,550	17,550	17,550	
Purchased Professional and Technical Services	60,000	7,776	67,776	67,684	92
Communications/Telephone	120,000	(31,127)	88,873	88,137	736
Misc Purchased Services (400-500 series) (Other than 530 & 585)	13,665	(2,960)	10,705	8,510	2,195
General Supplies	43,500	6,237	49,737	45,987	3,750
Judgments Against the School District	250,000	607,615	857,615	758,007	99,608
Miscellaneous Expenditures	37,000	(1,000)	36,000	31,772	4,228
BOE Membership Dues and Fees	30,000	(12,411)	17,589	5,268	12,321
Total Support Services - General Administration	1,161,045	799,359	1,960,404	1,833,498	126,906
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	2,963,194	(79,727)	2,883,467	2,883,466	1
Salaries of Other Professional Staff		133,432	133,432	133,432	
Salaries of Secretarial and Clerical Assistants	1,387,990	153,213	1,541,203	1,541,043	160
Purchased Professional and Technical Services	22,964	(6,321)	16,643	16,643	
Other Purchased Services (400-500)	9,000	(8,810)	190	173	17
Total Support Services - School Administration	4,383,148	191,787	4,574,935	4,574,757	178
Support Services - Central Services:					
Salaries	1,392,553	(179,773)	1,212,780	1,212,766	14
Purchased Professional and Technical Services		82,430	82,430	82,430	
Misc Purchased Services (400-500 series) (Other than 594)	33,536	(5,864)	27,672	27,626	46
Supplies and Materials	90,000	12,487	102,487	100,941	1,546
Total Support Services - Central Services	1,516,089	(90,720)	1,425,369	1,423,763	1,606

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - Administration Information Technology:					
Salaries	\$ 182,631	\$ (49,095)	\$ 133,536	\$ 133,536	
Purchased Technical Services	134,500	407,360	541,860	526,279	\$ 15,581
Supplies and Materials	41,932	12,079	54,011	53,603	408
Total Support Services - Administration Information Technology	359,063	370,344	729,407	713,418	15,989
Required Maintenance of School Facilities:					
Salaries	327,677	(20,852)	306,825	306,825	
Cleaning, Repair and Maintenance Services	281,837	212,287	494,124	414,570	79,554
General Supplies	152,196	(67,761)	84,435	82,878	1,557
Total Required Maintenance of School Facilities	761,710	123,674	885,384	804,273	81,111
Custodial Services:					
Salaries	2,790,782	(69,238)	2,721,544	2,720,383	1,161
Purchased Professional and Technical Services	51,240	(20,897)	30,343	28,647	1,696
Cleaning, Repair and Maintenance Services	763,906	97,209	861,115	857,263	3,852
Rental of Land and Building Other Than Lease Purchase Agreement	28,000	4,100	32,100	32,100	
Other Purchased Property Services	109,117	(5,189)	103,928	103,928	
Insurance	651,010	19,542	670,552	670,541	11
General Supplies	170,154	35,025	205,179	195,632	9,547
Energy (Electricity)	1,101,486	28,922	1,130,408	1,130,408	
Energy (Natural Gas)	300,000	195,747	495,747	485,388	10,359
Energy (Oil)	80,000	68,651	148,651	148,571	80
Total Custodial Services	6,045,695	353,872	6,399,567	6,372,861	26,706
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	86,822	(61,029)	25,793	25,713	80
General Supplies	16,969	7,103	24,072	23,233	839
Total Care and Upkeep of Grounds	103,791	(53,926)	49,865	48,946	919

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Security:					
Salaries	\$ 799,468	\$ 6,209	\$ 805,677	\$ 805,166	\$ 511
General Supplies	5,000	(500)	4,500	3,940	560
Total Security	<u>804,468</u>	<u>5,709</u>	<u>810,177</u>	<u>809,106</u>	<u>1,071</u>
Student Transportation Services:					
Salaries for Transportation - Between Home & School - Regular	142,842	286	143,128	143,127	1
Salaries for Transportation - Other Than Between Home & School	47,428	17,195	64,623	63,115	1,508
Management Fee - ESC & CTSA Transportation Programs	48,646	1,900	50,546	49,595	951
Other Purchased Professional and Technical Services	9,000	(1,000)	8,000	6,649	1,351
Cleaning, Repair and Maintenance Services	5,000	695	5,695	5,694	1
Lease Purchase Payments - School Buses					
Contracted Services:					
Between Home and School - Vendors	1,826,017	4,300	1,830,317	1,830,234	83
Other than Between Home and School - Vendors	180,000	11,328	191,328	143,908	47,420
Special Education Students - Vendors	588,451	(8,000)	580,451	579,425	1,026
Special Education Students - ESCs & CTSA	1,428,000	5,349	1,433,349	1,432,525	824
Aid in Lieu of Payments - Nonpublic Students	310,057	(44,300)	265,757	258,634	7,123
General Supplies	2,000	1,020	3,020	3,020	
Other Objects		3,850	3,850	3,781	69
Total Student Transportation Services	<u>4,587,441</u>	<u>(7,377)</u>	<u>4,580,064</u>	<u>4,519,707</u>	<u>60,357</u>
Unallocated Benefits:					
Social Security Contributions	1,510,000	277,425	1,787,425	1,787,425	
Other Retirement Contributions - PERS	1,785,715	(429,910)	1,355,805	1,355,805	
Other Retirement Contributions - Regular		204,580	204,580	204,580	
Unemployment Contribution	200,000	(200,000)			
Workmen's Compensation	220,000	(1,600)	218,400	218,400	

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits (Cont'd):					
Health Benefits	\$ 14,987,610	\$ (2,985,916)	\$ 12,001,694	\$ 12,000,966	\$ 728
Tuition Reimbursement	110,000	(8,587)	101,413	101,413	
Other Employee Benefits	160,000	368,677	528,677	528,677	
Total Unallocated Benefits	<u>18,973,325</u>	<u>(2,775,331)</u>	<u>16,197,994</u>	<u>16,197,266</u>	<u>728</u>
On-Behalf Contributions:					
On-Behalf TPAF Pension Contribution (non-budgeted)				2,204,571	(2,204,571)
On-Behalf TPAF Post Retirement Benefit Contributions (non-budgeted)				3,614,667	(3,614,667)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				4,003,739	(4,003,739)
Total On-Behalf Contributions				<u>9,822,977</u>	<u>(9,822,977)</u>
Total Personal Services - Employee Benefits	<u>18,973,325</u>	<u>(2,775,331)</u>	<u>16,197,994</u>	<u>26,020,243</u>	<u>(9,822,249)</u>
Total Undistributed Expenses	<u>60,605,552</u>	<u>(552,802)</u>	<u>60,052,750</u>	<u>69,426,804</u>	<u>(9,374,054)</u>
TOTAL CURRENT EXPENSE	<u>110,601,012</u>	<u>(62,397)</u>	<u>110,538,615</u>	<u>118,974,122</u>	<u>(8,435,507)</u>
CAPITAL OUTLAY:					
Equipment:					
Grades 9-12		6,713	6,713	6,712	1
Undistributed Expenditures:					
General Administration		6,108	6,108		6,108
Care and Upkeep of Grounds		59,539	59,539	22,448	37,091
Total Equipment		<u>72,360</u>	<u>72,360</u>	<u>29,160</u>	<u>43,200</u>
Facilities Acquisition and Construction Services:					
Other Objects - Debt Service Assessment	144,721	(58,783)	85,938	85,938	
Total Facilities Acquisition and Construction Services	<u>144,721</u>	<u>(58,783)</u>	<u>85,938</u>	<u>85,938</u>	
TOTAL CAPITAL OUTLAY	<u>144,721</u>	<u>13,577</u>	<u>158,298</u>	<u>115,098</u>	<u>43,200</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
SPECIAL SCHOOLS					
Adult Education - Local:					
Instruction:					
Salaries of Teachers	\$ 127,249	\$ 16,996	\$ 144,245	\$ 144,244	\$ 1
Purchased Professional and Technical Services	350,751	(16,996)	333,755	258,516	75,239
Total Instruction	<u>478,000</u>		<u>478,000</u>	<u>402,760</u>	<u>75,240</u>
Total Adult Education - Local	<u>478,000</u>		<u>478,000</u>	<u>402,760</u>	<u>75,240</u>
TOTAL SPECIAL SCHOOLS	<u>478,000</u>		<u>478,000</u>	<u>402,760</u>	<u>75,240</u>
Transfer of Funds to Charter Schools		<u>12,605</u>	<u>12,605</u>	<u>7,204</u>	<u>5,401</u>
TOTAL EXPENDITURES	<u>111,223,733</u>	<u>(36,215)</u>	<u>111,187,518</u>	<u>119,499,184</u>	<u>(8,311,666)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(5,212,882)</u>	<u>36,215</u>	<u>(5,176,667)</u>	<u>(3,756,886)</u>	<u>1,419,781</u>
Other Financing Sources/(Uses):					
Transfer from Capital Projects Fund - To Capital Reserve				68,771	68,771
Transfer to Food Service Fund	<u>(130,000)</u>	<u>(36,215)</u>	<u>(166,215)</u>	<u>(166,215)</u>	
Total Other Financing Sources/(Uses)	<u>(130,000)</u>	<u>(36,215)</u>	<u>(166,215)</u>	<u>(97,444)</u>	<u>68,771</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>(5,342,882)</u>		<u>(5,342,882)</u>	<u>(3,854,330)</u>	<u>\$ 1,488,552</u>
Fund Balance, July 1	<u>12,865,360</u>		<u>12,865,360</u>	<u>12,865,360</u>	
Fund Balance, June 30	<u>\$ 7,522,478</u>	<u>\$ -0-</u>	<u>\$ 7,522,478</u>	<u>\$ 9,011,030</u>	<u>\$ 1,488,552</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(UNAUDITED)

Recapitulation:

Restricted:

Excess Surplus - Designated for Subsequent Year's Expenditures	\$ 2,259,622
Capital Reserve	2,878,648
Maintenance Reserve	250,000

Assigned:

For Year-End Encumbrances	1,343,119
Designated for Subsequent Year's Expenditures	1,500,000
Unassigned Fund Balance	<u>779,641</u>
	9,011,030

Reconciliation to Governmental Funds Statements (GAAP):

Last State Aid Payments not Recognized on GAAP Basis	<u>(643,143)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 8,367,887</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources		\$ 361,904	\$ 361,904	\$ 247,278	\$ (114,626)
State Sources	\$ 422,900	83,188	506,088	471,882	(34,206)
Federal Sources	1,841,962	2,098,379	3,940,341	2,861,296	(1,079,045)
Total Revenues	<u>2,264,862</u>	<u>2,543,471</u>	<u>4,808,333</u>	<u>3,580,456</u>	<u>(1,227,877)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	575,444	(350,002)	225,442	185,723	39,719
Purchased Professional and Technical Services		144,686	144,686	40,687	103,999
Tuition	400,000	820,412	1,220,412	1,094,628	125,784
General Supplies	84,575	832,560	917,135	560,467	356,668
Textbooks	74,900	19,755	94,655	81,034	13,621
Other Objects		3,184	3,184	2,542	642
Total Instruction	<u>1,134,919</u>	<u>1,470,595</u>	<u>2,605,514</u>	<u>1,965,081</u>	<u>640,433</u>
Support Services:					
Salaries of Supervisors of Instruction	129,700	108,986	238,686	225,501	13,185
Salaries of Other Professional Staff	442,766	81,085	523,851	459,998	63,853
Salaries of Secretarial and Clerical Assistants	81,688	(68,980)	12,708		12,708
Personal Services - Employee Benefits	92,312	36,167	128,479	86,318	42,161
Purchased Professional and Technical Services	104,000	119,287	223,287	208,914	14,373
Purchased Professional - Educational Services	260,000	684,265	944,265	523,620	420,645
Other Purchased Services	19,477	33,094	52,571	47,841	4,730
Non-Instructional Equipment		4,360	4,360	4,360	
Supplies and Materials		74,612	74,612	58,823	15,789
Total Support Services	<u>1,129,943</u>	<u>1,072,876</u>	<u>2,202,819</u>	<u>1,615,375</u>	<u>587,444</u>
Total Expenditures	<u>\$ 2,264,862</u>	<u>\$ 2,543,471</u>	<u>\$ 4,808,333</u>	<u>\$ 3,580,456</u>	<u>\$ 1,227,877</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 115,742,298	\$ 3,580,456
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not		(159,686)
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	636,915	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(643,143)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 115,736,070	\$ 3,420,770
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 119,499,184	\$ 3,580,456
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.		(159,686)
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 119,499,184	\$ 3,420,770

Annual appropriated budgets are prepared in the spring of each year for the General, and Special Revenue. The budget for the fiscal year ended June 30, 2014 was submitted to the County office and was approved by a vote of the Board of School Estimate. 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 N.J.A.C.6:20-2A.2(m)l. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of 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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

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 revenue, whereas the GAAP basis does not. Sufficient supplemental records are maintained to allow for the presentation of GAAP basis financial reports.

