

**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, 2015**

**Comprehensive Annual
Financial Report**

of the

Township of Montclair School District

Montclair, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

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

Finance Department

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INTRODUCTORY SECTION



MONTCLAIR PUBLIC SCHOOLS

BUSINESS OFFICE

22 VALLEY ROAD ~ MONTCLAIR, NEW JERSEY 07042

WWW.MONTCLAIR.K12.NJ.US

November 30, 2015

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, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (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 Circulars 04-04 and 15-08, *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 2014-2015 fiscal year with an enrollment of 6,685 students, which is a decrease of 51 students from the previous year's enrollment.

The Honorable President and Members of
 the Board of Education
 Montclair School District
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2) ECONOMIC CONDITION AND OUTLOOK: The Township of Montclair is primarily residential with a few commercial ratable and with little space remaining for development. The Township has experienced relatively stable population since the 1930's. Township has utilized the Local Redevelopment and Housing Laws to redevelop vacant and underutilized properties in the Township Center to include new retail space, new dwelling units and additional parking structures in the last several years.

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 92.6% in 2014-2015.

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 2014-2015, the district implemented year two of a two-year Strategic Operating Plan for the district, which was approved by the Board in June 2013. The Strategic Operating Plan included 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, 2015.

The Honorable President and Members of
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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.

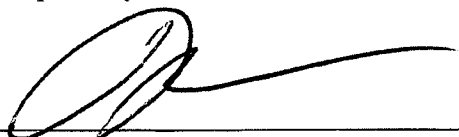
7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under 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.

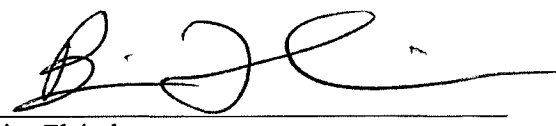
9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth 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 Circulars 04-04 and 15-08, *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,



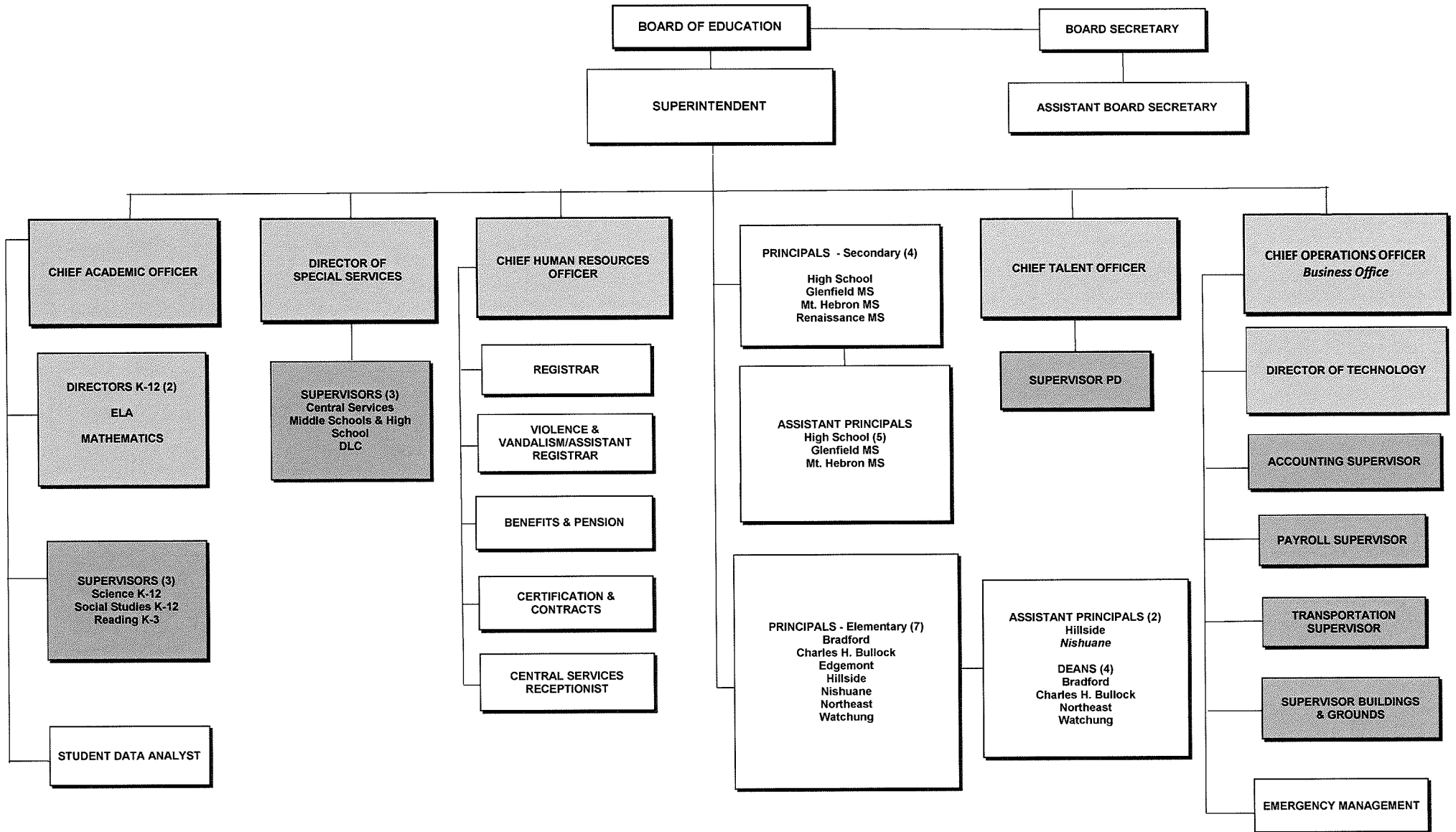
Ronald Bolandi
Superintendent (Interim)



Brian Fleischer
School Business Administrator/Board Secretary



**MONTCLAIR BOARD OF EDUCATION
TABLE OF ORGANIZATION
2014-2015**



**MONTCLAIR TOWNSHIP SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Jessica de Koninck, President	2017
Anne Mernin, Vice President	2017
Robin Kulwin	2016
David Deutsch	2016
David Cummings	2016
Laura Hertzog	2018
Eve Robinson	2018

<u>Other Officers</u>	<u>Title</u>
Ronald Bolandi	Superintendent of Schools (Interim) (4/1/15 – 6/30/15)
Penny MacCormack	Superintendent of Schools (7/1/14-5/15/15)
Brian Fleischer	School Business Administrator/Board Secretary
Michael Zazzarino	Treasurer of School Monies

MONTCLAIR TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors

Architect

Parette Somjen Architects
439 US Highway 46, Suite 4
Rockaway, New Jersey 07866

Attorney

Machado Law Group
136 Central Avenue, 2nd Floor
Clark, New Jersey 07066

Schenck, Price, Smith & King, LLP
220 Park Avenue
Florham Park, New Jersey 07932

Audit Firm

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

Official Depositories

Valley National Bank
1460 Valley Road
Wayne, New Jersey 07470

Investors Savings Bank
505 Bloomfield Avenue
Montclair, New Jersey 07042

TD Bank
233 Bloomfield Avenue
Montclair, New Jersey 07042

State of New Jersey Cash Management Fund
State Street Bank and Trust
P.O. Box 5994
Boston, MA 02206

Bank of America
605 Valley Road
Montclair, New Jersey 07042

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

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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material 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, 2015, 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.

Emphasis of Matter

As discussed in Note 9 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 18 to the basic financial statements.

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, the required supplementary information pension schedules 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 Circulars 04-04 and 15-08, *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 Honorable President and Members
of the Board of Education
Montclair Township School District
Page 3

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.

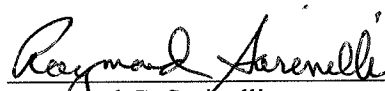
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 30, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

November 30, 2015
Mount Arlington, New Jersey

NISIVOCCIA LLP



Raymond G. Sarinelli
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, 2015
(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, 2015. 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 increased by \$4,855,083 or 67.28%.
- Overall revenue was \$141,133,195.
- Overall expenditures were \$143,494,156.

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

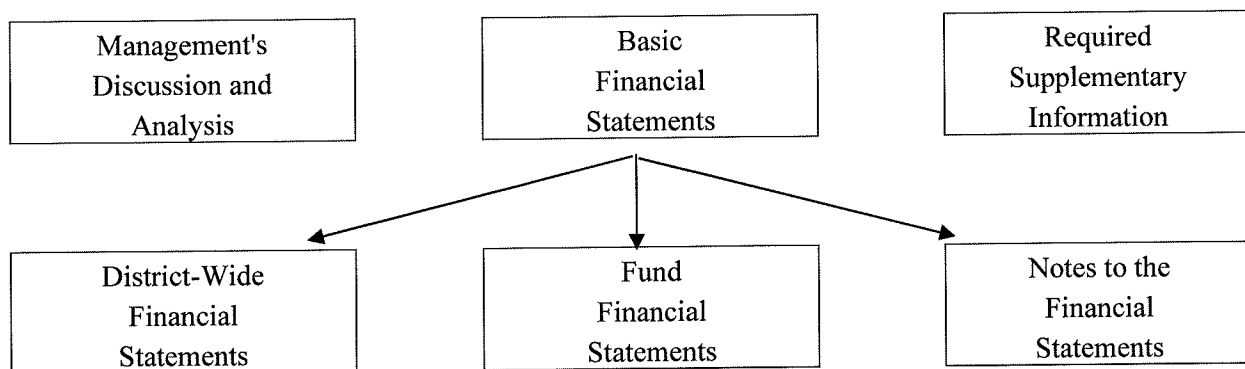


Figure A-2 summarizes the major features of the district's financial statements, including the portion of the district's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(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, 2015
(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, 2015
(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 \$35,568,023 on June 30, 2015, \$4,855,083 or 67.28% more 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
	2014/2015	2013/2014*	2014/2015	2013/2014	2014/2015	2013/2014*	
Current and Other Assets	\$ 9,646,718	\$14,836,686	\$ 496,578	\$698,620	\$ 10,143,296	\$15,535,306	-34.71%
Capital Assets, Net	68,489,358	68,012,577	261,002	174,783	68,750,360	68,187,360	0.83%
Total Assets	78,136,076	82,849,263	757,580	873,403	78,893,656	83,722,666	-5.77%
Deferred Outflows of Resources	1,249,501				1,249,501		100.00%
Long-Term Liabilities	38,410,151	37,485,089			38,410,151	37,485,089	2.47%
Other Liabilities	3,969,546	(27,925,313)	148,572	340,239	4,118,118	(27,585,074)	-114.93%
Total Liabilities	42,379,697	9,559,776	148,572	340,239	42,528,269	9,900,015	329.58%
Deferred Inflows of Resources	2,046,865				2,046,865		100.00%
Net Position:							
Net Investment in Capital Assets	68,237,797	68,012,577	261,002	174,783	68,498,799	68,187,360	0.46%
Restricted	2,077,874	5,435,873			2,077,874	5,435,873	-61.77%
Unrestricted/(Deficit)	(35,356,656)	(36,052,630)	348,006	358,381	(35,008,650)	(35,694,249)	-1.92%
Total Net Position	\$ 34,959,015	\$37,395,820	\$ 609,008	\$533,164	\$ 35,568,023	\$37,928,984	-6.22%

* Restated

Changes in Net Position. The district's combined net position increased \$4,855,083 or 67.28%. Net position from governmental activities decreased \$2,436,805 and there was an increase in net position from business-type activities of \$75,844. Net investment in capital assets increased \$311,439 due to an increase in capital assets offset by current fiscal year depreciation. Restricted net position decreased \$3,357,999 as a result of \$2,378,848 decrease in capital reserve and \$988,351 decrease in excess surplus combined with a \$9,200 increase in restricted capital projects fund balance. Unrestricted net position increased by \$685,599.

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	
Revenue:							
Program Revenue:							
Charges for Services	\$ 1,143,551	\$ 1,499,017	\$ 673,580	\$ 539,059	\$ 1,817,131	\$ 2,038,076	-10.84%
Operating Grants & Contributions	31,725,209	18,068,049	583,235	686,942	32,308,444	18,754,991	72.27%
Capital Grants and Contributions	1,731,544	528,704			1,731,544	528,704	227.51%
General Revenue:							
Property Taxes	101,492,086	97,509,698			101,492,086	97,509,698	4.08%
Unrestricted Federal & State Aid	1,477,037	1,604,800			1,477,037	1,604,800	-7.96%
Other	2,175,768	308,361	131,185	1,082	2,306,953	309,443	645.52%
Total Revenue	139,745,195	119,518,629	1,388,000	1,227,083	141,133,195	120,745,712	16.88%
Expenses:							
Instruction	77,041,512	68,786,357			77,041,512	68,786,357	12.00%
Pupil and Instruction Services	35,511,328	29,528,610			35,511,328	29,528,610	20.26%
Administrative and Business	12,321,552	11,262,052			12,321,552	11,262,052	9.41%
Maintenance and Operations	9,855,524	9,640,014			9,855,524	9,640,014	2.24%
Transportation	4,762,678	4,615,598			4,762,678	4,615,598	3.19%
Special Schools	156,178	402,760			156,178	402,760	-61.22%
Other	2,533,228	2,451,546	1,312,156	1,274,819	3,845,384	3,726,365	3.19%
Total Expenses	142,182,000	126,686,937	1,312,156	1,274,819	143,494,156	127,961,756	12.14%
Increase/(Decrease) in Net Position	\$ (2,436,805)	\$ (7,168,308)	\$ 75,844	\$ (47,736)	\$ (2,360,961)	\$ (7,216,044)	67.28%

Revenue Sources. The District's total revenue for the 2014-2015 school year was \$141,133,195. (See Figure A-4). Property taxes accounted for most of the District's revenue with local taxes accounting for \$101,492,086 of the total, or 71.91%. (See Figure A-5). Another 25.18% 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 2015**

	Amount	Percentage
Sources of Income:		
State Formula Aid	\$ 6,722,691	4.77%
Property Taxes	101,492,086	71.91%
Federal and State Categorical Grants	28,794,334	20.40%
Charges for Services	1,817,131	1.29%
Other	2,306,953	1.63%
	\$ 141,133,195	100.00%

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

The total cost of all programs and services was \$143,494,156. The district's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (81.75 percent). (See Figure A-6). The District's administrative and business activities accounted for 8.59%. The Montclair Township School District operates 12 schools, and an administration building which results in maintenance costs of 8.59 percent.

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

Expense Category:	<u>Amount</u>	<u>Percentage</u>
Instruction	\$ 77,041,512	53.68%
Pupil and Instruction Services	35,511,328	24.75%
Administrative and Business	12,321,552	8.59%
Maintenance and Operations	9,855,524	6.87%
Transportation	4,762,678	3.32%
Special Schools	156,178	0.11%
Other	3,845,384	2.68%
	<u>\$ 143,494,156</u>	<u>100.00%</u>

Governmental Activities

Net position from the district's governmental activities decreased by \$2,436,805 in 2014-2015. 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 71.91% of revenues for governmental activities.

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>2014/2015</u>	<u>2013/2014</u>	<u>2014/2015</u>	<u>2013/2014</u>
Instruction	\$ 77,041,512	\$ 68,786,357	\$ 55,486,834	\$ 55,467,258
Pupil and Instruction Services	35,511,328	29,528,610	28,838,334	26,182,131
Administrative and Business	12,321,552	11,262,052	10,275,776	10,433,856
Maintenance and Operations	9,855,524	9,640,014	6,929,406	9,133,479
Transportation	4,762,678	4,615,598	3,470,659	3,380,087
Special Schools	156,178	402,760	47,459	71,514
Other	2,533,228	2,451,546	2,533,228	1,922,842
	<u>\$ 142,182,000</u>	<u>\$ 126,686,937</u>	<u>\$ 107,581,696</u>	<u>\$ 106,591,167</u>

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

Business-Type Activities

- Net position from the district's business-type activity increased \$75,844. (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
	2014/2015	2013/2014	2014/2015	2013/2014	2014/2015	2013/2014	
Land	\$ 5,187,355	\$ 5,187,355			\$ 5,187,355	\$ 5,187,355	0.00%
Site Improvements	2,983,266	3,251,793			2,983,266	3,251,793	-8.26%
Buildings and Building Improvements	58,765,814	58,224,458			58,765,814	58,224,458	0.93%
Machinery and Equipment	1,552,923	1,348,972	\$ 261,002	\$ 174,782	1,813,925	1,523,754	19.04%
Total Capital Assets, Net	<u>\$ 68,489,358</u>	<u>\$ 68,012,578</u>	<u>\$ 261,002</u>	<u>\$ 174,782</u>	<u>\$ 68,750,360</u>	<u>\$68,187,360</u>	0.83%

The District's capital assets increased by \$563,000. Capital acquisitions were \$3,139,129 offset by a total depreciation of \$2,575,848 and disposal of assets with carrying value of \$281.