The General Fund budgetary revenue differs from the GAAP revenue due to a difference in recognition of the last two state aid payments for the current year. Since the State is recording these state aid payments in the subsequent fiscal year, the District cannot recognize these payments on the GAAP financial statements.

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	No Child Left Behind				
	Title I	Title I Carryover	Title IIA	Title IIA Carryover	Title III
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 597,583	\$ 49,205	\$ 164,233	\$ 66,879	\$ 24,586
Total Revenue	<u>597,583</u>	<u>49,205</u>	<u>164,233</u>	<u>66,879</u>	<u>24,586</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	29,262	28,713		22,524	
Purchased Professional & Technical Services		6,688			
Tuition					
General Supplies	191,129	3,511	71		24,586
Textbooks					
Other Objects		2,542			
Total Instruction	<u>220,391</u>	<u>41,454</u>	<u>71</u>	<u>22,524</u>	<u>24,586</u>
Support Services:					
Salaries of Supervisors of Instruction	224,501	1,000			
Salaries of Other Professional Staff	54,842		74,136		
Salaries of Secretarial and Clerical Assistants					
Personal Services - Employee Benefits	48,367	6,751		1,723	
Purchased Professional and Technical Services	43,855		34,331	1,727	
Purchased Professional - Educational Services				20,880	
Other Purchased Services			22,001	2,479	
Non-Instructional Equipment					
Supplies and Materials	5,627		33,694	17,546	
Total Support Services	<u>377,192</u>	<u>7,751</u>	<u>164,162</u>	<u>44,355</u>	
Total Expenditures	<u>\$ 597,583</u>	<u>\$ 49,205</u>	<u>\$ 164,233</u>	<u>\$ 66,879</u>	<u>\$ 24,586</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	I.D.E.A. Grant				Non Public Technology
	Basic	Basic Carryover	Preschool	Preschool Carryover	
REVENUE:					
Local Sources					
State Sources					\$ 32,216
Federal Sources	\$ 1,519,219	\$ 326,862	\$ 80,846	\$ 31,883	
Total Revenue	<u>1,519,219</u>	<u>326,862</u>	<u>80,846</u>	<u>31,883</u>	<u>32,216</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers		86,748		13,344	
Purchased Professional & Technical Services	31,999				
Tuition	916,588	97,194	80,846		
General Supplies	75,890				32,216
Textbooks					
Other Objects					
Total Instruction	<u>1,024,477</u>	<u>183,942</u>	<u>80,846</u>	<u>13,344</u>	<u>32,216</u>
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff		106,453		16,273	
Salaries of Secretarial and Clerical Assistants					
Personal Services - Employee Benefits	4,244	22,967		2,266	
Purchased Professional and Technical Services					
Purchased Professional - Educational Services	488,542	13,500			
Other Purchased Services					
Non-Instructional Equipment					
Supplies and Materials	1,956				
Total Support Services	<u>494,742</u>	<u>142,920</u>		<u>18,539</u>	
Total Expenditures	<u>\$ 1,519,219</u>	<u>\$ 326,862</u>	<u>\$ 80,846</u>	<u>\$ 31,883</u>	<u>\$ 32,216</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Nonpublic</u>		<u>Non-Public Auxiliary (Ch 192)</u>		
	<u>Nursing</u>	<u>Textbook</u>	<u>ESL</u>	<u>Transportation</u>	<u>Compensatory Education</u>
REVENUE:					
Local Sources					
State Sources	\$ 129,001	\$ 78,312	\$ 698	\$ 23,361	\$ 65,397
Federal Sources					
Total Revenue	<u>129,001</u>	<u>78,312</u>	<u>698</u>	<u>23,361</u>	<u>65,397</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Purchased Professional & Technical Services					
Tuition					
General Supplies					
Textbooks		78,312			
Other Objects					
Total Instruction		<u>78,312</u>			
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff					65,397
Salaries of Secretarial and Clerical Assistants					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services	129,001				
Purchased Professional - Educational Services			698		
Other Purchased Services				23,361	
Non-Instructional Equipment					
Supplies and Materials					
Total Support Services	<u>129,001</u>		<u>698</u>	<u>23,361</u>	<u>65,397</u>
Total Expenditures	<u>\$ 129,001</u>	<u>\$ 78,312</u>	<u>\$ 698</u>	<u>\$ 23,361</u>	<u>\$ 65,397</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Non-Public Auxiliary (Ch 192)	Non-Public Handicapped (Ch 193)			Local Grants
	Home Instruction	Examination & Classification	Corrective Speech	Supplemental Instruction	
REVENUE:					
Local Sources					\$ 247,278
State Sources	\$ 5,036	\$ 66,617	\$ 37,107	\$ 34,137	
Federal Sources					
Total Revenue	<u>5,036</u>	<u>66,617</u>	<u>37,107</u>	<u>34,137</u>	<u>247,278</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					5,132
Purchased Professional & Technical Services					2,000
Tuition					
General Supplies					233,064
Textbooks					2,722
Total Instruction					<u>242,918</u>
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff	5,036	66,617	37,107	34,137	
Salaries of Secretarial and Clerical Assistants					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services					
Purchased Professional - Educational Services					
Other Purchased Services					
Non-Instructional Equipment					4,360
Supplies and Materials					
Total Support Services	<u>5,036</u>	<u>66,617</u>	<u>37,107</u>	<u>34,137</u>	<u>4,360</u>
Total Expenditures	<u>\$ 5,036</u>	<u>\$ 66,617</u>	<u>\$ 37,107</u>	<u>\$ 34,137</u>	<u>\$ 247,278</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Total
REVENUE:	
Local Sources	\$ 247,278
State Sources	471,882
Federal Sources	2,861,296
Total Revenue	3,580,456
EXPENDITURES:	
Instruction:	
Salaries of Teachers	185,723
Purchased Professional & Technical Services	40,687
Tuition	1,094,628
General Supplies	560,467
Textbooks	81,034
Other Objects	2,542
Total Instruction	1,965,081
Support Services:	
Salaries of Supervisors of Instruction	225,501
Salaries of Other Professional Staff	459,998
Personal Services - Employee Benefits	86,318
Purchased Professional and Technical Services	208,914
Purchased Professional - Educational Services	523,620
Other Purchased Services	47,841
Non-Instructional Equipment	4,360
Supplies and Materials	58,823
Total Support Services	1,615,375
Total Expenditures	\$ 3,580,456

Exhibit E-2

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOT APPLICABLE

CAPITAL PROJECTS FUND

Exhibit F-1

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Revenue and Other Financing Sources:	
Due from Township of Montclair	\$ (6,039,038)
Total Revenues and Other Financing Sources	<u>(6,039,038)</u>
Expenditures:	
Facilities Acquisition and Construction Services	2,418,310
Equipment	195,421
Total Expenditures	<u>2,613,731</u>
Other Financing Uses:	
Operating Transfers Out	
General Fund - Capital Reserve	<u>(68,771)</u>
Total Other Financing Uses	<u>(68,771)</u>
Excess/(Deficiency) of Revenues and Other Financing Sources	
Over/(Under) Expenditures and Other Financing Uses	(8,721,540)
Fund Balance - Beginning Balance	<u>15,105,966</u>
Fund Balance - Ending Balance	<u>\$ 6,384,426</u>
<u>Recapitulation:</u>	
Committed Fund Balance:	
Year-End Encumbrances	\$ 1,045,410
Total Committed Fund Balance	<u>1,045,410</u>
Restricted Fund Balance	<u>5,339,016</u>
	6,384,426
Reconciliation to Governmental Funds Statements (GAAP):	
Township and SDA Receivables not Recognized on GAAP Basis	<u>(6,336,823)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 47,603</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2003-30
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Total</u>	<u>Revised</u> <u>Authorized</u> <u>Cost</u>
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 16,140,823		\$ 16,140,823	\$ 16,140,823
Total Revenues and Other Financing Sources	16,140,823		16,140,823	16,140,823
Expenditures:				
Facilities Acquisition and Construction Services	15,173,839	\$ 72,440	15,246,279	16,140,823
Total Expenditures	15,173,839	72,440	15,246,279	16,140,823
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	\$ 966,984	\$ (72,440)	\$ 894,544	\$ -0-

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2004-20
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 36,692,256	\$ (5,620,690)	\$ 31,071,566	\$ 31,071,566
Total Revenues and Other Financing Sources	<u>36,692,256</u>	<u>(5,620,690)</u>	<u>31,071,566</u>	<u>31,071,566</u>
Expenditures:				
Facilities Acquisition and Construction Services	31,032,065	\$ 39,501	31,071,566	31,071,566
Total Expenditures	<u>31,032,065</u>	<u>39,501</u>	<u>31,071,566</u>	<u>31,071,566</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ 5,660,191</u>	<u>\$ (5,660,191)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2004-21
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Transfer from Capital Reserve	\$ 1,189,802	\$ (68,771)	\$ 1,121,031	\$ 1,121,031
Total Revenues and Other Financing Sources	<u>1,189,802</u>	<u>(68,771)</u>	<u>1,121,031</u>	<u>1,121,031</u>
Expenditures:				
Facilities Acquisition and Construction Services	1,121,031		1,121,031	1,121,031
Total Expenditures	<u>1,121,031</u>		<u>1,121,031</u>	<u>1,121,031</u>
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	<u>\$ 68,771</u>	<u>\$ (68,771)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2005-24
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 7,006,514	\$ (418,348)	\$ 6,588,166	\$ 6,588,166
Total Revenues and Other Financing Sources	<u>7,006,514</u>	<u>(418,348)</u>	<u>6,588,166</u>	<u>6,588,166</u>
Expenditures:				
Facilities Acquisition and Construction Services	6,588,166		6,588,166	6,588,166
Total Expenditures	<u>6,588,166</u>		<u>6,588,166</u>	<u>6,588,166</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ 418,348</u>	<u>\$ (418,348)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2006-30
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 4,649,840		\$ 4,649,840	\$ 4,649,840
Total Revenues and Other Financing Sources	4,649,840		4,649,840	4,649,840
Expenditures:				
Facilities Acquisition and Construction Services	4,124,010	\$ 22,719	4,146,729	4,649,793
Equipment Purchases		47	47	47
Total Expenditures	4,124,010	22,766	4,146,776	4,649,840
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	\$ 525,830	\$ (22,766)	\$ 503,064	\$ -0-

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2007-26
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 4,381,520		\$ 4,381,520	\$ 4,381,520
Total Revenues and Other Financing Sources	<u>4,381,520</u>		<u>4,381,520</u>	<u>4,381,520</u>
Expenditures:				
Facilities Acquisition and Construction Services	3,810,132	\$ 58,548	3,868,680	4,381,495
Equipment Purchases		25	25	25
Total Expenditures	<u>3,810,132</u>	<u>58,573</u>	<u>3,868,705</u>	<u>4,381,520</u>
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	<u>\$ 571,388</u>	<u>\$ (58,573)</u>	<u>\$ 512,815</u>	<u>\$ -0-</u>