Long-term Debt

At fiscal year-end, the District had \$2,888,626 in Compensated Absences Payable outstanding – a decrease of \$249,954 from the prior fiscal year (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
	2014/2015	2013/2014*	
Compensated Absences Payable	\$ 2,888,626	\$ 3,138,580	-7.96%
Net Pension Liability	34,346,509	34,894,463	-1.57%
	<u>\$ 37,235,135</u>	<u>\$ 38,033,043</u>	<u>-1.57%</u>

*Restated

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2015
(Unaudited)**

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

The Audit for Fiscal Year 2015 reflects a strong financial position for the Montclair School District, which is supporting the current fiscal year (2015-2016) budget through limited use of fund balance and an increased tax levy base. Prior year contributions to the Capital Reserve account, as well as new capital projects financed with bond ordinances approved by the Board of School Estimate for issuance by the Township, 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 has returned to a level more consistent with previous norms for the district, following an historic spike in June 2011 and 2012 and four years of negative or flat tax levy, 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
1 of 2

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Cash and Cash Equivalents	\$ 7,487,766	\$ 356,793	\$ 7,844,559
Receivables from Other Governments	1,408,152	94,827	1,502,979
Accounts Receivable- Other		14,683	14,683
Student Accounts Receivable		15,089	15,089
Interfund Receivable	1,000		1,000
Inventory		15,186	15,186
Restricted Cash and Cash Equivalents	749,800		749,800
Capital Assets:			
Sites (Land)	5,187,355		5,187,355
Depreciable Buildings and Building Improvements and Machinery and Equipment	63,302,003	261,002	63,563,005
Total Assets	<u>78,136,076</u>	<u>757,580</u>	<u>78,893,656</u>
DEFERRED OUTFLOW OF RESOURCES			
Changes in Assumptions - Pensions	1,080,039		1,080,039
Changes in Proportions - Pensions	140,327		140,327
Investment Losses - Pensions	29,135		29,135
Total Deferred Outflows of Resources	<u>1,249,501</u>		<u>1,249,501</u>
LIABILITIES:			
Accounts Payable	2,178,930	92,987	2,271,917
Accrued Liability for Health Benefit Claims	1,385,327		1,385,327
Unearned Revenue	291,548	55,585	347,133
Payable to Federal Government	59,755		59,755
Payable to State Government	53,986		53,986
Noncurrent Liabilities:			
Due Within One Year	83,088		83,088
Due Beyond One Year	38,327,063		38,327,063
Total Liabilities	<u>42,379,697</u>	<u>148,572</u>	<u>42,528,269</u>
DEFERRED INFLOW OF RESOURCES			
Investment Gains - Pensions	2,046,865		2,046,865
Total Deferred Inflows of Resources	<u>2,046,865</u>		<u>2,046,865</u>

Exhibit A-1
2 of 2

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
NET POSITION:			
Net Investment in Capital Assets	\$ 68,237,797	\$ 261,002	\$ 68,498,799
Restricted for:			
Capital Projects	56,803		56,803
Other Purposes	2,021,071		2,021,071
Unrestricted/(Deficit)	<u>(35,356,656)</u>	<u>348,006</u>	<u>(35,008,650)</u>
Total Net Position	<u>\$ 34,959,015</u>	<u>\$ 609,008</u>	<u>\$ 35,568,023</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, 2015

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	\$ 57,910,722		\$ 12,594,256		\$ (45,316,466)		\$ (45,316,466)
Special Education	14,035,556		8,036,017		(5,999,539)		(5,999,539)
Other Special Instruction	3,070,118		596,482		(2,473,636)		(2,473,636)
School Sponsored Instruction	2,025,116		327,923		(1,697,193)		(1,697,193)
Support Services:							
Tuition	4,745,980	\$ 1,034,832			(3,711,148)		(3,711,148)
Student Services	26,963,317		4,837,798		(22,125,519)		(22,125,519)
Instruction Services	3,802,031		800,364		(3,001,667)		(3,001,667)
General Administrative Services	2,358,740		122,192		(2,236,548)		(2,236,548)
School Administrative Services	6,900,062		1,373,059		(5,527,003)		(5,527,003)
Central Services	2,050,988		392,192		(1,658,796)		(1,658,796)
Administrative Information Technology	1,011,762		158,333		(853,429)		(853,429)
Plant Operations and Maintenance	9,855,524		1,194,574	\$ 1,731,544	(6,929,406)		(6,929,406)
Pupil Transportation	4,762,678		1,292,019		(3,470,659)		(3,470,659)
Capital Outlay	180,752				(180,752)		(180,752)
Charter Schools	10,420				(10,420)		(10,420)
Special Schools	156,178	108,719			(47,459)		(47,459)
Unallocated Depreciation	2,342,056				(2,342,056)		(2,342,056)
Total Governmental Activities	142,182,000	1,143,551	31,725,209	1,731,544	(107,581,696)		(107,581,696)

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

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	\$ 1,242,173	\$ 603,845	\$ 583,235			\$ (55,093)	\$ (55,093)
Special Programs	69,983	69,735				(248)	(248)
Total Business-Type Activities	1,312,156	673,580	583,235			(55,341)	(55,341)
Total Primary Government	<u>\$143,494,156</u>	<u>\$ 1,817,131</u>	<u>\$ 32,308,444</u>	<u>\$ 1,731,544</u>	<u>\$(107,581,696)</u>	<u>(55,341)</u>	<u>(107,637,037)</u>
General Revenues and Transfers:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					101,492,086		101,492,086
Federal and State Aid Not Restricted					1,477,037		1,477,037
Investment Earnings					37,710	190	37,900
Miscellaneous Income					2,140,148		2,140,148
Allowance for Doubtful Accounts						(75,000)	(75,000)
Cancellation of Accounts Payable					98,740		98,740
Capital Assets-Board Contribution						105,165	105,165
Transfers					(100,830)	100,830	
Total General Revenues , Special Items & Transfers					<u>105,144,891</u>	<u>131,185</u>	<u>105,276,076</u>
Change in Net Position					(2,436,805)	75,844	(2,360,961)
Net Position - Beginning - As Restated					<u>37,395,820</u>	<u>533,164</u>	<u>37,928,984</u>
Net Position - Ending					<u>\$ 34,959,015</u>	<u>\$ 609,008</u>	<u>\$ 35,568,023</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, 2015

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
ASSETS:				
Cash and Cash Equivalents	\$ 7,391,352	\$ 63,445	\$ 32,969	\$ 7,487,766
Interfund Receivable	1,000		1,108,168	1,109,168
Receivables From Federal Government		618,021		618,021
Receivables From State Government	722,285	9,706		731,991
Accounts Receivable - Other	34,306		23,834	58,140
Restricted Cash and Cash Equivalents	749,800			749,800
Total Assets	<u>\$ 8,898,743</u>	<u>\$ 691,172</u>	<u>\$ 1,164,971</u>	<u>\$ 10,754,886</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	1,893,047	285,883		2,178,930
Accrued Liability for Health Benefit Claims	1,385,327			1,385,327
Interfund Payable	1,108,168			1,108,168
Unearned Revenue		291,548		291,548
Payable to Federal Government		59,755		59,755
Payable to State Government		53,986		53,986
Total Liabilities	<u>4,386,542</u>	<u>691,172</u>		<u>5,077,714</u>
Fund Balances:				
Restricted:				
Capital Reserve Account	499,800			499,800
Maintenance Reserve	250,000			250,000
Excess Surplus	1,271,271			1,271,271
Capital Projects Fund			56,803	56,803
Committed:				
Capital Projects Fund			1,108,168	1,108,168
Assigned:				
Year End Encumbrances	424,878			424,878
For Subsequent Year's Expenditures	300,000			300,000
Unassigned	1,766,252			1,766,252
Total Fund Balances	<u>4,512,201</u>		<u>1,164,971</u>	<u>5,677,172</u>
Total Liabilities and Fund Balances	<u>\$ 8,898,743</u>	<u>\$ 691,172</u>	<u>\$ 1,164,971</u>	<u>10,754,886</u>

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 \$96,414,633 and the accumulated depreciation is \$27,925,275.	68,489,358
Long-term liabilities, are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(3,140,187)
The Net Pension Liability for PERS and Essex County Pension Fund is not Due and Payable in the Current Period and is not Reported in the Governmental Funds.	(35,269,964)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Changes in Assumptions - Pensions	1,080,039
Changes in Proportions - Pensions	140,327
Investment Gains - Pensions	(2,046,865)
Investment Losses - Pensions	29,135
Net Position of Governmental Activities	<u>\$ 34,959,015</u>

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, 2015

	<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	\$ 101,492,086			\$ 101,492,086
Tuition- From Individuals	58,083			58,083
Interest Earned on Capital Reserve Funds	5,944			5,944
Rents and Royalties	125,326			125,326
Other Restricted Miscellaneous Revenue	108,719			108,719
Miscellaneous	2,145,328	\$ 407,343	\$ 1,731,544	4,284,215
Total - Local Sources	<u>103,935,486</u>	<u>407,343</u>	<u>1,731,544</u>	<u>106,074,373</u>
State Sources	18,423,573	542,694		18,966,267
Federal Sources	103,516	2,483,797		2,587,313
Total Revenue	<u>122,462,575</u>	<u>3,433,834</u>	<u>1,731,544</u>	<u>127,627,953</u>
EXPENDITURES:				
Current:				
Regular Instruction	37,597,720	1,739,214		39,336,934
Special Education Instruction	8,814,084	717,871		9,531,955
Other Special Instruction	2,061,075			2,061,075
School Sponsored Instruction	1,470,382			1,470,382
Support Services and Undistributed Costs:				
Tuition	3,769,231	976,749		4,745,980
Student Services	18,766,855			18,766,855
Instruction Services	2,458,059			2,458,059
General Administration Services	2,172,875			2,172,875
School Administration Services	4,505,564			4,505,564
Central Services	1,399,045			1,399,045
Administration Information Technology	725,469			725,469
Plant Operations and Maintenance	7,856,149			7,856,149
Pupil Transportation	4,643,965			4,643,965
Unallocated Benefits	27,210,100			27,210,100

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
EXPENDITURES:				
Capital Outlay	\$ 517,034		\$ 2,998,834	\$ 3,515,868
Charter School	10,420			10,420
Special Schools	156,178			156,178
Total Expenditures	<u>124,134,205</u>	<u>\$ 3,433,834</u>	<u>2,998,834</u>	<u>130,566,873</u>
Excess/(Deficiency) of Revenue over Expenditures	(1,671,630)		(1,267,290)	(2,938,920)
OTHER FINANCING SOURCES/(USES):				
Capital Leases (Non-Budgeted)	301,432			301,432
Transfers In	134		2,384,792	2,384,926
Transfers Out	(2,485,622)		(134)	(2,485,756)
Total Other Financing Sources/(Uses)	<u>(2,184,056)</u>		<u>2,384,658</u>	<u>200,602</u>
Net Change in Fund Balances	(3,855,686)		1,117,368	(2,738,318)
Fund Balance—July 1	<u>8,367,887</u>		<u>47,603</u>	<u>8,415,490</u>
Fund Balance—June 30	<u>\$ 4,512,201</u>	<u>\$ -0-</u>	<u>\$ 1,164,971</u>	<u>\$ 5,677,172</u>

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, 2015

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (2,738,318)

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 and disposals of assets.

Depreciation expense	\$ (2,556,903)	
Disposals of Assets with Carrying Value	(281)	
Capital outlays	<u>3,033,965</u>	476,781

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 a reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).

249,954

Capital Leases entered into by the district are other financing sources in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Assets and is not reported in the Statement of Activities.

(251,561)

The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:

Change in Net Pension Liability	623,703	
Deferred Outflows:		
Changes in Assumptions	1,080,039	
Changes in Proportion	140,327	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	29,135	
Deferred Inflows:		
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	<u>(2,046,865)</u>	<u>(173,661)</u>

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

\$ (2,436,805)

Exhibit B-4

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2015

	<u>Major Fund</u> <u>Food Service</u> <u>Program</u>	<u>Non-Major</u> <u>Funds</u>	<u>Total</u> <u>Business-Type</u> <u>Activities</u> <u>Enterprise Funds</u>
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 133,045	\$ 223,748	\$ 356,793
Intergovernmental Accounts Receivable:			
State	2,410		2,410
Federal	92,417		92,417
Accounts Receivable- Other	14,683		14,683
Student Accounts Receivable	15,089		15,089
Inventories	15,186		15,186
Total Current Assets	<u>272,830</u>	<u>223,748</u>	<u>496,578</u>
Non-Current Assets:			
Capital Assets	822,586		822,586
Less: Accumulated Depreciation	<u>(561,584)</u>		<u>(561,584)</u>
Total Non-Current Assets	<u>261,002</u>		<u>261,002</u>
Total Assets	<u>533,832</u>	<u>223,748</u>	<u>757,580</u>
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	55,585		55,585
Accounts Payable	91,698	1,289	92,987
Total Liabilities	<u>147,283</u>	<u>1,289</u>	<u>148,572</u>
NET POSITION:			
Net Investment in Capital Assets	261,002		261,002
Unrestricted	<u>125,547</u>	<u>222,459</u>	<u>348,006</u>
Total Net Position	<u>\$ 386,549</u>	<u>\$ 222,459</u>	<u>\$ 609,008</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, 2015

	<u>Major Fund</u> <u>Food Service</u> <u>Program</u>	<u>Non-Major</u> <u>Funds</u>	<u>Total</u> <u>Business-Type</u> <u>Activities</u> <u>Enterprise Funds</u>
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 559,107		\$ 559,107
Special Functions	44,738		44,738
Mentor Fees		\$ 69,735	69,735
Total Operating Revenue	<u>603,845</u>	<u>69,735</u>	<u>673,580</u>
Operating Expenses:			
Cost of Sales	455,858		455,858
Salaries, Benefits & Payroll Taxes	577,975	65,700	643,675
Administrative Expenses	60,788		60,788
Supplies and Materials	36,340	3,694	40,034
Purchased Professional Services		589	589
Management Fee	80,640		80,640
Miscellaneous Expenses	11,627		11,627
Depreciation Expense	18,945		18,945
Total Operating Expenses	<u>1,242,173</u>	<u>69,983</u>	<u>1,312,156</u>
Operating (Loss)	(638,328)	(248)	(638,576)
Non-Operating Revenue:			
Local Sources:			
Interest Income	190		190
Board Contribution	100,830		100,830
State Sources:			
State School Lunch Program	11,355		11,355
Federal Sources:			
School Breakfast Program	82,186		82,186
National School Lunch Program	399,555		399,555
Food Distribution Program	90,139		90,139
Total Non-Operating Revenue	<u>684,255</u>		<u>684,255</u>
Change in Net Position Before Special Other Items	45,927	(248)	45,679
Special Items:			
Capital Assets-Board Contribution	105,165		105,165
Allowance for Doubtful Student Accounts Receivable	(75,000)		(75,000)
Change in Net Position After Special Items	76,092	(248)	75,844
Net Position - Beginning of Year	<u>310,457</u>	<u>222,707</u>	<u>533,164</u>
Net Position - End of Year	<u>\$ 386,549</u>	<u>\$ 222,459</u>	<u>\$ 609,008</u>

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

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

	<u>Major Fund</u> <u>Food Service</u> <u>Program</u>	<u>Non-Major</u> <u>Funds</u>	<u>Total</u> <u>Business-Type</u> <u>Activities</u> <u>Enterprise Funds</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 607,743	\$ 69,735	\$ 677,478
Payments to Employees	(577,975)	(65,265)	(643,240)
Payments to Food Service Vendor	(840,406)		(840,406)
Payments to Suppliers	(11,627)	(4,283)	(15,910)
Net Cash Provided by/(Used) for Operating Activities	<u>(822,265)</u>	<u>187</u>	<u>(822,078)</u>
Cash Flows from Investing Activities:			
Local Sources:			
Interest Income	190		190
Net Cash Provided by Investing Activities	<u>190</u>		<u>190</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from State and Federal Reimbursements	484,175		484,175
Cash Received from Operating Transfers - Board Contribution	100,830		100,830
Net Cash Provided by Noncapital Financing Activities	<u>585,005</u>		<u>585,005</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(237,070)	187	(236,883)
Cash and Cash Equivalents, July 1	370,115	223,561	593,676
Cash and Cash Equivalents, June 30	<u>\$ 133,045</u>	<u>\$ 223,748</u>	<u>\$ 356,793</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating (Loss)	\$ (638,328)	\$ (248)	\$ (638,576)
Adjustment to Reconcile Operating (Loss) to Net Cash Provided by/(Used) for Operating Activities:			
Depreciation	18,945		18,945
Food Distribution Program	90,139		90,139
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(8,326)	1,646	(6,680)
(Increase)/Decrease in Accounts Receivable-Students	(90,089)		(90,089)
Increase/(Decrease) in Unearned Revenue	12,174		12,174
(Increase)/Decrease in Inventory	(4,150)		(4,150)
Increase/(Decrease) in Accounts Payable	(202,630)	(1,211)	(203,841)
Net Cash Provided by/(Used) for Operating Activities	<u>\$ (822,265)</u>	<u>\$ 187</u>	<u>\$ (822,078)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$94,547 and utilized \$90,139 for the fiscal year ended June 30, 2015.