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2008-14
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 1,820,028		\$ 1,820,028	\$ 1,820,028
Due from Township of Montclair	3,526,820		3,526,820	3,526,820
Total Revenues and Other Financing Sources	<u>5,346,848</u>		<u>5,346,848</u>	<u>5,346,848</u>
Expenditures:				
Facilities Acquisition and Construction Services	5,016,201	\$ 5,924	5,022,125	5,343,548
Equipment Purchases		3,300	3,300	3,300
Total Expenditures	<u>5,016,201</u>	<u>9,224</u>	<u>5,025,425</u>	<u>5,346,848</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ 330,647</u>	<u>\$ (9,224)</u>	<u>\$ 321,423</u>	<u>\$ -0-</u>

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair. As the District receives the SDA Grant funds, they are remitted to the Township.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2009-20
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 1,152,690		\$ 1,152,690	\$ 1,152,690
Due from Township of Montclair	2,700,510		2,700,510	2,700,510
Total Revenues and Other Financing Sources	<u>3,853,200</u>		<u>3,853,200</u>	<u>3,853,200</u>
Expenditures:				
Facilities Acquisition and Construction Services	3,552,804	\$ 67,091	3,619,895	3,852,531
Equipment Purchases		669	669	669
Total Expenditures	<u>3,552,804</u>	<u>67,760</u>	<u>3,620,564</u>	<u>3,853,200</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ 300,396</u>	<u>\$ (67,760)</u>	<u>\$ 232,636</u>	<u>\$ -0-</u>

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair. As the District receives the SDA Grant funds, they are remitted to the Township.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2010-28
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 2,986,360		\$ 2,986,360	\$ 2,986,360
Total Revenues and Other Financing Sources	<u>2,986,360</u>		<u>2,986,360</u>	<u>2,986,360</u>
Expenditures:				
Facilities Acquisition and Construction Services	2,053,482	\$ 92,492	2,145,974	2,980,033
Equipment Purchases		6,327	6,327	6,327
Total Expenditures	<u>2,053,482</u>	<u>98,819</u>	<u>2,152,301</u>	<u>2,986,360</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ 932,878</u>	<u>\$ (98,819)</u>	<u>\$ 834,059</u>	<u>\$ -0-</u>

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2011-41
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 1,686,360		\$ 1,686,360	\$ 1,686,360
Total Revenues and Other Financing Sources	<u>1,686,360</u>		<u>1,686,360</u>	<u>1,686,360</u>
Expenditures:				
Facilities Acquisition and Construction Services	1,242,039	\$ 147,863	1,389,902	1,616,867
Equipment Purchases		69,493	69,493	69,493
Total Expenditures	<u>1,242,039</u>	<u>217,356</u>	<u>1,459,395</u>	<u>1,686,360</u>
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	<u>\$ 444,321</u>	<u>\$ (217,356)</u>	<u>\$ 226,965</u>	<u>\$ -0-</u>

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2012-32
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 3,053,440		\$ 3,053,440	\$ 3,053,440
Total Revenues and Other Financing Sources	<u>3,053,440</u>		<u>3,053,440</u>	<u>3,053,440</u>
Expenditures:				
Facilities Acquisition and Construction Services	1,047,797	\$ 1,202,731	2,250,528	3,053,440
Total Expenditures	<u>1,047,797</u>	<u>1,202,731</u>	<u>2,250,528</u>	<u>3,053,440</u>
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	<u>\$ 2,005,643</u>	<u>\$ (1,202,731)</u>	<u>\$ 802,912</u>	<u>\$ -0-</u>

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS- TOWNSHIP ORDINANCE #2013-17
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	2,900,000		\$ 2,900,000	\$ 2,900,000
Total Revenues and Other Financing Sources	2,900,000		2,900,000	2,900,000
Expenditures:				
Facilities Acquisition and Construction Services	19,431	\$ 709,001	728,432	2,784,440
Equipment Purchases		115,560	115,560	115,560
Total Expenditures	19,431	824,561	843,992	2,900,000
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ 2,880,569	\$ (824,561)	\$ 2,056,008	\$ -0-

The District is a Type 1 District and all debt is authorized, issued and paid by the Township of Montclair

PROPRIETARY FUNDS

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Major Program</u>	<u>Non-Major Programs</u>			<u>Totals</u>
	<u>Food Service Program</u>	<u>Provisional Teacher</u>	<u>Saturday Music</u>	<u>Summer Program</u>	
<u>ASSETS:</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 370,115	\$ 41,336	\$ 895	\$ 181,330	\$ 593,676
Intergovernmental Receivable:					
State	2,220				2,220
Federal	83,685				83,685
Accounts Receivable - Other	6,357	1,646			8,003
Interfund Receivable					
Inventories	11,036				11,036
Total Current Assets	<u>473,413</u>	<u>42,982</u>	<u>895</u>	<u>181,330</u>	<u>698,620</u>
Non-Current Assets:					
Capital Assets	717,422				717,422
Less: Accumulated Depreciation	(542,639)				(542,639)
Total Non-Current Assets	<u>174,783</u>				<u>174,783</u>
Total Assets	<u>648,196</u>	<u>42,982</u>	<u>895</u>	<u>181,330</u>	<u>873,403</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2014

	<u>Major Program</u>	<u>Non-Major Programs</u>			<u>Totals</u>
	<u>Food Service Program</u>	<u>Provisional Teacher</u>	<u>Saturday Music</u>	<u>Summer Program</u>	
<u>LIABILITIES:</u>					
Unearned Revenue	\$ 43,411				\$ 43,411
Accounts Payable	294,328	\$ 2,500			296,828
Total Liabilities	<u>337,739</u>	<u>2,500</u>			<u>340,239</u>
<u>NET POSITION:</u>					
Net Investment in Capital Assets	174,783				174,783
Unrestricted	135,674	40,482	895	\$ 181,330	358,381
Total Net Position	<u>\$ 310,457</u>	<u>\$ 40,482</u>	<u>\$ 895</u>	<u>\$ 181,330</u>	<u>\$ 533,164</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Major Program</u>	<u>Non-Major Programs</u>			<u>Totals</u>
	<u>Food Service Program</u>	<u>Provisional Teacher</u>	<u>Saturday Music</u>	<u>Summer Program</u>	
Operating Revenue:					
Local Sources:					
Daily Sales	\$ 424,344				424,344
Special Functions	46,115				46,115
Mentor Fees		\$ 68,600			68,600
Total Operating Revenue	470,459	68,600			539,059
Operating Expenses:					
Cost of Sales	428,730				428,730
Salaries, Benefits & Payroll Taxes	553,821	69,464			623,285
Administrative Expenses	49,916				49,916
Supplies and Materials	36,536	969			37,505
Management Fee	76,848				76,848
Depreciation	21,925				21,925
Miscellaneous	36,610				36,610
Total Operating Expenses	1,204,386	70,433			1,274,819
Operating (Loss)	(733,927)	(1,833)			(735,760)

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	Major Program	Non-Major Programs			Totals
	Food Service Program	Provisional Teacher	Saturday Music	Summer Program	
Non-Operating Revenue:					
Local Sources:					
Interest Income	\$ 187				\$ 187
Board Contribution	166,215				166,215
State Sources:					
State School Lunch Program	11,312				11,312
Federal Sources:					
National School Breakfast Program	32,441				32,441
National School Lunch Program	394,227				394,227
Food Distribution Program	82,747				82,747
Total Non-Operating Revenue	687,129				687,129
Net Income/(Loss) Before Operating Transfers	(46,798)	\$ (1,833)			(48,631)
Other Items:					
Transfers between Enterprise Funds		(895)	\$ 895		
Cancellation of Prior Year Accounts Payable		895			895
Change in Net Position	(46,798)	(1,833)	895		(47,736)
Net Position - Beginning of Year (As Restated)	357,255	42,315		181,330	580,900
Net Position - End of Year	\$ 310,457	\$ 40,482	\$ 895	\$ 181,330	\$ 533,164

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Major Program</u>	<u>Non-Major Programs</u>			<u>Totals</u>
	<u>Food Service Program</u>	<u>Provisional Teacher</u>	<u>Saturday Music</u>	<u>Summer Program</u>	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 570,044	\$ 68,600			\$ 638,644
Payments to Employees	(553,821)	(72,390)	\$ (895)		(627,106)
Payments to Food Service Provider	(411,139)				(411,139)
Payments to Suppliers	(36,610)	(969)			(37,579)
Net Cash Provided by /(Used for) Operating Activities	<u>(431,526)</u>	<u>(4,759)</u>	<u>(895)</u>		<u>(437,180)</u>
Cash Flows from Investing Activities:					
Local Sources:					
Interest Income	187				187
Net Cash Provided by Investing Activities	<u>187</u>				<u>187</u>
Cash Flows from Noncapital Financing Activities:					
Cash Received from State and Federal Reimbursements	448,770				448,770
Cash Received from Operating Transfers	316,391		895		317,286
Net Cash Provided by Noncapital Financing Activities	<u>765,161</u>		<u>895</u>		<u>766,056</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	333,822	(4,759)			329,063
Cash and Cash Equivalents, July 1	<u>36,293</u>	<u>46,095</u>	<u>895</u>	<u>\$ 181,330</u>	<u>264,613</u>
Cash and Cash Equivalents, June 30	<u>\$ 370,115</u>	<u>\$ 41,336</u>	<u>\$ 895</u>	<u>\$ 181,330</u>	<u>\$ 593,676</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

	<u>Major Program</u>	<u>Non-Major Programs</u>			<u>Totals</u>
	<u>Food Service Program</u>	<u>Provisional Teacher</u>	<u>Saturday Music</u>	<u>Summer Program</u>	
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Operating Income/(Loss)	\$ (733,927)	\$ (1,833)			\$ (735,760)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:					
Depreciation	21,925				21,925
Food Distribution Program	82,747				82,747
Changes in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivable	79,128	(1,646)			77,482
Increase/(Decrease) in Deferred Revenue	20,457				20,457
(Increase)/Decrease in Inventory	7,336				7,336
Increase/(Decrease) in Accounts Payable	90,808	(1,280)	\$ (895)		88,633
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (431,526)</u>	<u>\$ (4,759)</u>	<u>\$ (895)</u>	<u>\$ -0-</u>	<u>\$ (437,180)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$82,747 for the fiscal year ended June 30, 2014.

FIDUCIARY FUNDS

Exhibit H-1

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30,2014

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
ASSETS:			
Cash and Cash Equivalents	\$ 556,668	\$ 516,342	\$ 1,073,010
Total Assets	<u>556,668</u>	<u>516,342</u>	<u>1,073,010</u>
LIABILITIES:			
Interfund Payable	1,000		1,000
Due to Student Groups	426,686		426,686
Payroll Deductions and Withholdings	<u>128,982</u>		<u>128,982</u>
Total Liabilities	<u>556,668</u>		<u>556,668</u>
NET POSITION:			
Held in Trust for:			
Unemployment Compensation Claims		<u>516,342</u>	<u>516,342</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 516,342</u>	<u>\$ 516,342</u>

Exhibit H-2

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
JUNE 30,2014

	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
Additions:		
Contributions:		
Employee Share	\$ 202,760	\$ 202,760
Total Contributions	<u>202,760</u>	<u>202,760</u>
Investment Earnings:		
Interest	946	946
Net Investment Earnings	<u>946</u>	<u>946</u>
Total Additions	<u>203,706</u>	<u>203,706</u>
Deductions:		
Unemployment Compensation Claims	79,141	79,141
Transfers to Agency	<u>82,305</u>	<u>82,305</u>
Total Deductions	<u>161,446</u>	<u>161,446</u>
Change in Net Position	42,260	42,260
Net Position - Beginning of the Year	<u>474,082</u>	<u>474,082</u>
Net Position - End of the Year	<u><u>\$ 516,342</u></u>	<u><u>\$ 516,342</u></u>

Exhibit H-3

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 436,469	\$ 1,092,347	\$ 1,102,130	\$ 426,686
Interfund Receivable	95		95	
Total Assets	<u>\$ 436,564</u>	<u>\$ 1,092,347</u>	<u>\$ 1,102,225</u>	<u>\$ 426,686</u>
LIABILITIES:				
Due to Student Groups	\$ 436,564	\$ 1,092,347	\$ 1,102,225	\$ 426,686
Total Liabilities	<u>\$ 436,564</u>	<u>\$ 1,092,347</u>	<u>\$ 1,102,225</u>	<u>\$ 426,686</u>

Exhibit H-4

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	Balance July 1, 2013	Cash Receipts	Cash Disbursements	Balance June 30, 2014
Elementary Schools:				
Bradford	\$ 5,842	\$ 17,169	\$ 16,020	\$ 6,991
Charles H. Bullock	11,684	10,819	11,999	10,504
Edgemont	8,933	9,488	6,499	11,922
Hillside	37,439	59,146	56,770	39,815
Nishuane	3,128	7,704	8,845	1,987
Northeast	19,335	9,664	9,397	19,602
Watchung	16,074	21,276	24,674	12,676
Total Elementary Schools	<u>102,435</u>	<u>135,266</u>	<u>134,204</u>	<u>103,497</u>
Middle Schools:				
Glenfield	58,190	245,541	259,500	44,231
Mt. Hebron	54,500	162,975	177,477	39,998
Renaissance	42,312	91,555	100,788	33,079
Total Middle Schools	<u>155,002</u>	<u>500,071</u>	<u>537,765</u>	<u>117,308</u>
High Schools:				
Montclair High School	179,127	344,018	337,487	185,658
Athletic Account		112,992	92,769	20,223
Total High Schools	<u>179,127</u>	<u>457,010</u>	<u>430,256</u>	<u>205,881</u>
Total All Schools	<u>\$ 436,564</u>	<u>\$ 1,092,347</u>	<u>\$ 1,102,225</u>	<u>\$ 426,686</u>

Exhibit H-5

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2013</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2014</u>
ASSETS:				
Cash and Cash Equivalents	\$ 612,181	\$123,746,469	\$ 124,228,668	\$ 129,982
Total Assets	<u>\$ 612,181</u>	<u>\$123,746,469</u>	<u>\$ 124,228,668</u>	<u>\$ 129,982</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 611,181	\$123,746,469	\$ 124,228,668	\$ 128,982
Interfund Payable - General Fund	<u>1,000</u>			<u>1,000</u>
Total Liabilities	<u>\$ 612,181</u>	<u>\$123,746,469</u>	<u>\$ 124,228,668</u>	<u>\$ 129,982</u>

**LONG-TERM DEBT
(NOT APPLICABLE)**

STATISTICAL SECTION

STATISTICAL SECTION
(UNAUDITED)

This part of the School's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures and required supplementary information says about the School's overall financial health.

Contents

	<u>Exhibit</u>
<p>Financial Trends</p> <p>These schedules contain trend information to help the reader understand how the School's financial performance and well-being have changed over time.</p>	J-1 thru J-5
<p>Revenue Capacity</p> <p>These schedules contain information to help the reader assess the factors affecting the School's ability to generate its property taxes.</p>	J-6 thru J-9
<p>Debt Capacity</p> <p>These schedules present information to help the reader assess the affordability of the School's current levels of outstanding debt and the School's ability to issue additional debt in the future.</p>	J-10 thru J-13
<p>Demographic and Economic Information</p> <p>These schedules offer demographic and economic indicators to help the reader understand the environment within which the School's financial activities take place and to help make comparisons over time and with other governments.</p>	J-14 thru J-15
<p>Operating Information</p> <p>These schedules contain information about the School's operations and resources to help the reader understand how the School's financial information relates to the services the School provides and the activities it performs.</p>	J-16 thru J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Governmental Activities:										
Net Investment in Capital Assets	\$ 33,390,709	\$ 28,461,236	\$ 31,490,517	\$ 34,094,750	\$ 47,600,079	\$ 63,669,828	\$ 67,336,003	\$ 68,665,576	\$ 68,606,368	\$ 68,012,577
Restricted	6,672,150	47,330,666	45,624,848	48,897,976	38,446,163	25,022,577	13,503,526	11,718,456	11,270,241	5,435,873
Unrestricted/(Deficit)	218,393	764,495	840,930	(698,480)	(705,013)	(847,610)	137,941	1,243,224	1,190,578	(158,963)
Total Governmental Activities Net Position	<u>\$ 40,281,252</u>	<u>\$ 76,556,397</u>	<u>\$ 77,956,295</u>	<u>\$ 82,294,246</u>	<u>\$ 85,341,229</u>	<u>\$ 87,844,795</u>	<u>\$ 80,977,470</u>	<u>\$ 81,627,256</u>	<u>\$ 81,067,187</u>	<u>\$ 73,289,487</u>
Business-Type Activities										
Net Investment in Capital Assets	\$ 41,163	\$ 49,802	\$ 43,502	\$ 37,202	\$ 32,097	\$ 26,992	\$ 21,887	\$ 194,743	\$ 169,864	\$ 174,783
Unrestricted	187,993	175,326	208,034	223,265	293,225	356,246	334,035	237,520	384,192	358,381
Total Business-Type Activities Net Position	<u>\$ 229,156</u>	<u>\$ 225,128</u>	<u>\$ 251,536</u>	<u>\$ 260,467</u>	<u>\$ 325,322</u>	<u>\$ 383,238</u>	<u>\$ 355,922</u>	<u>\$ 432,263</u>	<u>\$ 554,056</u>	<u>\$ 533,164</u>
District-Wide:										
Net Investment in Capital Assets	\$ 33,431,872	\$ 28,511,038	\$ 31,534,019	\$ 34,131,952	\$ 47,632,176	\$ 63,696,820	\$ 67,357,890	\$ 68,860,319	\$ 68,776,232	\$ 68,187,360
Restricted	6,672,150	47,330,666	45,624,848	48,897,976	38,446,163	25,022,577	13,503,526	11,718,456	11,270,241	5,435,873
Unrestricted/(Deficit)	406,386	939,821	1,048,964	(475,215)	(411,788)	(491,364)	471,976	1,480,744	1,574,770	199,418
Total District Net Position	<u>\$ 40,510,408</u>	<u>\$ 76,781,525</u>	<u>\$ 78,207,831</u>	<u>\$ 82,554,713</u>	<u>\$ 85,666,551</u>	<u>\$ 88,228,033</u>	<u>\$ 81,333,392</u>	<u>\$ 82,059,519</u>	<u>\$ 81,621,243</u>	<u>\$ 73,822,651</u>

Source: School District Financial Reports

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 41,335,447	\$ 43,732,731	\$ 47,854,538	\$ 49,096,515	\$ 49,319,766	\$ 50,686,622	\$ 50,727,177	\$ 48,878,543	\$ 50,419,530	\$ 49,932,850
Special Education	8,069,917	8,960,412	10,519,028	11,051,387	10,778,838	10,950,096	11,432,967	13,240,517	13,673,747	14,463,175
Other Special Instruction	1,022,646	1,216,331	1,461,026	1,155,413	1,081,994	1,397,703	1,355,741	2,043,269	2,448,400	2,517,238
School-Sponsored Instruction	3,739,403	3,465,281	3,567,362	3,024,250	2,893,988	3,012,233	2,232,289	1,809,677	1,778,949	1,873,094
Support Services:										
Tuition	3,253,313	3,726,870	3,715,887	4,468,012	4,947,698	5,436,746	4,243,051	4,783,313	5,099,446	4,908,073
Student & Instruction Related Services	15,138,030	16,917,836	18,174,017	20,169,046	20,865,133	22,262,622	20,892,795	19,907,216	23,111,451	24,620,537
School Administrative Services	6,062,033	5,020,879	5,747,403	5,900,632	5,697,569	6,453,978	5,926,334	5,687,924	5,797,230	6,618,614
General and Business Administrative Services	1,719,585	3,196,648	3,674,710	3,315,804	1,758,321	1,745,216	1,540,450	1,874,286	2,064,650	1,954,247
Central Services					1,833,063	1,853,971	1,928,764	1,655,412	1,645,518	1,917,572
Administrative Information Technology								301,037	297,595	771,619
Plant Operations And Maintenance	7,611,277	8,230,813	9,054,432	9,559,185	9,371,020	9,587,936	9,458,409	9,275,074	9,178,249	9,640,014
Pupil Transportation	3,667,740	3,971,775	4,475,153	4,255,570	4,436,644	4,422,775	4,198,807	4,327,092	4,666,981	4,615,598
Capital Outlay								76,167	85,938	85,938
Special Schools	501,132	461,253	482,003	511,203	517,699	534,724	462,743	503,306	477,788	402,760
Transfer to Charter School							19,292	21,582		7,204
State Administrative Fee							63,146			
Unallocated Depreciation	635,536	617,724	835,917	1,020,608	1,390,663	1,953,020	2,451,596	2,482,194	2,543,619	2,358,404
Total Governmental Activities Expenses	\$ 92,756,059	\$ 99,518,553	\$ 109,561,476	\$ 113,527,625	\$ 114,892,396	\$ 120,297,642	\$ 116,933,561	\$ 116,866,609	\$ 123,289,091	\$ 126,686,937