Exhibit B-7

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2015

	Agency	Unemployment Compensation Trust
ASSETS:		
Cash and Cash Equivalents	\$ 648,215	\$ 472,328
Total Assets	648,215	472,328
LIABILITIES:		
Interfund Payable	1,000	
Due to Student Groups	448,073	
Payroll Deductions and Withholdings	199,142	
Total Liabilities	648,215	
NET POSITION:		
Held in Trust for:		
Unemployment Compensation Claims		472,328
Total Net Position	\$ -0-	\$ 472,328

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, 2015

	<u>Unemployment Compensation Trust</u>
Additions:	
Contributions:	
Employee Contributions	\$ 185,697
Total Contributions	<u>185,697</u>
Investment Earnings:	
Interest	<u>945</u>
Net Investment Earnings	<u>945</u>
Total Additions	<u>186,642</u>
Deductions	
Unemployment Compensation Claims	148,837
Transfers to Agency	<u>81,819</u>
Total Deductions	<u>230,656</u>
Change in Net Position	(44,014)
Net Position - Beginning of the Year	<u>516,342</u>
Net Position - End of the Year	<u>\$ 472,328</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, 2015

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, 2015

(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. There are also several projects financed with capital reserve funds.

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, 2015
(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 are considered to be major programs.

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, 2015

(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, 2015 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.

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants receivable. These grants are recognized on the budgetary basis in full at the time of the award but are recognized on the GAAP basis as they are expended and requested for reimbursement.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 122,476,610	\$ 3,418,045
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		15,788
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	643,143	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(657,178)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 122,462,575</u>	<u>\$ 3,433,833</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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	\$ 124,134,205	\$ 3,418,045
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.		15,788
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 124,134,205	\$ 3,433,833
		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 recognized on GAAP Basis		\$ 921,935 809,609
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		\$ 1,731,544
		Capital Projects Fund
Fund Balance		\$ 5,768,186
Reconciliation to Governmental Funds Statements (GAAP):		
Township and SDA Grant Receivables not Recognized on GAAP Basis		(4,603,215)
Fund Balance per Governmental Funds (GAAP)		\$ 1,164,971

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, 2015
(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

As of June 30, 2015 the District recognized an allowance for doubtful account in the amount of \$75,000 against the students' accounts receivable of \$90,089 in the food service fund. The District has already implemented procedures in order to reduce/prevent uncollectable accounts in the food service fund for the future.

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, 2015
(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, 2015.

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, 2015, the amount earned by these employees but not disbursed was \$215,061 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, 2015

(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 \$4,512,201 General Fund fund balance at June 30, 2015, \$424,878 is assigned for encumbrances; \$300,000 is assigned as designated for subsequent year's expenditures; \$499,800 is restricted in the capital reserve account; \$250,000 is restricted in the maintenance reserve; \$1,271,271 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, 2017; and \$1,766,252 is unassigned which is \$657,178 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 \$56,803 of restricted fund balance and \$1,108,168 of Committed fund balance at June 30, 2015.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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, 2015 is \$1,271,271.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$657,178 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. Net Position

Net Position is the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources.

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 has deferred outflow of resources for the changes in assumptions in pensions and changes in proportion in pensions at June 30, 2015. The District had deferred inflows of resources at June 30, 2015 for the net difference between projected and actual investment earnings on pension plan investments.

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

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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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

R. Deficit Net Position/ Fund Balance:

The District has a deficit in unrestricted net position of \$35,356,656 in governmental activities, which is primarily a result of \$2,888,626 of compensated absences payable, investment gains in pensions of \$2,046,865, net pension liability of \$35,269,964, net of \$300,000 of fund balance designated for subsequent years' expenditures, \$424,878 assigned for encumbrances, \$1,080,039 change in assumption for pensions and \$140,327 change in proportion for pensions.

These deficits do not mean that the District is facing financial difficulties and is a permitted practice by generally accepted accounting principles.

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 committed resources in the Capital Projects Fund at June 30, 2015.

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, 2015.

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, 2015
(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.

W. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the State of New Jersey Public Employees' Retirement System (PERS) and the State of New Jersey Teachers' Pension and Annuity Fund (TPAF) and additions to/deductions from the PERS's and TPAF's net position have been determined on the same basis as they are reported by the PERS and the TPAF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Pension Plan investments are reported at fair value.

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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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.

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;

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
 (Continued)

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

Investments: (Cont'd)

- (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;
- (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, 2015, cash and cash equivalents of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Cash and Cash Equivalents</u>		<u>Total</u>
		<u>Capital Reserve Account</u>	<u>Maintenance Reserve Account</u>	
Checking and Savings Accounts	<u>\$ 8,965,102</u>	<u>\$ 499,800</u>	<u>\$ 250,000</u>	<u>\$ 9,714,902</u>

During the period ended June 30, 2015, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2015, was \$9,714,904 and the bank balance was \$13,132,989.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

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.

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

Balance July 1, 2014		\$ 2,878,648
Increased by:		
Interest Earnings	\$ 5,944	
Transferred from Capital Projects Fund for Completed Projects	45,836	
		51,780
		2,930,428
Decreased by:		
Budgeted Withdrawal to Capital Projects Fund	(2,071,122)	
Withdrawal by Board Resolution to Capital Projects Fund	(359,506)	
		(2,430,628)
Balance June 30, 2015		\$ 499,800

The balance in the capital reserve at June 30, 2015 did not exceed the balance of the local support costs of uncompleted capital projects in the District's approved LRFP. The withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's 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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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, 2014 to June 30, 2015 fiscal year is as follows:

Balance July 1, 2014	\$ 250,000
Balance June 30, 2015	<u>\$ 250,000</u>

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2015, there was \$120,318 in transfers to the capital outlay accounts which were for Equipment and did not require approval of the County Superintendent.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2015 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
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	\$ 33		6,677,316
Buildings and Building Improvements	75,245,431	2,458,793		77,704,224
Machinery and Equipment	6,868,962	575,139	\$ (598,363)	6,845,738
Total Capital Assets Being Depreciated	<u>88,791,676</u>	<u>3,033,965</u>	<u>(598,363)</u>	<u>91,227,278</u>
Governmental Activities Capital Assets	<u>93,979,031</u>	<u>3,033,965</u>	<u>(598,363)</u>	<u>96,414,633</u>
Less Accumulated Depreciation for:				
Site Improvements	(3,425,490)	(268,560)		(3,694,050)
Buildings and Building Improvements	(17,020,973)	(1,917,437)		(18,938,410)
Machinery and Equipment	(5,519,991)	(370,906)	598,082	(5,292,815)
	<u>(25,966,454)</u>	<u>(2,556,903)</u>	<u>598,082</u>	<u>(27,925,275)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 68,012,577</u>	<u>\$ 477,062</u>	<u>\$ (281)</u>	<u>\$ 68,489,358</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 717,422	\$ 105,164		\$ 822,586
Less Accumulated Depreciation	<u>(542,639)</u>	<u>(18,945)</u>		<u>(561,584)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 174,783</u>	<u>\$ 86,219</u>	<u>\$ -0-</u>	<u>\$ 261,002</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 143,890
Support/Administration	64,194
Maintenance/Custodial	5,763
Unallocated	2,342,056
	<u>\$ 2,555,903</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2015, the following changes occurred in liabilities reported in the district-wide financial statements:

	Restated Balance <u>6/30/2014</u>	Accrued	Retired	Balance <u>6/30/2015</u>
Compensated Absences Payable	\$ 3,138,580	\$ 73,146	\$ 323,100	\$ 2,888,626
Net Pension Liability	35,893,667		623,703	35,269,964
Capital Leases Payable		<u>301,432</u>	<u>49,871</u>	<u>251,561</u>
	<u>\$39,032,247</u>	<u>\$ 374,578</u>	<u>\$ 996,674</u>	<u>\$38,410,151</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 has a commitment to lease computer equipment under a capital lease which will expire in 2017. Future minimum lease payments are as follows:

<u>Year Ending</u>	<u>Amount</u>
September 1, 2014	\$ 49,871
September 1, 2015	83,088
September 1, 2016	83,851
September 1, 2017	<u>84,622</u>
Total future minimum lease payments	<u>\$301,432</u>

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 \$2,888,626 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, 2015, no liability existed for compensated absences in the Enterprise Funds.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 8. LONG TERM LIABILITIES (Cont'd)

D. Net Pension Liability

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$34,346,509. See Note 9 for further information on the PERS.

The Board of Education Employee's Pension Fund of Essex County's net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$923,455. See Note 9 for further information on the he Board of Education Employee's Pension Fund of Essex County.

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 Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 with 30 or more years of service credit before age 65. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the age at which a member can receive full early retirement benefits in accordance with their respective tier. Tier 1 members can receive an unreduced benefit from age 50 to age 60 if they have at least 25 years of service. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$1,499,811 for fiscal year 2015.

The employee contribution rate was 6.92% effective July 1, 2014. 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$34,346,509 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.183%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$1,791,637. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 1,080,039	
Changes in Proportion	140,326	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		2,046,865
	<u>\$ 1,220,365</u>	<u>\$ 2,046,865</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts including changes in proportion) related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2015	\$ (313,180)
2016	(313,180)
2017	(313,180)
2018	(313,180)
2019	198,537
Thereafter	87,356
	<u>\$ (966,827)</u>

Actuarial Assumptions

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 9. PENSION PLANS (Cont'd).

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

Actuarial Assumptions (Cont'd)

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

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

Long Term Expected Rate of Return

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

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

Discount Rate

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2014 calculated using the discount rate as disclosed below, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

	Fiscal Year Ended June 30, 2014		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 43,209,078	\$ 34,346,509	\$ 26,904,207

Pension plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued PERS financial statements.

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

The vesting and benefit provisions are set by N.J.S.A. 18A:66. TPAF provides retirement, death and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts. The following represents the membership tiers for TPAF:

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and contributing members. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount which included the employer portion of the normal cost and an amortization of the unfunded accrued liability. Funding for noncontributory group insurance benefits is based on actual claims paid. For fiscal year 2014, the State's pension contribution was less than the actuarially determined amount.

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$2,769,148 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$14,987,219.

The employee contribution rate was 6.92% effective July 1, 2014. 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.

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$278,524,239. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.0052%, which was a decrease of 0.001% from its proportion measured as of June 30, 2013.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated with the District	<u>278,524,239</u>
Total	<u><u>\$ 278,524,239</u></u>

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$14,987,219 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 2,306,623,861	
Difference Between Expected and Actual Experience		\$ 21,969,019
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		<u>1,741,236,574</u>
	<u><u>\$ 2,306,623,861</u></u>	<u><u>\$ 1,763,205,593</u></u>

The \$2,306,623,861 reported as deferred outflows of resources related to pensions resulting from changes in assumptions will be amortized over a period of 8.5 years. The \$21,969,019 reported as deferred outflows of resources related to pensions resulting from differences between expected and actual experience will be amortized over a period of 8.5 years. The \$1,741,236,574 reported as a deferred inflow of resources resulting from the difference between projected and actual investment earnings on pension plan investments will be amortized over 5 years.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Cont'd)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,496)
2020	304,620,646
Thereafter	761,551,612
	<u>\$ 543,418,268</u>

Actuarial Assumptions

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

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

Mortality rates were based on the RP-2000 Health Annuitant Mortality Tables for Males or Females, as appropriate, with adjustments for mortality improvements based on Scale AA. Pre-retirement mortality improvements for active members are projected using Scale AA from the base year of 2000 until the valuation date plus 15 years to account for future mortality improvement. Post-retirement mortality improvements for non-disabled annuitants are projected using Scale AA from the base year of 2000 for males and 2003 for females until the valuation date plus 7 years to account for future mortality improvement.

The actuarial assumptions used in the July 1, 2013 valuation were based on the results of an actuarial experience study for the period July 1, 2009 to June 30, 2012.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.68% as of June 30, 2014. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.9% and a municipal bond rate of 4.29% as of June 30, 2014 based on the Bond Buyer Go 20 Bond Municipal Bond Index which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made based upon the average of the last five years. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2027. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2027, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	Fiscal Year Ended June 30, 2014		
	1% Decrease (3.68%)	Current Discount Rate (4.68%)	1% Increase (5.68%)
Total Net Pension Liability	\$ 64,722,984,539	\$53,813,067,539	\$44,738,870,539

Pension Plan Fiduciary Net Position - TPAF

Detailed information about the TPAF's fiduciary net position is available in the separately issued TPAF financial statements.

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. 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 the DCRP. 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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

C. Defined Contribution Retirement Program (DCRP) (Cont'd)

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.

For DCRP, the District recognized pension expense of \$99,734 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$137,015 for the fiscal year ended June 30, 2015.

D. Board of Education Employees' Pension Fund of Essex County (the Plan)

Plan Description

The Board of Education Employees' Pension Fund of Essex County (the "Plan"), is a multiple-employer contributory defined benefit pension plan that provides pension and life insurance benefits to employees of the Boards of Education within Essex County employed before July 1, 1981, except temporary employees and employees eligible for coverage under any New Jersey State administered pension plan created under prior New Jersey laws.

The ECPF became effective April 16, 1929. The Plan provides for retirement, service, and non-service connected death and disability benefits for its members. The Plan is governed by New Jersey Statutes under Title 18A, and is administered by a Board of Trustees for the Plan who is also responsible for the management and investment of Plan assets. The Board of Trustees consists of one active and five retired elected Plan members.

Pursuant to New Jersey Public Law enacted in 1980, members were given the option to transfer their membership in the Plan to the PERS. Approximately 2,775 members, 58% of the membership, elected to transfer to PERS effective July 1, 1981. The Plan is closed to new entrants.

Benefits Provided

Regular service retirement benefits are determined as $1/45^{\text{th}}$ of the highest 3 year average salary multiplied by the member's years of credited service. A member may elect early retirement benefits if they are under age 60 and have at least 25 years of credited service. The Plan also offers a special veterans benefit, disability and deferred benefits. Group life insurance benefits and death benefits are available to be paid to beneficiaries if elected by the member.

For more complete information about the Plan agreement and vesting and benefit provisions, participants are referred to the pamphlet, *A Summary of Benefits*. Copies of this pamphlet are available from the Pension Fund Administration Office.

Contributions

Contributions are made by the members at 3%, the maximum contribution rate required by statute, of their annual compensation. Contributions made by the Boards are determined annually based upon actuarial valuations. The Boards are required to reimburse the Plan for administrative expenses and cost of living increases associated with its retirees. Plan provisions and contribution requirements are established by New Jersey state statute assets. District contributions to the Plan amounted to \$140,315 for fiscal year 2015.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the Plan) (Cont'd)

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$923,455 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 2.39%, which was a decrease of 0.11% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$35,430. At June 30, 2015, the District reported deferred outflows of resources related to pensions from the following source. There were no deferred inflows of resources.

	Deferred Outflows of Resources
Net Difference Between Projected and Actual	
Investment Earnings on Pension Plan Investments	\$ 29,135
	\$ 29,135

The amounts reported as a deferred outflows of resource related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2016	\$ 5,827
2017	5,827
2018	5,827
2019	5,827
2020	5,827
	\$ 29,135

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of June 30, 2015. The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of June 30, 2014. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the Plan) (Cont'd)

Actuarial Assumptions (Cont'd)

Inflation Rate	2.30%
Salary Increases	4.50%
Investment Rate of Return, net of Plan investment expense, including inflation	7.00%
Cost of Living Adjustments ("COLA")	3.00%

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 separate annuitant and non-annuitant tables with static projections using Scale AA through the valuation year plus 7 years for annuitants and the valuation year plus 15 years for no annuitants. For disabled retirees, mortality rates are based on the 1994 Group Annuity Mortality Table set forward 10 years.