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Business-Type activities:										
Food Service	\$ 1,349,350	\$ 1,588,402	\$ 1,568,688	\$ 1,484,812	\$ 1,368,552	\$ 1,443,652	\$ 1,395,102	\$ 1,453,543	\$ 1,192,701	\$ 1,204,386
Provisional Teacher	230,323	244,708	189,345	152,665	153,096	68,740	101,688	137,029	80,041	70,433
Saturday Music	25,794	23,534	19,579	23,166	20,255	20,891	18,494		20,260	
Summer Programs	377,012	410,502	554,055	557,433	536,855					
Adventure Education	1,083									
Total Business-Type Activities Expense	<u>1,983,562</u>	<u>2,267,146</u>	<u>2,331,667</u>	<u>2,218,076</u>	<u>2,078,758</u>	<u>1,533,283</u>	<u>1,515,284</u>	<u>1,590,572</u>	<u>1,293,002</u>	<u>1,274,819</u>
Total District Expenses	<u>\$ 94,739,621</u>	<u>\$ 101,785,699</u>	<u>\$ 111,893,143</u>	<u>\$ 115,745,701</u>	<u>\$ 116,971,154</u>	<u>\$ 121,830,925</u>	<u>\$ 118,448,845</u>	<u>\$ 118,457,181</u>	<u>\$ 124,582,093</u>	<u>\$ 127,961,756</u>
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Tuition								\$ 64,983	\$ 367,944	\$ 1,167,771
Special Schools								458,805	415,348	331,246
Operating Grants and Contributions	\$ 9,201,430	\$ 10,206,107	\$ 13,637,813	\$ 14,560,570	\$ 10,346,419	\$ 11,427,039	\$ 11,478,828	18,801,996	19,506,729	18,068,049
Capital Grants and Contributions								25,399	3,243,859	528,704
Total Governmental Activities Program Revenues	<u>\$ 9,201,430</u>	<u>\$ 10,206,107</u>	<u>\$ 13,637,813</u>	<u>\$ 14,560,570</u>	<u>\$ 10,346,419</u>	<u>\$ 11,427,039</u>	<u>\$ 11,478,828</u>	<u>\$ 19,351,183</u>	<u>\$ 23,533,880</u>	<u>\$ 20,095,770</u>
Business-Type Activities:										
Charges for services										
Food Service	\$ 1,986,736	\$ 2,196,706	\$ 2,342,952	\$ 2,106,195	\$ 2,092,906	\$ 919,865	\$ 858,972	\$ 595,702	\$ 463,564	\$ 470,459
Special Programs								86,086	86,426	68,600
Operating Grants and Contributions						571,073	578,679	590,331	642,348	686,942
Total Business Type Activities Program Revenues	<u>1,986,736</u>	<u>2,196,706</u>	<u>2,342,952</u>	<u>2,106,195</u>	<u>2,092,906</u>	<u>1,490,938</u>	<u>1,437,651</u>	<u>1,272,119</u>	<u>1,192,338</u>	<u>1,226,001</u>
Total District Program Revenues	<u>\$ 11,188,166</u>	<u>\$ 12,402,813</u>	<u>\$ 15,980,765</u>	<u>\$ 16,666,765</u>	<u>\$ 12,439,325</u>	<u>\$ 12,917,977</u>	<u>\$ 12,916,479</u>	<u>\$ 20,623,302</u>	<u>\$ 24,726,218</u>	<u>\$ 21,321,771</u>
Net (Expense)/Revenue Governmental Activities	\$ (83,554,629)	\$ (89,312,446)	\$ (95,923,663)	\$ (98,967,055)	\$ (104,545,977)	\$ (108,870,603)	\$ (105,454,733)	\$ (97,515,426)	\$ (99,755,211)	\$ (106,591,167)
Business-Type Activities	3,174	(70,440)	11,285	(111,881)	14,148	(42,345)	(77,633)	(318,453)	(100,664)	(48,818)
Total District-Wide Net Expense	<u>\$ (83,551,455)</u>	<u>\$ (89,382,886)</u>	<u>\$ (95,912,378)</u>	<u>\$ (99,078,936)</u>	<u>\$ (104,531,829)</u>	<u>\$ (108,912,948)</u>	<u>\$ (105,532,366)</u>	<u>\$ (97,833,879)</u>	<u>\$ (99,855,875)</u>	<u>\$ (106,639,985)</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
UNAUDITED
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net Township of Montclair- Type I School District Current and Prior Years Assets Funded by Township	\$ 74,663,202	\$ 79,319,100	\$ 84,222,443	\$ 88,163,461	\$ 93,005,952	\$ 96,869,014	\$ 101,103,844	\$ 97,509,698	\$ 97,509,698	\$ 97,509,698
Federal and State Aid Restricted	854,678	1,732,212	36,450	13,605	178,473	171,103	1,334,974			
Federal and State Aid not Restricted	9,320,988	9,389,593	8,850,460	8,094,837	9,317,956	8,424,962	5,509,318	763,527	1,346,151	1,604,800
Tuition	174,024	105,353	73,332	58,892	92,089	99,691	74,609			
Miscellaneous Income	875,144	951,490	5,109,583	1,745,115	1,195,290	2,923,039	1,257,199	286,554	454,293	474,576
Transfers			(12,000)	(117,750)	(50,000)	(100,000)	(50,000)	(394,567)	(115,000)	(166,215)
Total Governmental Activities	<u>85,888,036</u>	<u>125,587,591</u>	<u>97,323,561</u>	<u>103,305,008</u>	<u>107,592,960</u>	<u>111,374,169</u>	<u>109,763,614</u>	<u>98,165,212</u>	<u>99,195,142</u>	<u>99,422,859</u>
Business-Type Activities:										
Investment Earnings								227	242	187
Miscellaneous	1,184	66,412	3,123	3,062	707	262	317			
Prior Year Accounts Payable Cancelled									107,215	895
Transfers			12,000	117,750	50,000	100,000	50,000	394,567	115,000	166,215
Total Business-Type Activities	<u>1,184</u>	<u>66,412</u>	<u>15,123</u>	<u>120,812</u>	<u>50,707</u>	<u>100,262</u>	<u>50,317</u>	<u>394,794</u>	<u>222,457</u>	<u>167,297</u>
Total District-Wide	<u>\$ 85,889,220</u>	<u>\$ 125,654,003</u>	<u>\$ 97,338,684</u>	<u>\$ 103,425,820</u>	<u>\$ 107,643,667</u>	<u>\$ 111,474,431</u>	<u>\$ 109,813,931</u>	<u>\$ 98,560,006</u>	<u>\$ 99,417,599</u>	<u>\$ 99,590,156</u>
Change in Net Position:										
Governmental Activities	\$ 2,333,407	\$ 36,275,145	\$ 1,399,898	\$ 4,337,953	\$ 3,046,983	\$ 2,503,566	\$ 4,308,881	\$ 649,786	\$ (560,069)	\$ (7,168,308)
Business-Type Activities	4,358	(4,028)	26,408	8,931	64,855	57,917	(27,316)	76,341	121,793	(47,736)
Total District	<u>\$ 2,337,765</u>	<u>\$ 36,271,117</u>	<u>\$ 1,426,306</u>	<u>\$ 4,346,884</u>	<u>\$ 3,111,838</u>	<u>\$ 2,561,483</u>	<u>\$ 4,281,565</u>	<u>\$ 726,127</u>	<u>\$ (438,276)</u>	<u>\$ (7,216,044)</u>

Source: School District Financial Reports

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
General Fund:										
Reserved/Restricted	\$ 2,316,892	\$ 2,876,164	\$ 2,391,583	\$ 3,709,782	\$ 4,254,554	\$ 4,069,255	\$ 7,119,798	\$ 10,004,894	\$ 9,068,839	\$ 5,388,270
Assigned							42,233	1,093,339	1,587,304	2,843,119
Unassigned							959,014	2,289,349	1,572,302	136,498
Unreserved	<u>2,153,546</u>	<u>3,038,194</u>	<u>3,355,755</u>	<u>1,932,723</u>	<u>2,051,191</u>	<u>2,044,532</u>	<u>2,641,752</u>			
Total General Fund	<u>\$ 4,470,438</u>	<u>\$ 5,914,358</u>	<u>\$ 5,747,338</u>	<u>\$ 5,642,505</u>	<u>\$ 6,305,745</u>	<u>\$ 6,113,787</u>	<u>\$ 10,762,797</u>	<u>\$ 13,387,582</u>	<u>\$ 12,228,445</u>	<u>\$ 8,367,887</u>
All Other Governmental Funds:										
Reserved/Restricted	\$ 45,858,328	\$ 44,454,502	\$ 43,233,265	\$ 45,188,194	\$ 34,191,609	\$ 20,953,322	\$ 5,345,706	\$ 1,713,562	\$ 2,201,402	\$ 47,603
Unreserved, Reported In:										
Special Revenue Fund/(Deficit)	<u>(50,613)</u>	<u>(50,613)</u>	<u>(50,613)</u>	<u>(65,013)</u>						
Total All Other Governmental Funds	<u>\$ 45,807,715</u>	<u>\$ 44,403,889</u>	<u>\$ 43,182,652</u>	<u>\$ 45,123,181</u>	<u>\$ 34,191,609</u>	<u>\$ 20,953,322</u>	<u>\$ 5,345,706</u>	<u>\$ 1,713,562</u>	<u>\$ 2,201,402</u>	<u>\$ 47,603</u>
Total All Funds	<u>\$ 50,278,153</u>	<u>\$ 50,318,247</u>	<u>\$ 48,929,990</u>	<u>\$ 50,765,686</u>	<u>\$ 40,497,354</u>	<u>\$ 27,067,109</u>	<u>\$ 16,108,503</u>	<u>\$ 15,101,144</u>	<u>\$ 14,429,847</u>	<u>\$ 8,415,490</u>

Source: School District Financial Reports

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Revenues:										
Tax Levy	\$ 74,663,202	\$ 79,319,100	\$ 84,222,443	\$ 88,163,461	\$ 93,005,952	\$ 96,869,014	\$ 101,103,844	\$ 97,509,698	\$ 97,509,698	\$ 97,509,698
Miscellaneous	1,062,177	1,091,053	5,182,915	1,804,007	1,287,379	1,232,188	1,331,808	1,071,246	4,373,995	1,590,795
State Sources	17,410,953	19,093,361	20,419,641	20,398,827	17,211,871	16,203,619	14,519,845	16,138,462	18,668,742	17,469,858
Federal Sources	1,953,134	2,200,341	2,105,082	2,270,185	2,630,977	3,819,485	3,803,276	3,191,557	2,291,588	3,114,493
Total Revenue	95,089,466	101,703,855	111,930,081	112,636,480	114,136,179	118,124,306	120,758,773	117,910,963	122,844,023	119,684,844
Expenditures:										
Instruction:										
Regular Instruction	33,206,541	34,160,157	36,220,355	37,065,767	38,165,378	38,747,421	37,773,061	36,968,473	37,940,996	37,230,553
Special Education Instruction	6,399,104	6,923,613	7,837,702	8,207,685	8,234,960	8,418,340	8,522,680	10,230,542	10,449,884	11,265,160
Other Instruction	809,557	920,748	1,086,708	856,984	825,533	1,045,867	989,830	1,539,649	1,832,553	1,885,558
School-Sponsored Instruction	3,092,096	2,952,308	3,105,195	2,417,179	2,368,460	2,426,083	1,766,670	1,434,414	1,410,772	1,491,489
Support Services:										
Tuition	3,253,313	3,726,870	3,715,887	4,468,012	4,947,698	5,436,746	4,243,051	4,783,313	5,099,446	4,908,073
Student and Instruction Related Services	12,331,971	13,501,491	14,011,907	15,387,037	16,303,998	17,363,672	15,793,369	15,027,478	17,346,129	18,492,787
Central Services								1,257,133	1,250,862	1,423,763
Administrative Information Technology		1,290,189	1,406,141	1,413,583	1,472,998	1,459,796	1,487,707	272,669	268,544	713,418
General Administrative Services	1,574,677	1,448,079	1,685,832	1,307,863	1,525,255	1,493,039	1,319,028	1,627,834	1,917,706	1,833,498
School Administrative Services	4,862,395	3,878,625	4,280,609	4,381,834	4,352,858	4,832,265	4,329,703	4,188,259	4,310,048	4,574,757
Plant Operations And Maintenance	6,795,304	7,252,424	7,816,735	8,257,975	8,160,387	8,265,274	8,054,912	7,898,069	7,858,131	8,035,186
Pupil Transportation	3,634,137	3,921,993	4,411,698	4,190,513	4,375,929	4,355,617	4,121,369	4,245,329	4,587,314	4,519,707
Unallocated Benefits	15,877,373	18,165,025	22,471,817	23,990,064	22,102,949	23,878,661	25,960,512	24,358,225	25,808,190	26,020,243
Community Services	165,930									
Special Schools	473,264	420,761	433,847	460,545	475,316	485,903	462,743	503,306	477,788	402,760
Transfer to Charter Schools							19,292	21,582		7,204
Capital Outlay	7,324,613	6,071,026	9,203,425	3,624,841	14,895,992	18,022,769	6,180,917	4,167,480	2,841,957	2,728,830
Total Expenditures	99,800,275	104,633,309	117,687,858	116,029,882	128,207,711	136,231,453	121,024,844	118,523,755	123,400,320	125,532,986
Excess/(Deficiency) Of Revenues										
Over/(Under) Expenditures	(4,710,809)	(2,929,454)	(5,757,777)	(3,393,402)	(14,071,532)	(18,107,147)	(266,071)	(612,792)	(556,297)	(5,848,142)
Other Financing Sources/(Uses):										
Transfers In										68,771
Transfers Out			(12,000)	(117,750)	(50,000)	(100,000)	(50,000)	(394,567)	(115,000)	(234,986)
Total Other Financing Sources/(Uses)	6,155,870	2,969,548	4,369,520	5,229,098	3,803,200	4,676,902	483,670	(394,567)	(115,000)	(166,215)
Net Change In Fund Balances	\$ 1,445,061	\$ 40,094	\$ (1,388,257)	\$ 1,835,696	\$ (10,268,332)	\$ (13,430,245)	\$ 217,599	\$ (1,007,359)	\$ (671,297)	\$ (6,014,357)
Debt Service As A Percentage										
of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: School District Financial Reports