Long Term Expected Rate of Return

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class including in the Plan's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
U.S. Fixed Income	40.00%	1.60%
U.S. Large CAP Equities	50.00%	6.70%
U.S. Small CAP Equities	10.00%	6.70%

* - Net of 2.6% inflation assumption

Discount Rate

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2015. The projection of cash flows used to determine the discount rate assumed that contributions will be made at the actuarially determined amount, including the reimbursement of administrative expenses and COLA payments. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current Plan members. Therefore, the long-term expected rate of return on Plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2015 calculated using the discount rate of 7%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

D. Board of Education Employees' Pension Fund of Essex County (the Plan) (Cont'd)

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate (Cont'd)

	Fiscal Year Ended June 30, 2015		
	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 1,256,716	\$ 923,455	\$ 635,086

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued Plan financial statements.

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, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, 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 \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State's on behalf Post-Retirement Medical Contributions for TPAF for the District amount to \$4,396,024, \$3,614,667 and \$3,883,755, for 2015, 2014, and 2013, respectively.

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 Cigna 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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

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

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>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ 945	\$ 185,697	\$ 230,656	\$ 472,328
2013-2014	946	202,759	161,445	516,342
2012-2013	898	184,179	210,827	474,082

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 1,000	\$ 1,108,168
Capital Projects Fund	1,108,168	
Fiduciary Funds		1,000
	<u>\$ 1,109,168</u>	<u>\$ 1,109,168</u>

The interfund between the General Fund and the Proprietary Funds represents the balance of the Board Contribution. The interfund between Capital Projects Fund and General Fund represents expenditures paid on behalf of the Capital Projects Fund by the General Fund.

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

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.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

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, 2015, 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>
\$ 424,878	\$ 128,263	\$ 2,014,576	\$ 2,567,717

On the District's Governmental Funds Balance Sheet as of June 30, 2015, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund and Capital Projects Fund, which is \$128,263 and \$2,014,576, respectively less than the actual year-end encumbrances on a budgetary basis. On the GAAP basis for the Special Revenue Fund and Capital Projects Fund, encumbrances are not recognized and are reflected as either a reduction in grants receivables or an increase in unearned revenue.

NOTE 17. ACCOUNTS PAYABLE

At June 30, 2015, 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 Fund</u>	<u>Special Revenue Fund</u>	<u>Governmental Funds</u>	<u>Enterprise Funds</u>
Salaries and Wages	\$ 215,061		\$ 215,061	
Vendors	1,677,986	\$ 285,883	1,963,869	\$ 92,987
	<u>\$ 1,893,047</u>	<u>\$ 285,883</u>	<u>\$ 2,178,930</u>	<u>\$ 92,987</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 18. PRIOR PERIOD ADJUSTMENTS

The District made a prior year adjustment in the District Wide Financial Statements to record the net pension liability as of June 30, 2014 as a result of implementing Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*.

	<u>Balance 6/30/14</u> <u>as Previously</u> <u>Reported</u>	<u>Retroactive</u> <u>Adjustments</u>	<u>Balance 6/30/14</u> <u>as Restated</u>
<u>Statement of Net Assets:</u>			
<u>Governmental Activities:</u>			
Statement of Net Position:			
Liabilities:			
Non-Current Liabilities	\$ 3,138,580	\$ 35,893,667	\$ 39,032,247
Total Liabilities	9,559,776	35,893,667	45,453,443
Net Position:			
Unrestricted/(Deficit)	(158,963)	(35,893,667)	(36,052,630)
Total Net Position	73,289,487	(35,893,667)	37,395,820

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

TOWN OF MONTCLAIR SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's proportion of the net pension liability	0.1825789372%	0.1834481391%
District's proportionate share of the net pension liability	\$ 34,894,463	\$ 34,346,509
District's covered employee payroll	\$ 12,540,380	\$ 12,661,086
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	278.26%	271.28%
Plan fiduciary net position as a percentage of the total pension liability	48.72%	52.08%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

TOWN OF MONTCLAIR SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
PUBLIC EMPLOYEES RETIREMENT SYSTEM
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually required contribution	\$ 1,531,848	\$ 1,512,320
Contributions in relation to the contractually required contribution	<u>(1,531,848)</u>	<u>(1,512,320)</u>
Contribution deficiency/(excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's covered employee payroll	\$ 12,540,380	\$ 12,661,086
Contributions as a percentage of covered employee payroll	12.22%	11.94%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

TOWN OF MONTCLAIR SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2014	2015
State's proportion of the net pension liability attributable to the District	0.5315564806%	0.5211247883%
State's proportionate share of the net pension liability attributable to the District	\$ 268,644,465	\$ 278,524,239
District's covered employee payroll	\$ 52,752,552	\$ 54,991,616
District's proportionate share of the net pension liability as a percentage of its covered employee payroll	509.25%	506.48%
Plan fiduciary net position as a percentage of the total pension liability	33.76%	33.64%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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TOWN OF MONTCLAIR SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	2.5066122%	2.3974085%
District's Proportionate Share of the Net Pension Liability	\$ 999,204	\$ 923,455
District's Covered Employee Payroll	\$ -0-	\$ -0-
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%
Plan Fiduciary Net Position (*) as a Percentage of the Total Pension Liability	75.92%	76.05%

* - Fiduciary Net Position Excludes an Amount Designated
for Insurance Benefits of \$18,914,961 for fiscal year ending June 30, 2014 and
\$19,628,046 for the fiscal year ending June 30, 2015.

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

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TOWN OF MONTCLAIR SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF DISTRICT CONTRIBUTIONS
BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY
LAST TWO FISCAL YEARS
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually Required Contribution	\$ 118,096	\$ 140,315
Contributions in Relation to the Contractually Required Contribution	<u>(118,096)</u>	<u>(140,315)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ -0-	\$ -0-
Contributions as a Percentage of Covered Employee Payroll	0.00%	0.00%

Note: This schedule does not contain ten years of information as GASB No. 68 was implemented during the fiscal year ended June 30, 2015.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.55% as of June 30, 2013 to 5.39% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.95% as of June 30, 2013 to 4.68% as of June 30, 2014 in accordance with Paragraph 44 of GASB Statement No. 67.

C. BOARD OF EDUCATION EMPLOYEES' PENSION FUND OF ESSEX COUNTY

Benefit Changes

There were none.

Changes of Assumptions

The inflation rate changed from 2.60% as of June 30, 2014 to 2.30% as of June 30, 2015.

BUDGETARY COMPARISON SCHEDULES

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 101,492,086		\$ 101,492,086	\$ 101,492,086	
Tuition - From Individuals	101,000		101,000	58,083	\$ (42,917)
Interest Earned on Capital Reserve				5,944	5,944
Rents and Royalties	85,000		85,000	125,326	40,326
Unrestricted Miscellaneous Revenue	114,103		114,103	2,145,328	2,031,225
Other Restricted Miscellaneous Revenue	554,666		554,666	108,719	(445,947)
Total - Local Sources	<u>102,346,855</u>		<u>102,346,855</u>	<u>103,935,486</u>	<u>1,588,631</u>
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	322,539	\$ 180,765	503,304	503,304	
Security Aid	747,557		747,557	747,557	
Extraordinary Aid	400,000		400,000	469,850	69,850
Other State Aid	316,805	(180,765)	136,040	136,040	
Nonpublic Transportation Aid				53,070	53,070
On-Behalf TPAF Pension Contribution (Non-Budgeted)				2,769,148	2,769,148
On-Behalf TPAF Post Retirement Benefit Contributions (Non-Budgeted)				4,396,024	4,396,024
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				4,026,825	4,026,825
Total State Sources	<u>7,122,691</u>		<u>7,122,691</u>	<u>18,437,608</u>	<u>11,314,917</u>
Federal Sources:					
Medicaid Reimbursement	85,733		85,733	103,516	17,783
Total Federal Sources	<u>85,733</u>		<u>85,733</u>	<u>103,516</u>	<u>17,783</u>
TOTAL REVENUES	<u>109,555,279</u>		<u>109,555,279</u>	<u>122,476,610</u>	<u>12,921,331</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 1,874,045	\$ (139,850)	\$ 1,734,195	\$ 1,724,390	\$ 9,805
Grades 1-5 - Salaries of Teachers	13,165,353	(371,179)	12,794,174	12,787,890	6,284
Grades 6-8 - Salaries of Teachers	9,865,695	(494,046)	9,371,649	9,355,826	15,823
Grades 9-12 - Salaries of Teachers	10,261,566	(167,096)	10,094,470	10,094,042	428
Regular Programs - Home Instruction:					
Salaries of Teachers	210,000	168,899	378,899	378,899	
Purchased Professional-Educational Services	80,500	17,016	97,516	81,882	15,634
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	1,125,204	(126,632)	998,572	973,861	24,711
Purchased Professional-Educational Services	231,400	2,842	234,242	231,213	3,029
General Supplies	1,557,925	112,128	1,670,053	1,622,746	47,307
Textbooks	451,106	(95,818)	355,288	346,971	8,317
Total Regular Programs - Instruction	<u>38,822,794</u>	<u>(1,093,736)</u>	<u>37,729,058</u>	<u>37,597,720</u>	<u>131,338</u>
Special Education - Instruction					
Cognitive Mild:					
Salaries of Teachers	198,410	(122,915)	75,495	75,495	
Other Salaries for Instruction	27,383	(27,383)			
Total Cognitive Mild	<u>225,793</u>	<u>(150,298)</u>	<u>75,495</u>	<u>75,495</u>	
Learning and/or Language Disabilities:					
Salaries of Teachers	637,696	4,578	642,274	638,339	3,935
Other Salaries for Instruction	187,161	(157,073)	30,088	30,036	52
Total Learning and/or Language Disabilities	<u>824,857</u>	<u>(152,495)</u>	<u>672,362</u>	<u>668,375</u>	<u>3,987</u>
Behavioral Disabilities:					
Salaries of Teachers	126,965	(3,089)	123,876	123,876	
Other Salaries for Instruction	87,217	(87,217)			
General Supplies	1,000	(925)	75	75	
Total Behavioral Disabilities	<u>215,182</u>	<u>(91,231)</u>	<u>123,951</u>	<u>123,951</u>	

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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					
Multiple Disabilities:					
Salaries of Teachers	\$ 249,780	\$ (1,368)	\$ 248,412	\$ 248,099	\$ 313
Other Salaries for Instruction	61,392	346	61,738	61,738	
Total Multiple Disabilities	<u>311,172</u>	<u>(1,022)</u>	<u>310,150</u>	<u>309,837</u>	<u>313</u>
Resource Room/Resource Center:					
Salaries of Teachers	7,165,757	(423,886)	6,741,871	6,740,644	1,227
Other Salaries for Instruction	219,915	(113,015)	106,900	97,344	9,556
Purchased Professional-Educational Services					
General Supplies	46,853	(12,544)	34,309	32,518	1,791
Textbooks		895	895	895	
Total Resource Room/Resource Center	<u>7,432,525</u>	<u>(548,550)</u>	<u>6,883,975</u>	<u>6,871,401</u>	<u>12,574</u>
Autism:					
Salaries of Teachers	339,275	(54,671)	284,604	284,604	
General Supplies	10,500	(2,590)	7,910	7,909	1
Textbooks		2,002	2,002	2,002	
Total Autism	<u>349,775</u>	<u>(55,259)</u>	<u>294,516</u>	<u>294,515</u>	<u>1</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	355,484	(350,484)	5,000	70	4,930
Other Salaries for Instruction	200,944	(200,944)			
Total Preschool Disabilities - Part-Time	<u>556,428</u>	<u>(551,428)</u>	<u>5,000</u>	<u>70</u>	<u>4,930</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	130,817	286,581	417,398	417,397	1
Total Preschool Disabilities - Full-Time	<u>130,817</u>	<u>286,581</u>	<u>417,398</u>	<u>417,397</u>	<u>1</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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					
Home Instruction					
Purchased Professional-Educational Services		\$ 63,248	\$ 63,248	\$ 53,043	\$ 10,205
Total Special Education Instruction		63,248	63,248	53,043	10,205
Total Special Education Instruction	\$ 10,046,549	(1,200,454)	8,846,095	8,814,084	32,011
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	1,014,993	371,694	1,386,687	1,297,018	89,669
General Supplies	8,000		8,000	5,055	2,945
Total Basic Skills/Remedial - Instruction	1,022,993	371,694	1,394,687	1,302,073	92,614
Bilingual Education - Instruction:					
Salaries of Teachers	175,989	80,252	256,241	190,622	65,619
General Supplies	600	(100)	500	433	67
Total Bilingual Education - Instruction	176,589	80,152	256,741	191,055	65,686
Vocational Programs - Local - Instruction:					
Salaries of Teachers	203,421	82,722	286,143	286,143	
Total Vocational Programs - Local - Instruction	203,421	82,722	286,143	286,143	
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	266,170	(24,733)	241,437	241,436	1
Purchased Services (300-500 series)	11,438	78	11,516	11,515	1
Total School-Sponsored Cocurricular Activities - Instruction	277,608	(24,655)	252,953	252,951	2