Exhibit J-5

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
UNAUDITED
(modified accrual basis of accounting)

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Rentals- Use of Facilities	Prior Year Refunds	Other	Total
2005	\$ 75,625	\$ 174,024	\$ 129,884	\$ 32,181	\$ 637,454	\$ 1,049,168
2006	366,445	105,353	107,689	7,175	470,182	1,056,844
2007	665,168	73,332	94,000	54,648	635,469	1,522,617
2008	632,360	58,892	144,255	8,973	641,860	1,486,340
2009	196,962	92,089	94,037	7,938	657,590	1,048,616
2010	60,553	99,691	107,163	13,317	645,830	926,554
2011	57,265	74,609	113,311	777	710,686	956,648
2012	60,563	64,983	95,093	45,826	543,877	810,342
2013	46,645	73,144	129,622	161,535	526,640	937,586
2014	59,993	67,944	107,772	202,391	440,865	878,965

Source: Montclair Township School District records

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN YEARS
UNAUDITED

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2004	\$ 11,707,300	\$ 2,378,300,800	\$ 239,389,400	\$ 1,955,700	\$ 132,560,500	\$ 2,763,913,700	\$ 5,309,145	\$ 2,769,222,845	\$ 2.81	\$ 5,547,321,404
2005	11,095,600	2,387,199,500	237,892,000	1,955,700	132,855,300	2,770,998,100	4,762,400	2,775,760,500	2.97	5,569,423,132
2006	11,377,000	2,395,985,200	231,870,100	1,955,700	132,385,100	2,773,573,100	3,951,186	2,777,524,286	3.17	6,160,834,306
2007 *	33,557,800	6,371,937,400	703,802,500	5,584,200	295,040,500	7,409,922,400	8,747,827	7,418,670,227	1.25	7,233,011,190
2008	29,798,800	6,307,313,300	692,664,300	5,137,000	289,648,900	7,324,562,300	10,545,776	7,335,108,076	1.33	7,391,201,056
2009	28,004,100	6,313,361,900	691,217,100	5,059,900	286,659,800	7,324,302,800	12,373,331	7,336,676,131	1.38	7,380,393,793
2010	27,591,400	6,303,710,350	692,606,250	5,059,900	282,541,400	7,311,509,300	12,443,626	7,323,952,926	1.44	7,391,363,685
2011	26,808,200	6,190,707,050	672,102,250	5,059,900	274,447,400	7,169,124,800	12,016,628	7,181,141,428	1.42	6,956,465,593
2012 *	16,130,300	4,900,422,400	590,234,900	4,539,500	252,992,300	5,764,319,400	11,362,189	5,775,681,589	1.79	6,881,985,278
2013	16,472,400	4,894,705,110	588,899,400	4,539,500	252,173,500	5,756,789,910	9,368,010	5,766,157,920	1.80	6,603,712,425

*- The Township completed a revaluation in 2007 and 2012.

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

b Tax rates are per \$100 of assessed value.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED
(rate per \$100 of assessed value)

Year Ended December 31,	Montclair Township School District						Total Direct and Overlapping Tax Rate
	Direct Rate			Overlapping Rates			
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Montclair Township	Essex County		
2004	\$ 2.81		\$ 2.81	\$ 1.16	\$ 0.94	\$ 4.91	
2005	2.97		2.97	1.16	0.96	5.09	
2006	3.17		3.17	1.22	0.97	5.36	
2007	1.25 *	*	1.25 *	0.53 *	0.37 *	2.15	
2008	1.33		1.33	0.59	0.38	2.30	
2009	1.38		1.38	0.61	0.40	2.39	
2010	1.44		1.44	0.67	0.41	2.52	
2011	1.42		1.42	0.72	0.42	2.56	
2012	1.79 *	*	1.79 *	0.92 *	0.54 *	3.25	
2013	1.80		1.80	0.94	0.56	3.30	

*- The Township completed a revaluation in 2007 and 2012.

Source: Municipal Tax Collector and School Business Administrator

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculation

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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2014			2005		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Rockcliff Apartments	\$ 15,146,300	0.26 %			
Lackawanna Associates	15,000,000	0.26 %			
Hawthorne Towers	11,448,200	0.20 %			
Richard Grabowsky, LLC	10,985,400	0.19 %			
Princeton BK & Industry Constg. Group	10,786,600	0.19 %			
Belleclaire, LLC	10,649,300	0.19 %			
Orange Pavillion	9,250,000	0.16 %			
45 Church St. Associates	8,500,000	0.15 %			
Midland Realty Assoc	7,712,600	0.13 %			
Gordonhurst Assoc.	6,688,400	0.12 %			
	<hr/>				
Total	<u>\$ 106,166,800</u>	<u>1.85 %</u>			

Information Unavailable

Source: Municipal Tax Assessor

Exhibit J-9

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2004	\$ 69,898,197	\$ 69,898,197	100.00%	-0-
2005	74,663,202	74,663,202	100.00%	-0-
2006	79,319,100	79,319,100	100.00%	-0-
2007	84,222,443	84,222,443	100.00%	-0-
2008	88,163,461	88,163,461	100.00%	-0-
2009	93,005,952	93,005,952	100.00%	-0-
2010	96,869,014	96,869,014	100.00%	-0-
2011	101,103,844	101,103,844	100.00%	-0-
2012	97,509,698	97,509,698	100.00%	-0-
2013	97,509,698	97,509,698	100.00%	-0-
2014	97,509,698	97,509,698	100.00%	-0-

Source: Montclair Township School 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.

Exhibit J-10

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
UNAUDITED

NOT APPLICABLE

Exhibit J-11

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
UNAUDITED

NOT APPLICABLE

Exhibit J-12

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2013
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Montclair	\$ 71,192,725	100.00%	\$ 71,192,725
Essex County General Obligation Debt	333,048,249	7.41%	<u>24,693,825</u>
Subtotal, Overlapping Debt			95,886,550
Montclair School District Direct Debt			<u>-0-</u>
Total Direct And Overlapping Debt			<u>\$ 95,886,550</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Essex 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 Montclair. This process recognizes that, when considering the District's ability to issue and repay long-term, 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 unit.

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of Montclair Township's equalized property value that is within the Essex County's boundaries and dividing it by Essex County's total equalized property value.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS
UNAUDITED

Legal Debt Margin Calculation for Fiscal Year 2014

	Montclair Township
Equalized Valuation Basis	\$ 6,522,535,588
2013	6,588,546,577
2012	6,839,462,698
2011	\$ 19,950,544,863
Average Equalized Valuation of Taxable Property	
	\$ 6,650,181,621
Debt Limit ^a (4% of average equalization value)	\$ 266,007,265
Net Bonded School Debt as of June 30, 2014	-
Legal Debt Margin	\$ 266,007,265

	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Limit	\$196,052,877	\$221,454,692	\$246,954,925	\$269,455,955	\$286,061,678	\$ 293,078,040	\$ 290,962,228	\$ 283,899,181	\$ 273,247,823	\$ 266,007,265
Total Net Debt Applicable to Limit	84,486,797	82,915,782	91,836,362	94,166,366	96,673,800	98,199,040	98,951,394	78,553,510	80,327,640	71,192,725
Legal Debt Margin	\$111,566,080	\$138,538,910	\$155,118,563	\$175,289,589	\$189,387,878	\$ 194,879,000	\$ 192,010,834	\$ 205,345,671	\$ 192,920,183	\$ 194,814,540
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	43.09%	37.44%	37.19%	34.95%	33.79%	33.51%	34.01%	27.67%	29.40%	26.76%

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

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

Exhibit J-14

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Year	Population ^a	Personal Income ^b	Essex County Per Capita Personal Income ^c	Unemployment Rate ^d
2005	37,248	\$ 1,638,390,528	\$ 43,986	3.50%
2006	36,679	1,746,910,733	47,627	3.60%
2007	36,765	1,837,441,170	49,978	3.20%
2008	36,839	1,880,225,721	51,039	3.90%
2009	37,317	1,852,191,978	49,634	6.60%
2010	37,675	1,938,303,400	51,448	6.80%
2011	37,726	2,019,774,588	53,538	6.80%
2012	37,851	2,077,225,029	54,879	6.70%
2013	37,912	2,080,572,648	54,879 *	6.70%
2014	37,912 **	2,080,572,648	54,879 *	6.00%

* - Latest Essex County per capita personal income available (2012) was used for calculation purposes.

** - Latest population data available (2013) was used for calculation purposes.

N/A - Information not available

Source:

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 municipality 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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

2013			2004		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

Source: Various Agencies of the Township

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
UNAUDITED

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Instruction:										
Regular	459.0	470.0	482.0	473.0	466.0	469.0	442.0	437.0	433.1	454.0
Special Education	103.0	113.0	125.0	110.0	110.0	112.0	112.0	114.0	147.9	163.0
Support Services:										
Student & Instruction Related Services	98.0	101.0	101.0	123.0	123.0	123.0	108.0	106.0	95.8	272.0
School Administrative Services	58.0	60.0	74.0	71.0	71.0	71.0	64.0	66.0	46.8	49.0
General and Business Administrative Services	6.0	6.0	6.0	6.0	6.0	6.0	5.0	6.0	5.7	4.0
Plant Operations and Maintenance	59.0	61.0	61.0	61.0	61.0	61.0	60.0	60.0	63.0	61.0
Pupil Transportation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0
Business and Other Support Services	14.0	14.0	15.0	15.0	15.0	15.0	15.0	14.0	2.0	14.0
Total	<u>799.0</u>	<u>827.0</u>	<u>866.0</u>	<u>861.0</u>	<u>854.0</u>	<u>859.0</u>	<u>808.0</u>	<u>805.0</u>	<u>796.3</u>	<u>1,020.0</u>

Source: District Personnel Records

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle	High				
2005	6,583	\$ 92,475,662	\$ 14,048	6.97 %	636	12.7:1	9.1:1	10.7:1	6,576	6,232	3.28 %	94.77 %
2006	6,638	98,562,283	14,848	5.70 %	655	12.1:1	9.2:1	10.5:1	6,606	6,294	0.46 %	95.28 %
2007	6,621	108,484,433	16,385	10.35 %	685	12.1:1	9.2:1	10.5:1	6,590	6,307	-0.24 %	95.71 %
2008	6,561	112,405,041	17,132	4.56 %	680	11.7:1	8.9:1	10.6:1	6,555	6,237	-0.53 %	95.15 %
2009	6,636	113,311,719	17,075	-0.33 %	679	11.5:1	8.7:1	10.6:1	6,636	6,304	1.24 %	95.00 %
2010	6,673	118,208,684	17,714	3.74 %	676	11.5:1	8.7:1	10.6:1	6,662	6,350	0.39 %	95.32 %
2011	6,645	114,843,927	17,283	-2.44 %	640	10.9:1	8.6:1	10.3:1	6,635	6,339	-0.41 %	95.54 %
2012	6,638	114,356,275	17,228	-0.32 %	637	12.8:1	8.5:1	10.0:1	6,638	6,352	0.05 %	95.69 %
2013	6,667	120,558,363	18,083	4.96 %	699	12.7:1	9.1:1	11.5:1	6,667	6,464	0.44 %	96.96 %
2014	6,736	122,804,156	18,231	0.82 %	723	12.2:1	12.2:1	12.2:1	6,736	6,445	1.03 %	95.68 %

Source: Montclair Township School District records

Note: Enrollment based on annual October district count.

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

b Teaching staff includes only full-time equivalents of certificated staff.