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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					
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	\$ 843,065	\$ (17,660)	\$ 825,405	\$ 825,403	\$ 2
Purchased Services (300-500 series)	138,514	(13,959)	124,555	124,036	519
Supplies and Materials	205,371	26,798	232,169	220,040	12,129
Other Objects	46,700	1,583	48,283	47,952	331
Total School-Sponsored Cocurricular Athletics - Instruction	<u>1,233,650</u>	<u>(3,238)</u>	<u>1,230,412</u>	<u>1,217,431</u>	<u>12,981</u>
Other Instructional Programs - Instruction:					
Salaries	53,625	(23,412)	30,213	30,087	126
Purchased Services (300-500 series)	11,500	(11,031)	469	469	469
Supplies and Materials	7,970	7,970	7,970	5,362	2,608
Total Other Instructional Programs - Instruction	<u>73,095</u>	<u>(34,443)</u>	<u>38,652</u>	<u>35,449</u>	<u>3,203</u>
After School Program - Instruction:					
Other Salaries of Instruction	25,000	3,107	28,107	28,106	1
Total After School Program - Instruction	<u>25,000</u>	<u>3,107</u>	<u>28,107</u>	<u>28,106</u>	<u>1</u>
Summer Programs - Instruction:					
Salaries of Teachers	59,800	(22,854)	36,946	36,162	784
General Supplies	1,000	(1,000)	1,000	1,000	1,000
Total Summer Programs - Instruction	<u>60,800</u>	<u>(23,854)</u>	<u>36,946</u>	<u>36,162</u>	<u>784</u>
Summer Programs - Support Services:					
Salaries of Teachers					
Other Salaries for Instruction	11,000	(6,647)	4,353	4,353	4,353
Total Summer Programs - Support Services	<u>11,000</u>	<u>(6,647)</u>	<u>4,353</u>	<u>4,353</u>	<u>4,353</u>
Instructional Alternative Ed Program:					
Salaries of Teachers		1,630	1,630	1,630	1,630
Total Instructional Alternative Ed Program:		<u>1,630</u>	<u>1,630</u>	<u>1,630</u>	<u>1,630</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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 Supplemental/At-Risk Programs - Instruction:					
Salaries of Teachers	\$ 35,500	\$ (2,361)	\$ 33,139	\$ 33,138	\$ 1
Other Salaries for Instruction	25,000	(25,000)			
Purchased Professional and Technical Services	39,500	51,722	91,222	91,222	
General Supplies	15,574	(5,433)	10,141	7,025	3,116
Total Other Supplemental/At-Risk Programs - Instruction	<u>115,574</u>	<u>18,928</u>	<u>134,502</u>	<u>131,385</u>	<u>3,117</u>
Other Supplemental/At-Risk Programs - Support:					
Purchased Professional and Technical Services	5,000	(730)	4,270	4,240	30
Other Purchased Services (400-500 series)	2,500	346	2,846	2,799	47
General Supplies		200	200	41	159
Total Other Supplemental/At-Risk Programs - Support	<u>7,500</u>	<u>(184)</u>	<u>7,316</u>	<u>7,080</u>	<u>236</u>
Community Service Programs - Operations - Instruction:					
Salaries	80,000	(7,860)	72,140	37,639	34,501
Total Community Service Programs - Operations - Instruction	<u>80,000</u>	<u>(7,860)</u>	<u>72,140</u>	<u>37,639</u>	<u>34,501</u>
Total Instruction	<u>52,156,573</u>	<u>(1,836,838)</u>	<u>50,319,735</u>	<u>49,943,261</u>	<u>376,474</u>
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	80,000		80,000	80,000	
Tuition to Other LEAs Within the State - Special	75,000	(68,900)	6,100	6,100	
Tuition to County Vocational School District - Regular	15,500	460	15,960	15,960	
Tuition to County Vocational School District - Special	35,000	5,968	40,968	40,513	455
Tuition to CSSD and Regional Day Schools	110,000	(110,000)			
Tuition to Private Schools for the Handicapped - Within State	4,165,043	(538,385)	3,626,658	3,626,658	
Total Undistributed Expenditures - Instruction	<u>4,480,543</u>	<u>(710,857)</u>	<u>3,769,686</u>	<u>3,769,231</u>	<u>455</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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					
Attendance and Social Work:					
Salaries	\$ 259,887	\$ (71,581)	\$ 188,306	\$ 188,305	\$ 1
Purchased Professional and Technical Services	111,870	(2,210)	109,660	109,659	1
General Supplies		15,000	15,000	14,967	33
Total Attendance and Social Work	<u>371,757</u>	<u>(58,791)</u>	<u>312,966</u>	<u>312,931</u>	<u>35</u>
Health Services:					
Salaries	1,132,861	(6,436)	1,126,425	1,126,423	2
Purchased Professional and Technical Services	317,634	(58,746)	258,888	255,087	3,801
Supplies and Materials	63,000	(28,850)	34,150	33,844	306
Total Health Services	<u>1,513,495</u>	<u>(94,032)</u>	<u>1,419,463</u>	<u>1,415,354</u>	<u>4,109</u>
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	2,033,444	(61,051)	1,972,393	1,972,390	3
Purchased Professional - Educational Services	221,401	550,962	772,363	772,362	1
Supplies and Materials	21,100	(1,880)	19,220	19,209	11
Total Other Support Services - Students - Related Services	<u>2,275,945</u>	<u>488,031</u>	<u>2,763,976</u>	<u>2,763,961</u>	<u>15</u>
Other Support Services - Students - Extra Services:					
Salaries	4,366,127	1,534,664	5,900,791	5,900,785	6
Purchased Professional - Educational Services		564,771	564,771	538,018	26,753
Total Other Support Services - Students - Extra Services	<u>4,366,127</u>	<u>2,099,435</u>	<u>6,465,562</u>	<u>6,438,803</u>	<u>26,759</u>
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	2,662,433	72,094	2,734,527	2,734,525	2
Salaries of Secretarial and Clerical Assistants	253,810	(46,067)	207,743	207,742	1
Purchased Professional and Technical Services	3,200	2,231	5,431	5,431	
Supplies and Materials	67,988	(18,800)	49,188	46,628	2,560
Total Other Support Services - Students - Guidance	<u>2,987,431</u>	<u>9,458</u>	<u>2,996,889</u>	<u>2,994,326</u>	<u>2,563</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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 Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	\$ 3,548,605	\$ (142,156)	\$ 3,406,449	\$ 3,406,446	\$ 3
Salaries of Secretarial and Clerical Assistants	217,280	(183)	217,097	217,097	
Purchased Professional - Educational Services	629,700	82,635	712,335	700,780	11,555
Miscellaneous Purchased Services (400-500 Series other than Residential)	3,500	1,243	4,743	4,217	526
Supplies and Materials	38,400	116,075	154,475	108,861	45,614
Total Other Support Services - Students - Child Study Team	4,437,485	57,614	4,495,099	4,437,401	57,698
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	1,418,428	39,825	1,458,253	1,458,251	2
Salaries of Other Professional Staff	200,083	23,085	223,168	223,132	36
Salaries of Secretarial and Clerical Assistants	187,602	6,787	194,389	194,387	2
Purchased Professional - Educational Services	38,200	51,993	90,193	90,193	
Other Purchased Services (400-500)	18,400	(1,327)	17,073	15,366	1,707
Supplies and Materials	46,011	38,576	84,587	81,770	2,817
Total Improvement of Instructional Services	1,908,724	158,939	2,067,663	2,063,099	4,564
Educational Media Services/School Library:					
Salaries	322,630	19,229	341,859	341,852	7
Purchased Professional and Technical Services	35,000	(6,550)	28,450	28,450	
Supplies and Materials	41,814	(6,193)	35,621	33,777	1,844
Total Educational Media Services/School Library	399,444	6,486	405,930	404,079	1,851
Instructional Staff Training Services:					
Salaries of Supervisors of Instruction		277,774	277,774	276,868	906
Salaries of Secretarial and Clerical Assistants		76,241	76,241	76,241	
Purchased Professional - Educational Services	24,000	(9,817)	14,183	13,933	250
Other Purchased Services (400-500)	23,874	(346)	23,528	19,198	4,330
Supplies and Materials	10,000	(1,201)	8,799	8,720	79
Total Instructional Staff Training Services	57,874	342,651	400,525	394,960	5,565

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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	\$ 336,177	\$ 61,353	\$ 397,530	\$ 397,529	\$ 1
Legal Services	223,694	145,671	369,365	239,640	129,725
Architectural/Engineering Services		19,129	19,129	19,129	
Purchased Professional and Technical Services	75,000	7,970	82,970	82,970	
Communications/Telephone	125,724	57,232	182,956	179,456	3,500
BOE Other Purchased Services	4,000	(1,171)	2,829	2,811	18
Misc Purchased Services (400-500 series) (Other than 530 & 585)	8,700	(4,389)	4,311	4,310	1
General Supplies	31,400	1,913	33,313	33,161	152
Judgments Against the School District	449,600	718,818	1,168,418	1,168,417	1
Miscellaneous Expenditures	37,000	8,211	45,211	44,182	1,029
BOE Membership Dues and Fees	30,000	(28,730)	1,270	1,270	
Total Support Services - General Administration	<u>1,321,295</u>	<u>986,007</u>	<u>2,307,302</u>	<u>2,172,875</u>	<u>134,427</u>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	2,721,416	108,909	2,830,325	2,830,324	1
Salaries of Other Professional Staff		114,084	114,084	114,084	
Salaries of Secretarial and Clerical Assistants	1,468,684	53,910	1,522,594	1,522,590	4
Purchased Professional and Technical Services	22,964		22,964	18,538	4,426
Other Purchased Services (400-500)	3,500		3,500	697	2,803
Supplies and Materials	18,500	4,796	23,296	19,331	3,965
Total Support Services - School Administration	<u>4,235,064</u>	<u>281,699</u>	<u>4,516,763</u>	<u>4,505,564</u>	<u>11,199</u>
Support Services - Central Services:					
Salaries	1,230,716	45,305	1,276,021	1,275,927	94
Misc Purchased Services (400-500 series) (Other than 594)	41,000		41,000	41,000	
Supplies and Materials	95,000	(1,027)	93,973	82,118	11,855
Total Support Services - Central Services	<u>1,366,716</u>	<u>44,278</u>	<u>1,410,994</u>	<u>1,399,045</u>	<u>11,949</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - Administration Information Technology:					
Salaries	\$ 366,039	\$ 149,071	\$ 515,110	\$ 515,109	\$ 1
Purchased Technical Services	147,479	5,949	153,428	153,097	331
Supplies and Materials	74,208	(16,388)	57,820	57,263	557
Total Support Services - Administration Information Technology	<u>587,726</u>	<u>138,632</u>	<u>726,358</u>	<u>725,469</u>	<u>889</u>
Required Maintenance of School Facilities:					
Salaries	324,916	3,251	328,167	328,130	37
Cleaning, Repair and Maintenance Services	289,604	144,170	433,774	337,052	96,722
General Supplies	116,342	29,302	145,644	117,685	27,959
Total Required Maintenance of School Facilities	<u>730,862</u>	<u>176,723</u>	<u>907,585</u>	<u>782,867</u>	<u>124,718</u>
Custodial Services:					
Salaries	2,718,535	126,735	2,845,270	2,824,734	20,536
Purchased Professional and Technical Services	44,496	13,557	58,053	43,326	14,727
Cleaning, Repair and Maintenance Services	791,686	21,815	813,501	777,152	36,349
Rental of Land and Building Other Than Lease Purchase Agreement	28,000	8,000	36,000		36,000
Other Purchased Property Services	114,573	(11,636)	102,937	102,936	1
Insurance	645,603	6,969	652,572	652,500	72
Miscellaneous Purchased Services	183,099	50,396	233,495	221,046	12,449
General Supplies	13,802	(10,302)	3,500	432	3,068
Energy (Electricity)	1,143,000		1,143,000	1,086,251	56,749
Energy (Natural Gas)	352,000	234,466	586,466	585,372	1,094
Energy (Oil)	121,000	(117,810)	3,190	2,693	497
Total Custodial Services	<u>6,155,794</u>	<u>322,190</u>	<u>6,477,984</u>	<u>6,296,442</u>	<u>181,542</u>
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	55,804	(21,080)	34,724	15,872	18,852
General Supplies	18,205	7,421	25,626	23,177	2,449
Total Care and Upkeep of Grounds	<u>74,009</u>	<u>(13,659)</u>	<u>60,350</u>	<u>39,049</u>	<u>21,301</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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					
Security:					
Salaries	\$ 807,218	\$ (67,455)	\$ 739,763	\$ 733,467	\$ 6,296
General Supplies	5,000		5,000	4,324	676
Total Security	<u>812,218</u>	<u>(67,455)</u>	<u>744,763</u>	<u>737,791</u>	<u>6,972</u>
Student Transportation Services:					
Salaries of Non- Instructional Aides		18,603	18,603	18,603	
Salaries for Transportation - Between Home & School - Regular	72,826	1,211	74,037	74,037	
Salaries for Transportation - Between Home & School - Special	72,825	1,212	74,037	74,037	
Salaries for Transportation - Other Than Between Home & School	46,365	24,947	71,312	69,173	2,139
Management Fee - ESC & CTSA Transportation Programs	54,891	6,665	61,556	61,099	457
Other Purchased Professional and Technical Services	9,000	32,480	41,480	41,396	84
Cleaning, Repair and Maintenance Services	5,500	1,803	7,303	7,303	
Contracted Services:					
Between Home and School - Vendors	1,878,658	(34,483)	1,844,175	1,835,249	8,926
Other than Between Home and School - Vendors	229,717	(59,960)	169,757	122,433	47,324
Special Education Students - Vendors	589,140		589,140	566,434	22,706
Special Education Students - ESCs & CTSAAs	1,590,173	(18,867)	1,571,306	1,477,758	93,548
Aid in Lieu of Payments - Nonpublic Students	305,670		305,670	293,834	11,836
General Supplies	2,000	8,610	10,610	2,609	8,001
Other Objects	200		200		200
Total Student Transportation Services	<u>4,856,965</u>	<u>(17,779)</u>	<u>4,839,186</u>	<u>4,643,965</u>	<u>195,221</u>
Unallocated Benefits:					
Social Security Contributions	1,791,663	(78,302)	1,713,361	1,711,467	1,894
Other Retirement Contributions - PERS	1,621,841	(119,307)	1,502,534	1,499,811	2,723
Other Retirement Contributions - Regular	216,313	27,002	243,315	240,049	3,266
Workmen's Compensation	303,900	(19,385)	284,515	198,170	86,345

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(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	\$ 14,188,895	\$ (1,940,233)	\$ 12,248,662	\$ 12,033,610	\$ 215,052
Tuition Reimbursement	110,000	36,272	146,272	146,227	45
Other Employee Benefits	160,000	28,769	188,769	188,769	
Total Unallocated Benefits	<u>18,392,612</u>	<u>(2,065,184)</u>	<u>16,327,428</u>	<u>16,018,103</u>	<u>309,325</u>
On-Behalf Contributions:					
On-Behalf TPAF Pension Contribution (non-budgeted)				2,769,148	(2,769,148)
On-Behalf TPAF Post Retirement Benefit Contributions (non-budgeted)				4,396,024	(4,396,024)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				4,026,825	(4,026,825)
Total On-Behalf Contributions				<u>11,191,997</u>	<u>(11,191,997)</u>
Total Personal Services - Employee Benefits	<u>18,392,612</u>	<u>(2,065,184)</u>	<u>16,327,428</u>	<u>27,210,100</u>	<u>(10,882,672)</u>
Total Undistributed Expenses	<u>61,332,086</u>	<u>2,084,386</u>	<u>63,416,472</u>	<u>73,507,312</u>	<u>(10,090,840)</u>
TOTAL CURRENT EXPENSE	<u>113,488,659</u>	<u>247,548</u>	<u>113,736,207</u>	<u>123,450,573</u>	<u>(9,714,366)</u>
CAPITAL OUTLAY:					
Equipment:					
Grades 1-5		23,299	23,299	23,299	
Grades 9-12		5,226	5,226	5,225	1
Special Education		15,152	15,152	15,149	3
Athletics		16,100	16,100		16,100
Undistributed Expenditures:					
General Administration		28,175	28,175	6,108	22,067
Administrative Information Technology		12,664	12,664		12,664
Custodial Services	62,281	7,038	69,319	67,219	2,100
Student Transportation - Non-Instructional Equipment		12,664	12,664	12,664	
Total Equipment	<u>62,281</u>	<u>120,318</u>	<u>182,599</u>	<u>129,664</u>	<u>52,935</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CAPITAL OUTLAY:					
Facilities Acquisition and Construction Services:					
Other Objects - Debt Service Assessment	\$ 85,938		\$ 85,938	\$ 85,938	
Total Facilities Acquisition and Construction Services	<u>85,938</u>		<u>85,938</u>	<u>85,938</u>	
Assets Acquired Under Operating Leases (Non Budgeted)				301,432	\$ (301,432)
TOTAL CAPITAL OUTLAY	<u>148,219</u>	<u>\$ 120,318</u>	<u>268,537</u>	<u>517,034</u>	<u>(248,497)</u>
SPECIAL SCHOOLS					
Adult Education - Local:					
Instruction:					
Salaries of Teachers	159,630		159,630	69,660	89,970
Purchased Professional and Technical Services	353,226	(50,000)	303,226	84,683	218,543
General Supplies		50,000	50,000	1,835	48,165
Total Instruction	<u>512,856</u>		<u>512,856</u>	<u>156,178</u>	<u>356,678</u>
Total Adult Education - Local	<u>512,856</u>		<u>512,856</u>	<u>156,178</u>	<u>356,678</u>
TOTAL SPECIAL SCHOOLS	<u>512,856</u>		<u>512,856</u>	<u>156,178</u>	<u>356,678</u>
Transfer of Funds to Charter Schools	<u>10,420</u>		<u>10,420</u>	<u>10,420</u>	
TOTAL EXPENDITURES	<u>114,160,154</u>	<u>367,866</u>	<u>114,528,020</u>	<u>124,134,205</u>	<u>(9,606,185)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(4,604,875)</u>	<u>(367,866)</u>	<u>(4,972,741)</u>	<u>(1,657,595)</u>	<u>3,315,146</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Other Financing Sources/(Uses):					
Capital Leases (Non-Budgeted)				\$ 301,432	\$ 301,432
Operating Transfer In:					
Transfer from Capital Projects Fund - Interest				134	134
Operating Transfers Out:					
Transfer to Capital Projects Fund - From Capital Reserve	\$ (2,071,122)	\$ (313,670)	\$ (2,384,792)	(2,384,792)	
Transfer to Food Service Fund	(130,000)		(130,000)	(100,830)	29,170
Total Other Financing Sources/(Uses)	(2,201,122)	(313,670)	(2,514,792)	(2,184,056)	330,736
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	(6,805,997)	\$ (681,536)	(7,487,533)	(3,841,651)	\$ 3,645,882
Fund Balance, July 1	9,011,030		9,011,030	9,011,030	
Fund Balance, June 30	\$ 2,205,033	\$ (681,536)	\$ 1,523,497	\$ 5,169,379	\$ 3,645,882
 <u>Recapitulation:</u>					
Restricted:					
Excess Surplus				\$ 1,271,271	
Capital Reserve				499,800	
Maintenance Reserve				250,000	
Assigned:					
For Year-End Encumbrances				424,878	
Designated for Subsequent Year's Expenditures				300,000	
Unassigned Fund Balance				2,423,430	
				5,169,379	
Reconciliation to Governmental Funds Statements (GAAP):					
Last State Aid Payments not Recognized on GAAP Basis				(657,178)	
Fund Balance per Governmental Funds (GAAP)				\$ 4,512,201	

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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		\$ 568,643	\$ 568,643	\$ 347,828	\$ (220,815)
State Sources	\$ 422,900	178,688	601,588	547,311	(54,277)
Federal Sources	2,005,685	1,083,388	3,089,073	2,522,906	(566,167)
Total Revenues	<u>2,428,585</u>	<u>1,830,719</u>	<u>4,259,304</u>	<u>3,418,045</u>	<u>(841,259)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	167,000	201,915	368,915	354,012	14,903
Purchased Professional and Technical Services		18,020	18,020	10,606	7,414
Tuition	1,033,921	(6,662)	1,027,259	976,749	50,510
General Supplies	111,363	831,156	942,519	594,003	348,516
Textbooks	74,900	43,172	118,072	93,225	24,847
Total Instruction	<u>1,387,184</u>	<u>1,087,601</u>	<u>2,474,785</u>	<u>2,028,595</u>	<u>446,190</u>
Support Services:					
Salaries of Supervisors of Instruction	125,000		125,000	124,579	421
Salaries of Other Professional Staff	370,000	91,520	461,520	410,380	51,140
Personal Services - Employee Benefits	68,177	85,168	153,345	104,303	49,042
Purchased Professional and Technical Services	214,962	150,557	365,519	255,383	110,136
Purchased Professional - Educational Services	232,756	194,557	427,313	338,098	89,215
Other Purchased Services	26,761	100,180	126,941	36,131	90,810
Supplies and Materials	3,745	111,136	114,881	110,576	4,305
Total Support Services	<u>1,041,401</u>	<u>733,118</u>	<u>1,774,519</u>	<u>1,379,450</u>	<u>395,069</u>

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

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Facilities Acquisitons:					
Non-Instructional Equipment		\$ 10,000	\$ 10,000	\$ 10,000	
Total Facilities Acquisitons		10,000	10,000	10,000	
Total Expenditures	<u>\$ 2,428,585</u>	<u>\$ 1,830,719</u>	<u>\$ 4,259,304</u>	<u>\$ 3,418,045</u>	<u>\$ 841,259</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
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	\$ 122,476,610	\$ 3,418,045
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		15,788
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	643,143	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(657,178)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 122,462,575	\$ 3,433,833
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 124,134,205	\$ 3,418,045
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.		15,788
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 124,134,205	\$ 3,433,833

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, 2015 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, 2015

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, 2015

	<u>No Child Left Behind</u>		<u>I.D.E.A. Grant</u>		<u>Non Public Technology</u>
	<u>Title I</u>	<u>Title IIA</u>	<u>Basic</u>	<u>Preschool</u>	
REVENUE:					
Local Sources					\$ 50,630
State Sources					
Federal Sources	\$ 576,733	\$ 146,645	\$ 1,747,285	\$ 52,243	
Total Revenue	<u>576,733</u>	<u>146,645</u>	<u>1,747,285</u>	<u>52,243</u>	<u>50,630</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers			326,390	24,563	
Purchased Professional & Technical Services			950,948	25,801	
Tuition			231,543		50,630
General Supplies					
Textbooks					
Total Instruction			<u>1,508,881</u>	<u>50,364</u>	<u>50,630</u>
Support Services:					
Salaries of Supervisors of Instruction	124,579				
Salaries of Other Professional Staff	283,446	49,574	77,360		
Personal Services - Employee Benefits	56,954	3,792	41,678	1,879	
Purchased Professional and Technical Services	31,243	49,496	13,975		
Purchased Professional - Educational Services			95,128		
Other Purchased Services		20,981	3,000		
Non-Instructional Equipment					
Supplies and Materials	80,511	22,802	7,263		
Total Support Services	<u>576,733</u>	<u>146,645</u>	<u>238,404</u>	<u>1,879</u>	
Total Expenditures	<u>\$ 576,733</u>	<u>\$ 146,645</u>	<u>\$ 1,747,285</u>	<u>\$ 52,243</u>	<u>\$ 50,630</u>

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

	Nonpublic		Non-Public Auxiliary (Ch 192)			
	Textbook	Nursing	Home Instruction	ESL	Transportation	Compensatory Education
REVENUE:						
Local Sources						
State Sources	\$ 93,225	\$ 160,486	\$ 9,706	\$ 913	\$ 25,181	\$ 74,172
Federal Sources						
Total Revenue	<u>93,225</u>	<u>160,486</u>	<u>9,706</u>	<u>913</u>	<u>25,181</u>	<u>74,172</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Purchased Professional & Technical Services						
Tuition						
General Supplies						
Textbooks	93,225					
Total Instruction	<u>93,225</u>					
Support Services:						
Salaries of Supervisors of Instruction						
Salaries of Other Professional Staff						
Personal Services - Employee Benefits						
Purchased Professional and Technical Services		160,486				
Purchased Professional - Educational Services			9,706	913	25,181	74,172
Other Purchased Services						
Non-Instructional Equipment						
Supplies and Materials						
Total Support Services		<u>160,486</u>	<u>9,706</u>	<u>913</u>	<u>25,181</u>	<u>74,172</u>
Total Expenditures	<u>\$ 93,225</u>	<u>\$ 160,486</u>	<u>\$ 9,706</u>	<u>\$ 913</u>	<u>\$ 25,181</u>	<u>\$ 74,172</u>

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

	Non-Public Handicapped (Ch 193)			Local Grants	Total
	Supplemental Instruction	Examination & Classification	Corrective Speech		
REVENUE:					
Local Sources				\$ 347,828	\$ 347,828
State Sources	\$ 42,531	\$ 69,881	\$ 20,586		547,311
Federal Sources					2,522,906
Total Revenue	<u>42,531</u>	<u>69,881</u>	<u>20,586</u>	<u>347,828</u>	<u>3,418,045</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers				3,059	354,012
Purchased Professional & Technical Services				10,606	10,606
Tuition					976,749
General Supplies				311,830	594,003
Textbooks					93,225
Total Instruction				<u>325,495</u>	<u>2,028,595</u>
Support Services:					
Salaries of Supervisors of Instruction					124,579
Salaries of Other Professional Staff					410,380
Personal Services - Employee Benefits					104,303
Purchased Professional and Technical Services				183	255,383
Purchased Professional - Educational Services	42,531	69,881	20,586		338,098
Other Purchased Services				12,150	36,131
Non-Instructional Equipment				10,000	10,000
Supplies and Materials					110,576
Total Support Services	<u>42,531</u>	<u>69,881</u>	<u>20,586</u>	<u>22,333</u>	<u>1,389,450</u>
Total Expenditures	<u>\$ 42,531</u>	<u>\$ 69,881</u>	<u>\$ 20,586</u>	<u>\$ 347,828</u>	<u>\$ 3,418,045</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
PRESCHOOL EDUCATION AID SCHEDULE OF EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2015

Revenue and Other Financing Sources:	
State Sources - SDA Grant	\$ 990,572
Due from Township of Montclair-Bond Ordinances Proceeds	(992,770)
Interest Earned	134
Total Revenues and Other Financing Sources	<u>(2,064)</u>
Expenditures:	
Facilities Acquisition and Construction Services	2,958,145
Equipment	40,689
Total Expenditures	<u>2,998,834</u>
Other Financing Sources/(Uses):	
Operating Transfers:	
General Fund - Capital Reserve	2,384,792
General Fund - Interest	(134)
Total Other Financing Sources/(Uses)	<u>2,384,658</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(616,240)
Fund Balance - Beginning Balance	<u>6,384,426</u>
Fund Balance - Ending Balance	<u>\$ 5,768,186</u>
<u>Recapitulation:</u>	
Committed Fund Balance:	
Year-End Encumbrances	\$ 2,014,576
Committed Fund Balance - Other Purposes	773,267
Total Committed Fund Balance	<u>2,787,843</u>
Restricted Fund Balance	<u>2,980,343</u>
	5,768,186
Reconciliation to Governmental Funds Statements (GAAP):	
Township Receivables not Recognized on GAAP Basis	(219,169)
SDA Receivables not Recognized on GAAP Basis	(4,384,046)
	<u>(4,603,215)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 1,164,971</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, 2015

	<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-Bond Ordinance Proceeds	\$ 16,140,823	\$ (884,498)	\$ 15,256,325	\$ 15,256,325
Total Revenues and Other Financing Sources	16,140,823	(884,498)	15,256,325	15,256,325
Expenditures:				
Facilities Acquisition and Construction Services	15,246,279		15,246,279	15,246,279
Total Expenditures	15,246,279		15,246,279	15,246,279
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	\$ 894,544	\$ (884,498)	\$ 10,046	\$ 10,046

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, 2015

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair-Bond Ordinance Proceeds	\$ 31,071,566	\$ (39,501)	\$ 31,032,065	\$ 31,032,065
Total Revenues and Other Financing Sources	<u>31,071,566</u>	<u>(39,501)</u>	<u>31,032,065</u>	<u>31,032,065</u>
Expenditures:				
Facilities Acquisition and Construction Services	31,032,065		31,032,065	31,032,065
Total Expenditures	<u>31,032,065</u>		<u>31,032,065</u>	<u>31,032,065</u>
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	<u>\$ 39,501</u>	<u>\$ (39,501)</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, 2015

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Bond Proceeds and Transfers				
Due from Township of Montclair-Bond Ordinance Proceeds	\$ 1,189,802	\$ (68,771)	\$ 1,121,031	\$ 1,121,031
Transfer from Capital Reserve	(68,771)	68,771		
Total Revenues and Other Financing Sources	1,121,031		1,121,031	1,121,031
Expenditures:				
Facilities Acquisition and Construction Services	1,121,031		1,121,031	1,121,031
Total Expenditures	1,121,031		1,121,031	1,121,031
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -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 #2006-30
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair-Bond Ordinance Proceeds	\$ 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	4,146,729	\$ 141,318	4,288,047	4,649,793
Equipment Purchases	47		47	47
Total Expenditures	4,146,776	141,318	4,288,094	4,649,840
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	\$ 503,064	\$ (141,318)	\$ 361,746	\$ -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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Due from Township of Montclair-Bond Ordinance Proceeds	\$ 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	3,868,680	\$ 104,009	3,972,689	4,381,495
Equipment Purchases	25		25	25
Total Expenditures	<u>3,868,705</u>	<u>104,009</u>	<u>3,972,714</u>	<u>4,381,520</u>
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	<u>\$ 512,815</u>	<u>\$ (104,009)</u>	<u>\$ 408,806</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, 2015

	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-Bond Ordinance Proceeds	3,526,820		3,526,820	3,526,820
Total Revenues and Other Financing Sources	5,346,848		5,346,848	5,346,848
Expenditures:				
Facilities Acquisition and Construction Services	5,022,125	\$ 6,847	5,028,972	5,343,548
Equipment Purchases	3,300		3,300	3,300
Total Expenditures	5,025,425	6,847	5,032,272	5,346,848
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ 321,423	\$ (6,847)	\$ 314,576	\$ -0-

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, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 1,152,690		\$ 1,152,690	\$ 1,152,690
Due from Township of Montclair-Bond Ordinance Proceeds	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	3,619,895	\$ 389	3,620,284	3,852,531
Equipment Purchases	669		669	669
Total Expenditures	<u>3,620,564</u>	<u>389</u>	<u>3,620,953</u>	<u>3,853,200</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ 232,636</u>	<u>\$ (389)</u>	<u>\$ 232,247</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, 2015

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair-Bond Ordinance Proceeds	\$ 2,986,360		\$ 2,986,360	\$ 2,986,360
Total Revenues and Other Financing Sources	2,986,360		2,986,360	2,986,360
Expenditures:				
Facilities Acquisition and Construction Services	2,145,974	\$ 19,026	2,165,000	2,980,033
Equipment Purchases	6,327	1,032	7,359	6,327
Total Expenditures	2,152,301	20,058	2,172,359	2,986,360
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	\$ 834,059	\$ (20,058)	\$ 814,001	\$ -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 #2011-41
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair-Bond Ordinance Proceeds	\$ 1,686,360		\$ 1,686,360	\$ 1,686,360
Total Revenues and Other Financing Sources	1,686,360		1,686,360	1,686,360
Expenditures:				
Facilities Acquisition and Construction Services	1,389,902	\$ 11,342	1,401,244	1,613,979
Equipment Purchases	69,493	2,888	72,381	72,381
Total Expenditures	1,459,395	14,230	1,473,625	1,686,360
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	\$ 226,965	\$ (14,230)	\$ 212,735	\$ -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 #2012-32
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair-Bond Ordinance Proceeds	\$ 3,053,440		\$ 3,053,440	\$ 3,053,440
Total Revenues and Other Financing Sources	3,053,440		3,053,440	3,053,440
Expenditures:				
Facilities Acquisition and Construction Services	2,250,528	\$ 209,090	2,459,618	3,053,440
Total Expenditures	2,250,528	209,090	2,459,618	3,053,440
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ 802,912	\$ (209,090)	\$ 593,822	\$ -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 #2013-17
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Due from Township of Montclair-Bond Ordinance Proceeds	\$ 2,900,000		\$ 2,900,000	\$ 2,900,000
Total Revenues and Other Financing Sources	<u>2,900,000</u>		<u>2,900,000</u>	<u>2,900,000</u>
Expenditures:				
Facilities Acquisition and Construction Services	728,432	\$ 1,258,271	1,986,703	2,747,671
Equipment Purchases	115,560	36,769	152,329	152,329
Total Expenditures	<u>843,992</u>	<u>1,295,040</u>	<u>2,139,032</u>	<u>2,900,000</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ 2,056,008</u>	<u>\$ (1,295,040)</u>	<u>\$ 760,968</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
DISTRICT WIDE SCHOOL RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
State Sources - SDA Grant		\$ 990,572	\$ 990,572	\$ 990,572
Transfer from Capital Reserve		1,485,857	1,485,857	1,485,857
Total Revenues and Other Financing Sources		<u>2,476,429</u>	<u>2,476,429</u>	<u>2,476,429</u>
Expenditures:				
Facilities Acquisition and Construction Services		496,499	496,499	2,476,429
Total Expenditures		<u>496,499</u>	<u>496,499</u>	<u>2,476,429</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	<u>\$ -0-</u>	<u>\$ 1,979,930</u>	<u>\$ 1,979,930</u>	<u>\$ -0-</u>

Additional Project Information:

Project Number:	Various
Grant Date:	3/31/14 & 5/2/14
Bond Authorization Date:	N/A
Bonds Issued:	N/A
Original Authorized Cost:	<u>\$ 2,476,429</u>
Revised Authorized Cost:	<u>\$ 2,476,429</u>
Percentage Increase over Original Authorized Cost:	N/A
Percentage Completion:	20.05%
Original Target Completion Date:	8/30/16
Revised Target Completion Date:	N/A

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
MONTCLAIR HIGH SCHOOL - CAFETERIA RENOVATIONS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 105,164	\$ 105,164	\$ 105,164
Total Revenues and Other Financing Sources		105,164	105,164	105,164
Expenditures:				
Facilities Acquisition and Construction Services		105,164	105,164	105,164
Total Expenditures		105,164	105,164	105,164
Excess/(Deficiency) of Revenues and Other Financing Sources				
Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Additional Project Information:				
Project Number:		N/A		
Grant Date:		N/A		
Bond Authorization Date:		N/A		
Bonds Issued:		N/A		
Original Authorized Cost:		\$ 105,164		
Revised Authorized Cost:		\$ 105,164		
Percentage Increase over Original Authorized Cost:		0.00%		
Percentage Completion:		100.00%		
Original Target Completion Date:		June 30, 2015		
Revised Target Completion Date:		N/A		

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
MONTCLAIR HIGH SCHOOL - ELEVATOR REPLACEMENT/UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 100,000	\$ 100,000	\$ 100,000
Total Revenues and Other Financing Sources		100,000	100,000	100,000
Expenditures:				
Facilities Acquisition and Construction Services		75,873	75,873	100,000
Total Expenditures		75,873	75,873	100,000
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 24,127	\$ 24,127	\$ -0-

Additional Project Information:

Project Number:	N/A
Grant Date:	N/A
Bond Authorization Date:	N/A
Bonds Issued:	N/A
Original Authorized Cost:	\$ 100,000
Revised Authorized Cost:	\$ 100,000
Percentage Increase over Original Authorized Cost:	0.00%
Percentage Completion:	75.87%
Original Target Completion Date:	June 30, 2015
Revised Target Completion Date:	N/A

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
MONTCLAIR HIGH SCHOOL/HILLSIDE ELEMENTARY SCHOOL - VARIOUS FLOOR REPLACEMENTS
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 125,000	\$ 125,000	\$ 125,000
Total Revenues and Other Financing Sources		125,000	125,000	125,000
Expenditures:				
Facilities Acquisition and Construction Services		30,317	30,317	125,000
Total Expenditures		30,317	30,317	125,000
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ 94,683	\$ 94,683	\$ -0-

Additional Project Information:

Project Number:	N/A
Grant Date:	N/A
Bond Authorization Date:	N/A
Bonds Issued:	N/A
Original Authorized Cost:	\$ 125,000
Revised Authorized Cost:	\$ 125,000