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

d Cost per pupil is the sum of operating expenditures divided by enrollment. This cost per pupil may be different from the State's cost per pupil calculations.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>District Building</u>										
Montclair High School										
Square Feet	352,119	352,119	352,119	352,119	352,119	352,119	352,119	352,119	352,119	352,119
Capacity (students)	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631
Enrollment	1,958	1,978	1,958	1,981	1,981	1,962	1,972	1,952	1,966	1,981
Glenfield Middle School										
Square Feet	125,281	125,281	125,281	125,281	125,281	125,281	125,281	125,281	125,281	125,281
Capacity (students)	704	704	704	704	704	704	704	704	704	704
Enrollment	670	629	625	668	668	689	702	717	711	678
Mount Hebron Middle School										
Square Feet	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799	126,568
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	612	637	638	603	603	580	578	554	545	546
Renaissance Middle School										
Square Feet	38,722	38,722	38,722	38,722	38,722	38,722	38,722	38,722	38,722	37,167
Capacity (students)	245	245	245	245	245	245	345	345	345	345
Enrollment	237	239	237	242	242	251	243	253	262	269
Bradford Elementary School										
Square Feet	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129
Capacity (students)	345	345	345	345	345	345	345	345	345	345
Enrollment	414	443	444	474	474	484	471	451	450	427
Bullock Elementary School										
Square Feet	N/A	N/A	N/A	N/A	N/A	N/A	84,017	84,017	84,017	84,017
Capacity (students)	N/A	N/A	N/A	N/A	N/A	N/A	550	550	550	550
Enrollment	N/A	N/A	N/A	N/A	N/A	N/A	399	433	442	384

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
<u>District Building</u>										
Edgemont Elementary School										
Square Feet	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638
Capacity (students)	312	312	312	312	312	312	312	312	312	312
Enrollment	306	308	305	297	297	299	289	305	296	396
Hillside Elementary School										
Square Feet	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799
Capacity (students)	680	680	680	680	680	680	680	680	680	680
Enrollment	597	618	615	623	623	629	620	650	626	531
Nishuane Elementary School										
Square Feet	87,440	87,440	87,440	87,440	87,440	87,440	87,440	87,440	87,440	87,440
Capacity (students)	663	663	663	663	663	663	663	663	663	663
Enrollment	586	570	567	521	521	521	479	479	469	467
Northeast Elementary School										
Square Feet	56,549	56,549	56,549	56,549	56,549	56,549	56,549	56,549	56,549	56,549
Capacity (students)	380	380	380	380	380	380	380	380	380	380
Enrollment	405	417	421	403	403	426	442	456	448	442
Rand Elementary School										
Square Feet	38,722	38,722	38,722	38,722	38,722	38,722	N/A	N/A	N/A	N/A
Capacity (students)	345	345	345	345	345	345	N/A	N/A	N/A	N/A
Enrollment	382	364	366	317	317	355	N/A	N/A	N/A	N/A
Watchung Elementary School										
Square Feet	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638	52,109
Capacity (students)	312	312	312	312	312	312	312	312	312	312
Enrollment	425	418	419	432	432	461	450	457	452	448

N/A- Not Applicable

Number of Schools at June 30, 2014
 Elementary = 8
 Middle School = 3
 High School = 1

Note: Enrollment is based on October District count.

Source: Montclair Township School District Facilities Office

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
UNAUDITED

Undistributed Expenditures:
 Required Maintenance for School Facilities (11-000-261-XXX)

<u>School Facilities *</u>	<u>Projects #</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Bradford Elementary School	N/A	27,255	21,764	35,451	26,155	26,057
Bullock Elementary School	N/A					
Edgemont Elementary School	N/A	23,056	22,350	26,084	17,228	19,472
Glenfield Middle School	N/A	37,236	63,425	56,072	46,288	14,205
Hillside Elementary School	N/A	45,101	45,073	62,047	50,539	40,561
Montclair High School	N/A	127,118	166,754	172,954	145,059	164,659
Mount Hebron Middle School	N/A	48,385	61,748	59,123	39,006	42,321
Nishuane Elementary School	N/A	25,064	37,286	27,503	28,924	29,289
Northeast Elementary School	N/A	101,039	30,594	25,840	30,629	25,692
Rand Elementary School	N/A	36,177	34,468	19,680	45,954	24,895
Renaissance Middle School	N/A					
Watchung Elementary School	N/A	14,904	25,061	34,166	28,710	25,025
		<u>\$ 485,335</u>	<u>\$ 508,523</u>	<u>\$ 518,920</u>	<u>\$ 458,492</u>	<u>\$ 412,176</u>

<u>School Facilities *</u>	<u>Projects #</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Bradford Elementary School	N/A	31,035	26,981	43,151	39,659	37,641
Bullock Elementary School	N/A		6,658	41,767	50,835	68,502
Edgemont Elementary School	N/A	23,866	19,498	24,522	28,724	32,790
Glenfield Middle School	N/A	80,054	71,614	132,436	95,360	103,155
Hillside Elementary School	N/A	40,557	51,563	116,235	88,680	84,818
Montclair High School	N/A	151,815	170,205	294,124	305,909	266,067
Mount Hebron Middle School	N/A	49,797	44,008	114,523	111,671	34,966
Nishuane Elementary School	N/A	26,891	38,097	64,539	55,792	42,586
Northeast Elementary School	N/A	20,972	46,597	46,998	58,313	56,390
Rand Elementary School	N/A	14,424				
Renaissance Middle School	N/A		27,319	58,794	39,390	36,368
Watchung Elementary School	N/A	30,828	36,402	40,292	34,732	40,991
		<u>\$ 470,239</u>	<u>\$ 538,942</u>	<u>\$ 977,381</u>	<u>\$ 909,065</u>	<u>\$ 804,274</u>

* School facilities as defined under EFCFA. (N.J.A.C. 6A:26-1.2 and N.J.A.C. 6A:26A-1.3)

Source: Montclair Township School District records

Exhibit J-20

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2014
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSIG		
Property - Blanket Building & Contents	\$ 243,388,754	\$ 10,000
Comprehensive General Liability	31,000,000	
Comprehensive Automobile Liability	31,000,000	
 Boiler and Machinery - NJSIG		
Property Damage	100,000,000	10,000
 School Leaders E&O - NJSIG	6,000,000	20,000
 Umbrella Liability		
Umbrella Policy (limit included in GL & AL limits)		
 Comprehensive General Liability - NJSIG	1,000,000	0
 Excess Worker's Compensation - Midwest Employers Casualty		
Workers Compensation	Statutory	
Employers Liability	1,000,000	
Self Insured Retention		450,000
 Public Employees' Faithful Performance Blanket Position Bond - NJSIG	1,000,000	1,000
 Public Employees' Faithful Performance Bonds - Western Surety Company:		
Michael Zazzarino - Treasurer	450,000	
Brian Fleisher - Chief Operating Officer	100,000	
 Student Accident Coverage - Monumental Life Insurance Limit including all sports activities	5,000,000	
 Flood		
High School Limit for Building & Contents each	500,000	2,000
Rand School Limit for Building & Contents each	500,000	1,250
Northeast School Limit for Building & Contents each	500,000	1,250

Source: Montclair Township School District records.

SINGLE AUDIT SECTION



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Report on Internal Control Over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Montclair Township School District
 County of Essex, New Jersey

We have audited, in accordance with the 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 the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montclair Township School District, a component unit of the Township of Montclair, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 17, 2014.

Internal Control Over Financial Reporting

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

The Honorable President and Members
of the Board of Education
Montclair Township School District
Page 2

Compliance and Other Matters

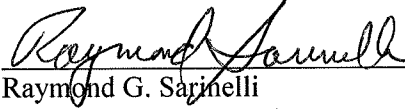
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

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 District'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 District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

October 17, 2014
Mount Arlington, New Jersey

NISIVOCCIA LLP



Raymond G. Sarinelli
Licensed Public School Accountant #864
Certified Public Accountant



Mount Arlington Corporate Center
 200 Valley Road, Suite 300
 Mt. Arlington, NJ 07856
 973-328-1825 | 973-328-0507 Fax

Lawrence Business Center
 11 Lawrence Road
 Newton, NJ 07860
 973-383-6699 | 973-383-6555 Fax

Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey's OMB Circular 04-04

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 Montclair Township School District
 County of Essex, New Jersey

Report on Compliance for Each Major Federal and State Program

We have audited the Montclair Township School District's (the "District's") compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2014. The District's major federal and state programs are identified in the summary of auditors' 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.

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District'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; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circular 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District'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 District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the District 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 fiscal year ended June 30, 2014.

The Honorable President and Members
of the Board of Education
Montclair Township School District
Page 2

Report on Internal Control Over Compliance

Management of the District 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 District'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 and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

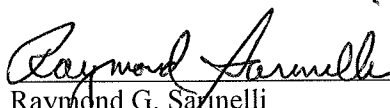
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 or state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal 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 or NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.

October 17, 2014
Mount Arlington, New Jersey

NISIVOCCIA LLP


Raymond G. Samelli
Licensed Public School Accountant #864
Certified Public Accountant

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2014		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor						Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
General Fund:															
U.S. Department of Health and Human Services Passed-through State Department of Education:															
Special Education Medicaid Initiative	93.778	N/A	7/1/11-6/30/12	\$ 107,217					\$ (107,217)			\$ 107,217			
Special Education Medicaid Initiative	93.778	N/A	7/1/12-6/30/13	146,310					(146,310)			146,310			
Special Education Medicaid Initiative	93.778	N/A	7/1/13-6/30/14	95,226				\$ 95,226	(95,226)						
Total U.S. Department of Health and Human Services								95,226	(348,753)				253,527		
Total General Fund								95,226	(348,753)				253,527		
Special Revenue Fund:															
U.S. Department of Education Passed-through State Department of Education:															
No Child Left Behind Consolidated Grant:															
Title I	84.010A	NCLB331014	7/1/13-6/30/14	691,069				344,192	(597,583)			253,391			
Title I	84.010A	NCLB331013	9/1/12-8/31/13	623,721	\$ 537,204			602,393	(49,205)					\$ 15,984	
Title I	84.010A	NCLB331012	9/1/11-8/31/12	537,774	5,871							5,871			
Title I - SIA Allocation	84.010A	NCLB331009	9/1/08-8/31/09	17,563			\$ 10,571				\$ 10,571				
Title I Subtotal					543,075		10,571	946,585	(646,788)		10,571	259,262		15,984	
Title II, Part A	84.367A	NCLB331014	7/1/13-6/30/14	218,336				119,154	(164,233)			45,079			
Title II, Part A	84.367A	NCLB331013	9/1/12-8/31/13	149,492	35,082			102,688	(66,879)					727	
Title IIA Subtotal					35,082			221,842	(231,112)			45,079		727	
Title III	84.365A	NCLB331014	7/1/13-6/30/14	26,259					(24,586)			24,586			
Title III	84.365A	NCLB331013	9/1/11-8/31/13	18,546	2,362			2,362				54			
Title III	84.365A	NCLB331012	9/1/10-8/31/12	12,388	54										
Title III Subtotal					2,416			2,362	(24,586)			24,640			
Title V	84.298A	NCLB331009	9/1/08-8/31/09	8,631			1,052				1,052				
Special Education Cluster:															
I.D.E.A. Part B, Basic	84.027	IDEA331014	7/1/13-6/30/14	1,922,402				1,192,828	(1,519,219)			326,391			
I.D.E.A. Part B, Basic	84.027	IDEA331013	9/1/12-8/31/13	1,636,133	255,070			616,345	(326,862)					34,413	
I.D.E.A. Part B, Preschool	84.173	IDEA331014	7/1/13-6/30/14	80,846				53,241	(80,846)			27,605			
I.D.E.A. Part B, Preschool	84.173	IDEA331013	9/1/12-8/31/13	31,883				31,883	(31,883)						
Special Education Cluster Subtotal					255,070			1,894,297	(1,958,810)			353,996		34,413	
Carl D. Perkins - Vocational Education	84.048	PERK331012	9/1/11-8/31/12	36,147	22,188										
Carl D. Perkins - Vocational Education Subtotal					22,188										
State Fiscal Stabilization Fund (SFSF):															
ARRA- Race-to-the-Top	84.395	N/A	9/1/11-11/30/15	39,480	12,420										
					12,420			12,420							
Total U.S. Department of Education					870,251		11,623	3,099,694	(2,861,296)		11,623	682,977		51,124	
U.S. Department of Labor Passed-through County of Essex:															
Job Training Partnership Act	17.259	N/A	06/01/12-05/31/13	\$ 14,000	14,000			14,000							
					14,000			14,000							
Total Special Revenue Fund					884,251		11,623	3,113,694	(2,861,296)		11,623	682,977		51,124	