Percentage Increase over Original Authorized Cost:	0.00%
Percentage Completion:	24.25%
Original Target Completion Date:	8/30/2015
Revised Target Completion Date:	N/A

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
MONTCLAIR DISTRICT WIDE-TECHNOLOGY UPGRADES
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Transfer from Capital Reserve		\$ 500,000	\$ 500,000	\$ 500,000
Total Revenues and Other Financing Sources		500,000	500,000	500,000
Expenditures:				
Facilities Acquisition and Construction Services		500,000	500,000	500,000
Total Expenditures		500,000	500,000	500,000
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	\$ -0-	\$ -0-	\$ -0-	\$ -0-

Additional Project Information:

Project Number:	N/A
Grant Date:	N/A
Bond Authorization Date:	N/A
Bonds Issued:	N/A
Original Authorized Cost:	\$ 500,000
Revised Authorized Cost:	\$ 500,000

Percentage Increase over Original Authorized Cost:	N/A
Percentage Completion:	100.00%
Original Target Completion Date:	June 30, 2015
Revised Target Completion Date:	N/A

PROPRIETARY FUNDS

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	Major Fund	Non-Major Funds			Enterprise Fund Totals	
	Food Service Program	Summer Program	Saturday Music	Provisional Teacher		Total
ASSETS:						
Current Assets:						
Cash and Cash Equivalents	\$ 133,045	\$ 181,330	\$ 895	\$ 41,523	\$ 223,748	\$ 356,793
Intergovernmental Receivable:						
State	2,410					2,410
Federal	92,417					92,417
Accounts Receivable - Other	14,683					14,683
Student Accounts Receivable	15,089					15,089
Inventories	15,186					15,186
Total Current Assets	272,830	181,330	895	41,523	223,748	496,578
Non-Current Assets:						
Capital Assets	822,586					822,586
Less: Accumulated Depreciation	(561,584)					(561,584)
Total Non-Current Assets	261,002					261,002
Total Assets	533,832	181,330	895	41,523	223,748	757,580

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2015

	<u>Major Fund</u>	<u>Non-Major Funds</u>			<u>Enterprise Fund Totals</u>
	<u>Food Service Program</u>	<u>Summer Program</u>	<u>Saturday Music</u>	<u>Provisional Teacher</u>	
<u>LIABILITIES:</u>					
Unearned Revenue	\$ 55,585				\$ 55,585
Accounts Payable	91,698			\$ 1,289	\$ 1,289
Total Liabilities	<u>147,283</u>			<u>1,289</u>	<u>148,572</u>
<u>NET POSITION:</u>					
Net Investment in Capital Assets	261,002				261,002
Unrestricted	<u>125,547</u>	<u>181,330</u>	<u>895</u>	<u>40,234</u>	<u>222,459</u>
Total Net Position	<u>\$ 386,549</u>	<u>\$ 181,330</u>	<u>\$ 895</u>	<u>\$ 40,234</u>	<u>\$ 222,459</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, 2015

	Major Fund	Non-Major Funds			Enterprise Fund Totals
	Food Service Program	Summer Program	Saturday Music	Provisional Teacher	
Operating Revenue:					
Local Sources:					
Daily Sales	\$ 559,107				\$ 559,107
Special Functions	44,738				44,738
Mentor Fees				\$ 69,735	\$ 69,735
Total Operating Revenue	603,845			69,735	69,735
Operating Expenses:					
Cost of Sales	455,858				455,858
Salaries, Benefits & Payroll Taxes	577,975			65,700	65,700
Administrative Expenses	60,788				60,788
Supplies and Materials	36,340			3,694	3,694
Management Fee	80,640				80,640
Purchased Professional Services				589	589
Depreciation	18,945				18,945
Miscellaneous	11,627				11,627
Total Operating Expenses	1,242,173			69,983	69,983
Operating (Loss)	(638,328)			(248)	(248)
				(248)	(638,576)

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Major Fund	Non-Major Funds			Enterprise Fund Totals
	Food Service Program	Summer Program	Saturday Music	Provisional Teacher	
Non-Operating Revenue:					
Local Sources:					
Interest Income	\$ 190				\$ 190
Board Contribution	100,830				100,830
State Sources:					
State School Lunch Program	11,355				11,355
Federal Sources:					
School Breakfast Program	82,186				82,186
National School Lunch Program	399,555				399,555
Food Distribution Program	90,139				90,139
Total Non-Operating Revenue	684,255				684,255
Net Income/(Loss) Before Special Other Items	45,927			\$ (248)	\$ (248)
Special Items:					
Capital Assets - Board Contribution	105,165				105,165
Allowance for Doubtful Student Accounts Receivable	(75,000)				(75,000)
Change in Net Position After Special Items	76,092			(248)	(248)
Net Position - Beginning of Year	310,457	181,330	\$ 895	40,482	222,707
Net Position - End of Year	\$ 386,549	\$ 181,330	\$ 895	\$ 40,234	\$ 222,459
	\$ 609,008	\$ 609,008	\$ 609,008	\$ 609,008	\$ 609,008

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

	<u>Major Fund</u>	<u>Non-Major Funds</u>			<u>Enterprise Fund Totals</u>	
	<u>Food Service Program</u>	<u>Summer Program</u>	<u>Saturday Music</u>	<u>Provisional Teacher</u>		<u>Total</u>
Cash Flows from Operating Activities:						
Receipts from Customers	\$ 607,743			\$ 69,735	\$ 69,735	\$ 677,478
Payments to Employees	(577,975)			(65,265)	(65,265)	(643,240)
Payments to Food Service Provider	(840,406)					(840,406)
Payments to Suppliers	(11,627)			(4,283)	(4,283)	(15,910)
Net Cash Provided by /(Used for) Operating Activities	<u>(822,265)</u>			<u>187</u>	<u>187</u>	<u>(822,078)</u>
Cash Flows from Investing Activities:						
Local Sources:						
Interest Income	190					190
Net Cash Provided by Investing Activities	<u>190</u>					<u>190</u>
Cash Flows from Noncapital Financing Activities:						
Cash Received from State and Federal Reimbursements	484,175					484,175
Cash Received from Operating Transfers	100,830					100,830
Net Cash Provided by Noncapital Financing Activities	<u>585,005</u>					<u>585,005</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(237,070)			187	187	(236,883)
Cash and Cash Equivalents, July 1	<u>370,115</u>	<u>\$ 181,330</u>	<u>\$ 895</u>	<u>41,336</u>	<u>223,561</u>	<u>593,676</u>
Cash and Cash Equivalents, June 30	<u>\$ 133,045</u>	<u>\$ 181,330</u>	<u>\$ 895</u>	<u>\$ 41,523</u>	<u>\$ 223,748</u>	<u>\$ 356,793</u>

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

	Major Fund	Non-Major Funds			Enterprise Fund Totals	
	Food Service Program	Summer Program	Saturday Music	Provisional Teacher		Total
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:						
Operating Income/(Loss)	\$ (638,328)			\$ (248)	\$ (248)	\$ (638,576)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:						
Depreciation	18,945					18,945
Food Distribution Program	90,139					90,139
Changes in Assets and Liabilities:						
(Increase)/Decrease in Accounts Receivable	(8,326)			1,646	1,646	(6,680)
(Increase)/Decrease in Accounts Receivable-Students	(90,089)					(90,089)
Increase/(Decrease) in Unearned Revenue	12,174					12,174
(Increase)/Decrease in Inventory	(4,150)					(4,150)
Increase/(Decrease) in Accounts Payable	(202,630)			(1,211)	(1,211)	(203,841)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (822,265)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 187</u>	<u>\$ 187</u>	<u>\$ (822,078)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received commodities from the Federal Food Distribution Program valued at \$94,547 and utilized \$90,139 for the fiscal year ended June 30, 2015.

FIDUCIARY FUNDS

Exhibit H-1

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

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
ASSETS:			
Cash and Cash Equivalents	\$ 648,215	\$ 472,328	\$ 1,120,544
Total Assets	<u>648,215</u>	<u>472,328</u>	<u>1,120,544</u>
LIABILITIES:			
Interfund Payable	1,000		1,000
Due to Student Groups	448,073		448,073
Payroll Deductions and Withholdings	<u>199,142</u>		<u>199,142</u>
Total Liabilities	<u>648,215</u>		<u>648,215</u>
NET POSITION:			
Held in Trust for:			
Unemployment Compensation Claims		<u>472,328</u>	<u>472,328</u>
Total Net Position	<u>\$ -0-</u>	<u>\$ 472,328</u>	<u>\$ 472,328</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
JUNE 30,2015

	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
Additions:		
Contributions:		
Employee Share	\$ 185,697	\$ 185,697
Total Contributions	185,697	185,697
Investment Earnings:		
Interest	945	945
Net Investment Earnings	945	945
Total Additions	186,642	186,642
Deductions:		
Unemployment Compensation Claims	148,837	148,837
Transfers to Agency	81,819	81,819
Total Deductions	230,656	230,656
Change in Net Position	(44,014)	(44,014)
Net Position - Beginning of the Year	516,342	516,342
Net Position - End of the Year	\$ 472,328	\$ 472,328

Exhibit H-3

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

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 426,686	\$ 883,798	\$ 862,411	\$ 448,073
Total Assets	<u>\$ 426,686</u>	<u>\$ 883,798</u>	<u>\$ 862,411</u>	<u>\$ 448,073</u>
LIABILITIES:				
Due to Student Groups	\$ 426,686	\$ 883,798	\$ 862,411	\$ 448,073
Total Liabilities	<u>\$ 426,686</u>	<u>\$ 883,798</u>	<u>\$ 862,411</u>	<u>\$ 448,073</u>

Exhibit H-4

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	Balance July 1, 2014	Cash Receipts	Cash Disbursements	Balance June 30, 2015
Elementary Schools:				
Bradford	\$ 6,991	\$ 15,380	\$ 13,914	\$ 8,457
Charles H. Bullock	10,504	20,803	14,574	16,733
Edgemont	11,922	4,835	6,580	10,177
Hillside	39,815	73,112	62,295	50,632
Nishuane	1,987	8,130	5,550	4,567
Northeast	19,602	6,048	5,062	20,588
Watchung	12,676	11,713	16,187	8,202
Total Elementary Schools	<u>103,497</u>	<u>140,021</u>	<u>124,162</u>	<u>119,356</u>
Middle Schools:				
Glenfield	44,231	126,629	127,725	43,135
Mt. Hebron	39,998	133,506	97,622	75,882
Renaissance	33,079	66,553	83,720	15,912
Total Middle Schools	<u>117,308</u>	<u>326,688</u>	<u>309,067</u>	<u>134,929</u>
High Schools:				
Montclair High School	185,658	326,430	335,096	176,992
Athletic Account	20,223	90,659	94,086	16,796
Total High Schools	<u>205,881</u>	<u>417,089</u>	<u>429,182</u>	<u>193,788</u>
Total All Schools	<u>\$ 426,686</u>	<u>\$ 883,798</u>	<u>\$ 862,411</u>	<u>\$ 448,073</u>

Exhibit H-5

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

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
ASSETS:				
Cash and Cash Equivalents	\$ 129,982	\$127,369,865	\$ 127,299,705	\$ 200,142
Total Assets	<u>\$ 129,982</u>	<u>\$127,369,865</u>	<u>\$ 127,299,705</u>	<u>\$ 200,142</u>
LIABILITIES:				
Payroll Deductions and Withholdings	\$ 128,982	\$127,369,865	\$ 127,299,705	\$ 199,142
Interfund Payable - General Fund	<u>1,000</u>			<u>1,000</u>
Total Liabilities	<u>\$ 129,982</u>	<u>\$127,369,865</u>	<u>\$ 127,299,705</u>	<u>\$ 200,142</u>

LONG-TERM DEBT

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
LONG-TERM DEBT
STATEMENT OF OBLIGATIONS UNDER CAPITAL LEASES

<u>Purpose</u>	<u>Int. Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2014</u>	<u>Issued</u>	<u>Matured</u>	<u>Balance June 30, 2015</u>
Apple Computers	0.9%	\$ 301,432	<u> </u>	<u>\$ 301,432</u>	<u>\$ 49,871</u>	<u>\$ 251,561</u>
			<u>\$ -0-</u>	<u>\$ 301,432</u>	<u>\$ 49,871</u>	<u>\$ 251,561</u>

STATISTICAL SECTION

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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014*	2015
Governmental Activities:										
Net Investment in Capital Assets	\$ 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	\$ 68,237,797
Restricted	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	2,077,874
Unrestricted/(Deficit)	764,495	840,930	(698,480)	(705,013)	(847,610)	137,941	1,243,224	1,190,578	(36,052,630)	(35,356,656)
Total Governmental Activities Net Position	\$ 76,556,397	\$ 77,956,295	\$ 82,294,246	\$ 85,341,229	\$ 87,844,795	\$ 80,977,470	\$ 81,627,256	\$ 81,067,187	\$ 37,395,820	\$ 34,959,015
Business-Type Activities										
Net Investment in Capital Assets	\$ 49,802	\$ 43,502	\$ 37,202	\$ 32,097	\$ 26,992	\$ 21,887	\$ 194,743	\$ 169,864	\$ 174,783	\$ 261,002
Unrestricted	175,326	208,034	223,265	293,225	356,246	334,035	237,520	384,192	358,381	348,006
Total Business-Type Activities Net Position	\$ 225,128	\$ 251,536	\$ 260,467	\$ 325,322	\$ 383,238	\$ 355,922	\$ 432,263	\$ 554,056	\$ 533,164	\$ 609,008
District-Wide:										
Net Investment in Capital Assets	\$ 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	\$ 68,498,799
Restricted	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	2,077,874
Unrestricted/(Deficit)	939,821	1,048,964	(475,215)	(411,788)	(491,364)	471,976	1,480,744	1,574,770	(35,694,249)	(35,008,650)
Total District Net Position	\$ 76,781,525	\$ 78,207,831	\$ 82,554,713	\$ 85,666,551	\$ 88,228,033	\$ 81,333,392	\$ 82,059,519	\$ 81,621,243	\$ 37,928,984	\$ 35,568,023

* - Restated

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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 57,910,722
Special Education	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	14,035,556
Other Special Instruction	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	3,070,118
School-Sponsored Instruction	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	2,025,116
Support Services:										
Tuition	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	4,745,980
Student & Instruction Related Services	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	30,765,348
School Administrative Services	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	2,358,740
General and Business Administrative Services	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	6,900,062
Central Services				1,833,063	1,853,971	1,928,764	1,655,412	1,645,518	1,917,572	2,050,988
Administrative Information Technology							301,037	297,595	771,619	1,011,762
Plant Operations And Maintenance	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	9,855,524
Pupil Transportation	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	4,762,678
Capital Outlay							76,167	85,938	85,938	180,752
Special Schools	461,253	482,003	511,203	517,699	534,724	462,743	503,306	477,788	402,760	156,178
Transfer to Charter School						19,292	21,582		7,204	10,420
State Administrative Fee						63,146				
Unallocated Depreciation	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	2,342,056
Total Governmental Activities Expenses	\$ 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	\$ 142,182,000