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2014		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor						Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
U.S. Department of Agriculture Passed-through State Department of Agriculture:															
Child Nutrition Cluster:															
School Breakfast Program	10.553	N/A	9/1/13-6/30/14	\$ 32,441				\$ 25,697	\$ (32,441)			\$ 6,744			
School Breakfast Program	10.553	N/A	9/1/12-6/30/13	71,470	\$ 8,135			8,135							
National School Lunch Program	10.555	N/A	9/1/13-6/30/14	394,227				317,286	(394,227)				76,941		
National School Lunch Program	10.555	N/A	9/1/12-6/30/13	482,374	86,113			86,113							
U.S.D.A Commodities Program	10.555	N/A	7/1/12-6/30/13	75,171		\$ 8,833			(8,833)						
U.S.D.A Commodities Program	10.555	N/A	7/1/13-6/30/14	77,479				77,479	(73,914)				\$ 3,565		
Total U.S. Department of Agriculture					94,248	8,833		514,710	(509,415)				83,685	3,565	
Total Federal Financial Awards					\$ 94,248	\$ 8,833	\$ -0-	\$ -0-	\$ 609,936	\$ (858,168)	\$ -0-	\$ -0-	\$ 337,212	\$ 3,565	\$ -0-

N/A - Not Available/Applicable

SEE ACCOMPANYING NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013			Adjustment	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2014			MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					GAAP Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education															
General Fund:															
Transportation Aid	14-495-034-5120-014	7/1/13 - 6/30/14	\$ 1,164,526					\$ 1,048,760	\$ (1,164,526)					\$ 115,766	\$ 1,164,526
Special Education Aid	14-495-034-5120-089	7/1/13 - 6/30/14	4,171,264					3,766,084	(4,171,264)					405,180	4,171,264
Adjustment Aid	14-495-034-5120-085	7/1/13 - 6/30/14	503,304					451,853	(503,304)					51,451	503,304
Security Aid	14-495-034-5120-084	7/1/13 - 6/30/14	747,557					676,811	(747,557)					70,746	747,557
Extraordinary Special Education Costs	14-495-034-5120-473	7/1/13 - 6/30/14	544,039						(544,039)		\$ 544,039			544,039	544,039
Nonpublic Transportation Aid	14-495-034-5120-005	7/1/13 - 6/30/14	51,215						(51,215)		51,215			51,215	51,215
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13 - 6/30/14	4,003,739					3,810,303	(4,003,739)		193,436			193,436	4,003,739
Transportation Aid	13-495-034-5120-014	7/1/12 - 6/30/13	1,122,139	\$ 108,276				108,276							1,122,139
Special Education Aid	13-495-034-5120-089	7/1/12 - 6/30/13	4,154,588	401,256				401,256							4,154,588
Equalization Aid	13-495-034-5120-078	7/1/12 - 6/30/13	580,989	57,322				57,322							580,989
Security Aid	13-495-034-5120-084	7/1/12 - 6/30/13	728,935	70,061				70,061							728,935
Extraordinary Special Education Costs	13-495-034-5120-473	7/1/12 - 6/30/13	619,638	619,638				619,638							619,638
Nonpublic Transportation Aid	13-495-034-5120-005	7/1/12 - 6/30/13	54,912	54,912				54,912							54,912
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12 - 6/30/13	3,751,706	189,091				189,091							3,751,706
Total General Fund State Aid				1,500,556				11,254,367	(11,185,644)		788,690			1,431,833	22,198,551
Special Revenue Fund:															
Anti-Bullying Aid	N/A	9/1/11 - 6/30/12	4,099		\$ 1,099									\$ 1,099	
New Jersey Nonpublic Aid:															
Textbook Aid	13-100-034-5120-064	9/1/12 - 6/30/13	88,190				\$ 4,641			\$ 4,641					
Technology	13-100-034-5120-070	9/1/12 - 6/30/13	32,548				1,519			1,519					
Auxiliary Services:															
Compensatory Education	13-100-034-5120-067	9/1/12 - 6/30/13	96,149				37,289			37,289					
English as a Second Language	13-100-034-5120-067	9/1/12 - 6/30/13	5,116				2,984			2,984					
Home Instruction	13-100-034-5120-067	9/1/12 - 6/30/13	1,779	1,779				1,779							
Handicapped Services:															
Supplemental Instruction	13-100-034-5120-066	9/1/12 - 6/30/13	36,744				6,245			6,245					
Examination & Classification	13-100-034-5120-066	9/1/12 - 6/30/13	70,219				7,016			7,016					
Corrective Speech	13-100-034-5120-066	9/1/12 - 6/30/13	37,107				3,281			3,281					
New Jersey Nonpublic Aid:															
Textbook Aid	14-100-034-5120-064	9/1/13 - 6/30/14	91,655					91,655	(78,312)				13,343		78,312
Nursing Services	14-100-034-5120-070	9/1/13 - 6/30/14	129,001					129,001	(129,001)						129,001
Technology	14-100-034-5120-070	9/1/13 - 6/30/14	33,420					33,420	(32,216)				1,204		32,216
Auxiliary Services:															
Compensatory Education	14-100-034-5120-067	9/1/13 - 6/30/14	71,475					71,475	(65,397)				6,078		65,397
English as a Second Language	14-100-034-5120-067	9/1/13 - 6/30/14	3,492					3,492	(698)				2,794		698
Transportation	14-100-034-5120-067	9/1/13 - 6/30/14	23,361					23,361	(23,361)						23,361
Home Instruction	14-100-034-5120-067	9/1/13 - 6/30/14	5,036						(5,036)		5,036			5,036	5,036
Handicapped Services:															
Supplemental Instruction	14-100-034-5120-066	9/1/13 - 6/30/14	37,467					37,467	(34,137)				3,330		34,137
Examination & Classification	14-100-034-5120-066	9/1/13 - 6/30/14	71,340					71,340	(66,617)				4,723		66,617
Corrective Speech	14-100-034-5120-066	9/1/13 - 6/30/14	39,841					39,841	(37,107)				2,734		37,107
Total Special Revenue Fund				1,779	1,099	62,975		502,831	(471,882)	62,975	5,036	1,099	34,206	5,036	471,882

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2013			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2014			MEMO	
				Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor					GAAP Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
Capital Projects Fund: SDA Grants	Various	Various	\$ 7,257,997				\$ 3,383,952 *	\$ 168,072	\$ (168,072)					\$ 3,383,952	\$ 168,072
Total Capital Projects Fund							3,383,952	168,072	(168,072)					3,383,952	168,072
Enterprise Fund															
State School Lunch Program	13-100-010-3350-023	9/1/12 - 6/30/13	13,333	\$ 2,447				2,447							13,333
State School Lunch Program	14-100-010-3350-023	9/1/13 - 6/30/14	11,312					9,092	(11,312)		\$ 2,220			2,220	11,312
Total Enterprise Fund				2,447				11,539	(11,312)		2,220			2,220	24,645
Total State Financial Awards				\$ 1,504,782	\$ 1,099	\$ 62,975	\$ 3,383,952	\$ 11,936,809	\$ (11,836,910)	\$ 62,975	\$ 795,946	\$ 1,099	\$ 34,206	\$ 4,823,041	\$ 22,863,150

N/A- Not Available

* SDA grant awards have not been shown on the schedules of state awards in prior years, as the records of the District do not segregate the grants awarded by specific project.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of Township of Montclair School District under programs of the federal and state governments for the fiscal year ended June 30, 2014. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Expenditures reported on the accompanying schedules of expenditures of federal and state awards are reported on the budgetary basis of accounting with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. Therefore, some amounts presented in these schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements. Such expenditures are recognized following the cost principles contained in federal OMB Circular A-87, *Cost Principles for State, Local and Indian Tribal Governmental Units*, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Pass-through identifying numbers are presented where available.

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments 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 revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$6,228) for the General Fund (\$159,686) for the Special Revenue Fund (of which (\$63,453 is for local grants not reflected on the schedules of assistance), and \$168,072 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. The schedule of expenditures of state awards does not include the on-behalf TPAF Pension or Post Retirement Contributions revenue of \$2,204,571 and \$3,614,667 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 348,753	\$ 16,998,654	\$ 17,347,407
Special Revenue Fund	2,765,740	471,204	3,236,944
Capital Projects Fund		168,072	168,072
Food Service Fund	509,415	11,312	520,727
Total Financial Assistance	<u>\$ 3,623,908</u>	<u>\$ 17,649,242</u>	<u>\$ 21,273,150</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

(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

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2014. Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$7,257,997 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2014, \$3,874,045 has been expended and submitted for reimbursement and \$3,874,045 has been drawn down and received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circular 04-04*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 04-04 or Section 510(a) of Federal OMB Circular A-133.
- The single audit thresholds identified in Federal OMB Circular A-133 and New Jersey's OMB Circular 04-04 were \$500,000.
- The thresholds used for distinguishing between Type A and Type B federal programs was \$300,000.
- The thresholds used for distinguishing between Type A and Type B state programs was \$355,107.
- The District was determined to be a "low-risk" auditee under the provisions of section 530 of the federal Circular for both federal and state programs.
- The District's programs tested as major federal programs for the current fiscal year consisted of the following:

	<u>Federal CFDA</u> <u>Number</u>	<u>Grant Period</u>	<u>Award</u> <u>Amount</u>	<u>Budgetary</u> <u>Expenditures</u>
Federal:				
Special Education Cluster:				
IDEA Part B, Basic	84.027	7/1/13-6/30/14	\$ 1,922,402	\$ 1,519,219
IDEA Part B, Basic	84.027	9/1/13-8/31/13	1,636,133	326,862
IDEA Part B, Preschool	84.173	7/1/13-6/30/14	80,846	80,846
IDEA Part B, Preschool	84.173	9/1/13-8/31/13	31,883	31,883
Special Education Medicaid Initiative	93.778	7/1/11-6/30/14	348,753	348,753
Child Nutrition Cluster:				
School Breakfast Program	10.553	9/1/13-6/30/14	32,440	32,440
National School Lunch Program	10.555	9/1/13-6/30/14	394,227	394,227
U.S.D.A. Commodities Program	10.555	7/1/13-6/30/14	75,171	8,833
U.S.D.A. Commodities Program	10.555	7/1/12-6/30/13	77,479	73,914

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014
(Continued)

- The District's programs tested as major state programs for the current fiscal year consisted of the following:

	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State:				
Special Education Aid	495-034-5120-089	7/1/13-6/30/14	\$4,171,264	\$ 4,171,264
Security Aid	495-034-5120-084	7/1/13-6/30/14	747,557	747,557
Adjustment Aid	495-034-5120-085	7/1/13-6/30/14	503,304	503,304
Reimbursed TPAF Social Security Contributions	495-034-5095-002	7/1/13-6/30/14	4,003,739	4,003,739

Findings Relating to the Financial Statements which are required to be Reported in Accordance with Generally Accepted Government Auditing Standards:

- The audit did not disclose any findings required to be reported under Generally Accepted Government Auditing Standards.

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in section 510(a) of the federal Circular.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular and New Jersey's OMB Circular 04-04.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2014

Status of Prior Year Findings:

The District had no prior year audit findings.