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Business-Type activities:										
Food Service	\$ 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	\$ 1,242,173
Provisional Teacher	244,708	189,345	152,665	153,096	68,740	101,688	137,029	80,041	70,433	69,983
Saturday Music	23,534	19,579	23,166	20,255	20,891	18,494		20,260		
Summer Programs	410,502	554,055	557,433	536,855						
Total Business-Type Activities Expense	<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>	<u>1,312,156</u>
Total District Expenses	<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>	<u>\$ 143,494,156</u>
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Tuition							\$ 64,983	\$ 367,944	\$ 1,167,771	\$ 1,034,832
Special Schools							458,805	415,348	331,246	108,719
Operating Grants and Contributions	\$ 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	31,725,209
Capital Grants and Contributions							25,399	3,243,859	528,704	1,731,544
Total Governmental Activities Program Revenues	<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>	<u>\$ 34,600,304</u>
Business-Type Activities:										
Charges for services										
Food Service	\$ 2,196,706	\$ 2,342,952	\$ 2,106,195	\$ 2,092,906	\$ 919,865	\$ 858,972	\$ 595,702	\$ 463,564	\$ 470,459	\$ 603,845
Special Programs							86,086	86,426	68,600	69,735
Operating Grants and Contributions					571,073	578,679	590,331	642,348	520,727	583,235
Total Business Type Activities Program Revenues	<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>1,059,786</u>	<u>1,256,815</u>
Total District Program Revenues	<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>\$ 21,155,556</u>	<u>\$ 35,857,119</u>
Net (Expense)/Revenue Governmental Activities	\$ (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)	\$ (107,581,696)
Business-Type Activities	<u>(70,440)</u>	<u>11,285</u>	<u>(111,881)</u>	<u>14,148</u>	<u>(42,345)</u>	<u>(77,633)</u>	<u>(318,453)</u>	<u>(100,664)</u>	<u>(215,033)</u>	<u>(55,341)</u>
Total District-Wide Net Expense	<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>\$ (106,806,200)</u>	<u>\$ (107,637,037)</u>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net Township of Montclair- Type I School District	\$ 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	\$ 101,492,086
Current and Prior Years Assets Funded by Township	34,089,843	(5,338,227)								
Federal and State Aid Restricted	1,732,212	36,450	13,605	178,473	171,103	1,334,974				
Federal and State Aid not Restricted	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	1,477,037
Tuition	105,353	73,332	58,892	92,089	99,691	74,609				
Capital Lease (Non-Budgeted)										98,740
Prior Year Accounts Payable Cancelled										2,177,858
Miscellaneous Income	951,490	5,109,583	1,745,115	1,195,290	2,923,039	1,257,199	286,554	454,293	474,576	2,177,858
Transfers		(12,000)	(117,750)	(50,000)	(100,000)	(50,000)	(394,567)	(115,000)	(166,215)	(100,830)
Total Governmental Activities	125,587,591	97,323,561	103,305,008	107,592,960	111,374,169	109,763,614	98,165,212	99,195,142	99,422,859	105,144,891
Business-Type Activities:										
Investment Earnings							227	242	187	190
Miscellaneous	66,412	3,123	3,062	707	262	317				105,165
Allowance for Doubtful Accounts										(75,000)
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	100,830
Total Business-Type Activities	66,412	15,123	120,812	50,707	100,262	50,317	394,794	222,457	167,297	131,185
Total District-Wide	\$ 125,654,003	\$ 97,338,684	\$ 103,425,820	\$ 107,643,667	\$ 111,474,431	\$ 109,813,931	\$ 98,560,006	\$ 99,417,599	\$ 99,590,156	\$ 105,276,076
Change in Net Position:										
Governmental Activities	\$ 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)	\$ (2,436,805)
Business-Type Activities	(4,028)	26,408	8,931	64,855	57,917	(27,316)	76,341	121,793	(47,736)	75,844
Total District	\$ 36,271,117	\$ 1,426,306	\$ 4,346,884	\$ 3,111,838	\$ 2,561,483	\$ 4,281,565	\$ 726,127	\$ (438,276)	\$ (7,216,044)	\$ (2,360,961)

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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved/Restricted	\$ 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	\$ 2,021,071
Assigned						42,233	1,093,339	1,587,304	2,843,119	724,878
Unassigned						959,014	2,289,349	1,572,302	136,498	1,766,252
Unreserved	<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>\$ 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>	<u>\$ 4,512,201</u>
All Other Governmental Funds:										
Reserved/Restricted	\$ 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	\$ 56,803
Unassigned										1,108,168
Unreserved, Reported In:										
Special Revenue Fund/(Deficit)	<u>(50,613)</u>	<u>(50,613)</u>	<u>(65,013)</u>							
Total All Other Governmental Funds	<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>	<u>\$ 1,164,971</u>
Total All Funds	<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>	<u>\$ 5,677,172</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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$ 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	\$ 101,492,086
Miscellaneous	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	4,582,287
State Sources	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	18,966,267
Federal Sources	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	2,587,313
Total Revenue	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	127,627,953
Expenditures:										
Instruction:										
Regular Instruction	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	39,336,934
Special Education Instruction	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	9,531,955
Other Instruction	920,748	1,086,708	856,984	825,533	1,045,867	989,830	1,539,649	1,832,553	1,885,558	2,061,075
School-Sponsored Instruction	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	1,470,382
Support Services:										
Tuition	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	4,745,980
Student and Instruction Related Services	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	21,224,914
Central Services							1,257,133	1,250,862	1,423,763	1,399,045
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	725,469
General Administrative Services	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	2,172,875
School Administrative Services	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	4,505,564
Plant Operations And Maintenance	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	7,856,149
Pupil Transportation	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	4,643,965
Unallocated Benefits	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	27,210,100
Community Services										
Special Schools	420,761	433,847	460,545	475,316	485,903	462,743	503,306	477,788	402,760	156,178
Transfer to Charter Schools						19,292	21,582		7,204	10,420
Capital Outlay	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	3,515,868
Total Expenditures	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	130,566,873
Excess/(Deficiency) Of Revenues										
Over/(Under) Expenditures	(2,929,454)	(5,757,777)	(3,393,402)	(14,071,532)	(18,107,147)	(266,071)	(612,792)	(556,297)	(5,848,142)	(2,938,920)
Other Financing Sources/(Uses):										
Type I School Debt Authorization	2,969,548	4,381,520	5,346,848	3,853,200	2,986,360	533,670				
Prior Year Accounts Payable Cancelled					1,790,542					
Payments To Escrow Agent										
Bond Proceeds										
Capital Leases (Non-Budgeted)										301,432
Transfers In									68,771	2,384,926
Transfers Out		(12,000)	(117,750)	(50,000)	(100,000)	(50,000)	(394,567)	(115,000)	(234,986)	(2,485,756)
Total Other Financing Sources/(Uses)	2,969,548	4,369,520	5,229,098	3,803,200	4,676,902	483,670	(394,567)	(115,000)	(166,215)	200,602
Net Change In Fund Balances	\$ 40,094	\$ (1,388,257)	\$ 1,835,696	\$ (10,268,332)	\$ (13,430,245)	\$ 217,599	\$ (1,007,359)	\$ (671,297)	\$ (6,014,357)	\$ (2,738,318)
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
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
2015	37,710	58,083	125,326	1,896,152 *	326,129	2,443,400

* - Includes a refund from Horizon Blue Cross

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)
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
2014	16,727,600	4,879,173,310	584,383,400	4,539,200	249,503,700	5,734,327,210	8,380,841	5,742,708,051	1.87	6,519,107,090

*- 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.

Exhibit J-7

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			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Direct Rate		Total Direct	Montclair Township	Essex County	
	Basic Rate ^a	General Obligation Debt Service ^b				
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
2014	1.87		1.87	0.94	0.59	3.41

*- 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

<u>2015</u>			<u>2006</u>		
<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>	<u>Taxpayer</u>	<u>Taxable Assessed Value</u>	<u>% of Total District Net Assessed Value</u>
Rockcliff Apartments	\$ 15,146,300	0.22 %			
Lackawanna Associates	13,487,000	0.20 %			
Hawthorne Towers Partnership	11,448,200	0.17 %			
Princeton BK & Industry Constg. Group	10,876,600	0.16 %			
Bellclaire, LLC	10,649,300	0.16 %			
Richard Grabowsky, LLC	9,278,100	0.14 %			
Orange Pavillion	9,250,000	0.14 %			
45 Church Street Associates	8,500,000	0.12 %			
Bank of America	7,957,100	0.12 %			
Midland Realty Associates	7,712,600	0.11 %			
	<u> </u>	<u> </u>			
Total	<u>\$ 104,305,200</u>	<u>1.53 %</u>			

Information Unavailable

Source: Municipal Tax Assessor

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	
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-
2015	101,495,086	101,495,086	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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Bond Anticipation Notes (BANs)			
2007				-	0.00 %	-
2008				-	0.00 %	-
2009				-	0.00 %	-
2010				-	0.00 %	-
2011				-	0.00 %	-
2012				-	0.00 %	-
2013				-	0.00 %	-
2014				-	0.00 %	-
2015		301,432		301,432	0.01 %	7.90

This schedule does not contain ten years of information as GASB #44 was implemented during the fiscal year ending June 30, 2006.

Source: School District Financial Reports

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

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

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, 2014
UNAUDITED

<u>Governmental Unit</u>	<u>Debt</u> <u>Outstanding</u>	<u>Estimated</u> <u>Percentage</u> <u>Applicable ^a</u>	<u>Estimated</u> <u>Share of</u> <u>Overlapping</u> <u>Debt</u>
Debt Repaid With Property Taxes			
Township of Montclair	\$ 72,870,022	100.00%	\$ 72,870,022
Essex County General Obligation Debt	329,424,039	7.59%	<u>25,012,863</u>
Subtotal, Overlapping Debt			97,882,885
Montclair School District Direct Debt			<u>-0-</u>
Total Direct And Overlapping Debt			<u>\$ 97,882,885</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 2015	
	Montclair Township
Equalized Valuation Basis	
2014	\$ 6,724,117,273
2013	6,522,535,588
2012	6,588,546,577
	\$ 19,835,199,438
Average Equalized Valuation of Taxable Property	\$ 6,611,733,146
Debt Limit ^a (4% of average equalization value)	\$ 264,469,326
Net Bonded School Debt as of June 30, 2014	-0-
Legal Debt Margin	\$ 264,469,326

	Fiscal Year									
	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Debt Limit	\$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	\$ 264,469,326
Total Net Debt Applicable to Limit	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	72,870,022
Legal Debt Margin	\$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	\$ 191,599,303
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	37.44%	37.19%	34.95%	33.79%	33.51%	34.01%	27.67%	29.40%	26.76%	27.55%

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
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	2,059,304,016	54,318	6.70%
2014	38,142	2,071,797,156	54,318 *	5.20%
2015	38,142 **	2,071,797,156	54,318 *	N/A

* - Latest Essex County per capita personal income available (2013) was used for calculation purposes.

** - Latest population data available (2014) 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

2014			2005		
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>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>2015</u>
Instruction:										
Regular	470.0	482.0	473.0	466.0	469.0	442.0	437.0	433.1	454.0	467.9
Special Education	113.0	125.0	110.0	110.0	112.0	112.0	114.0	147.9	163.0	143.6
Support Services:										
Student & Instruction Related Services	101.0	101.0	123.0	123.0	123.0	108.0	106.0	95.8	272.0	301.4
School Administrative Services	60.0	74.0	71.0	71.0	71.0	64.0	66.0	46.8	49.0	49.5
General and Business Administrative Services	6.0	6.0	6.0	6.0	6.0	5.0	6.0	5.7	4.0	3.0
Plant Operations and Maintenance	61.0	61.0	61.0	61.0	61.0	60.0	60.0	63.0	61.0	61.0
Pupil Transportation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	3.0	3.0
Business and Other Support Services	14.0	15.0	15.0	15.0	15.0	15.0	14.0	2.0	14.0	20.7
Total	<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>	<u>1,050.1</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				
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 %	704	10.4:1	7.7:1	10.2:1	6,736	6,445	1.03 %	95.68 %
2015	6,685	127,051,005	19,005	4.25 %	708	10.1:1	8.2:1	9.7:1	6,685	6,099	-0.76 %	91.23 %

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>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>2015</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	1,978	1,958	1,981	1,981	1,962	1,972	1,952	1,966	1,981	1,946
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	629	625	668	668	689	702	717	711	678	680
Mount Hebron Middle School										
Square Feet	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799	126,568	126,568
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	637	638	603	603	580	578	554	545	546	646
Renaissance Middle School										
Square Feet	38,722	38,722	38,722	38,722	38,722	38,722	38,722	38,722	37,167	37,167
Capacity (students)	245	245	245	245	245	345	345	345	345	345
Enrollment	239	237	242	242	251	243	253	262	269	276
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	443	444	474	474	484	471	451	450	427	441
Bullock Elementary School										
Square Feet	N/A	N/A	N/A	N/A	N/A	84,017	84,017	84,017	84,017	84,017
Capacity (students)	N/A	N/A	N/A	N/A	N/A	550	550	550	550	550
Enrollment	N/A	N/A	N/A	N/A	N/A	399	433	442	384	481

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

<u>District Building</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>2015</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	308	305	297	297	299	289	305	296	396	284
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	618	615	623	623	629	620	650	626	531	560
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	570	567	521	521	521	479	479	469	467	489
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	417	421	403	403	426	442	456	448	442	441
Rand Elementary School										
Square Feet	38,722	38,722	38,722	38,722	38,722	N/A	N/A	N/A	N/A	N/A
Capacity (students)	345	345	345	345	345	N/A	N/A	N/A	N/A	N/A
Enrollment	364	366	317	317	355	N/A	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	52,109	52,109
Capacity (students)	312	312	312	312	312	312	312	312	312	312
Enrollment	418	419	432	432	461	450	457	452	448	441

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>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Bradford Elementary School	N/A	21,764	35,451	26,155	26,057	31,035
Bullock Elementary School	N/A					
Edgemont Elementary School	N/A	22,350	26,084	17,228	19,472	23,866
Glenfield Middle School	N/A	63,425	56,072	46,288	14,205	80,054
Hillside Elementary School	N/A	45,073	62,047	50,539	40,561	40,557
Montclair High School	N/A	166,754	172,954	145,059	164,659	151,815
Mount Hebron Middle School	N/A	61,748	59,123	39,006	42,321	49,797
Nishuane Elementary School	N/A	37,286	27,503	28,924	29,289	26,891
Northeast Elementary School	N/A	30,594	25,840	30,629	25,692	20,972
Rand Elementary School	N/A	34,468	19,680	45,954	24,895	14,424
Renaissance Middle School	N/A					
Watchung Elementary School	N/A	25,061	34,166	28,710	25,025	30,828
		<u>\$ 508,523</u>	<u>\$ 518,920</u>	<u>\$ 458,492</u>	<u>\$ 412,176</u>	<u>\$ 470,239</u>

<u>School Facilities *</u>	<u>Projects #</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Bradford Elementary School	N/A	26,981	43,151	39,659	37,641	35,946
Bullock Elementary School	N/A	6,658	41,767	50,835	68,502	41,652
Edgemont Elementary School	N/A	19,498	24,522	28,724	32,790	27,907
Glenfield Middle School	N/A	71,614	132,436	95,360	103,155	122,785
Hillside Elementary School	N/A	51,563	116,235	88,680	84,818	58,285
Montclair High School	N/A	170,205	294,124	305,909	266,067	279,625
Mount Hebron Middle School	N/A	44,008	114,523	111,671	34,966	12,693
Nishuane Elementary School	N/A	38,097	64,539	55,792	42,586	61,091
Northeast Elementary School	N/A	46,597	46,998	58,313	56,390	51,954
Rand Elementary School	N/A					
Renaissance Middle School	N/A	27,319	58,794	39,390	36,368	61,288
Watchung Elementary School	N/A	36,402	40,292	34,732	40,991	29,641
		<u>\$ 538,942</u>	<u>\$ 977,381</u>	<u>\$ 909,065</u>	<u>\$ 804,274</u>	<u>\$ 782,867</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, 2015
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		500,000
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 Fleischer - Chief Operating Officer	100,000	
Student Accident Coverage - Monumental Life Insurance		
Limit including all sports activities	5,000,000	

Source: Montclair Township School District records.

SINGLE AUDIT SECTION



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 200 Valley Road, Suite 300
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Report on Internal Control Over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

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, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2015.

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

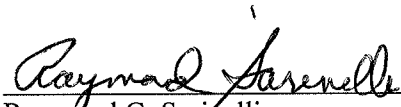
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material 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.

November 30, 2015
Mount Arlington, New Jersey

NISIVOCCIA LLP



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



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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 Circulars 04-04 and 15-08

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, 2015. 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 Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the 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, 2015.

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 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

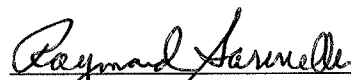
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement 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 and 15-08. Accordingly, this report is not suitable for any other purpose.

November 30, 2015
Mount Arlington, New Jersey

NISIVOCCIA LLP



Raymond G. Sarinelli
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, 2015

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, 2014			Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2015		
					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	7/1/14-6/30/15	103,516			103,516	\$ (103,516)					
Total U.S. Department of Health and Human Services					253,527		357,043	(103,516)					
Total General Fund					253,527		357,043	(103,516)					
Special Revenue Fund:													
U.S. Department of Education Passed-through State Department of Education: No Child Left Behind Consolidated Grant:													
Title I	84.010A	NCLB331015	7/1/14-6/30/15	625,938			368,914	(576,733)		\$ 207,819			
Title I	84.010A	NCLB331014	7/1/13-6/30/14	691,069	\$ 253,391		245,953		\$ 7,935			\$ 497	
Title I	84.010A	NCLB331013	9/1/12-8/31/13	623,721			\$ 15,984					15,984	
Title I	84.010A	NCLB331012	9/1/11-8/31/12	537,774	5,871				5,871				
Title I Subtotal					259,262		15,984	614,867	(576,733)	13,806	207,819	16,481	
Title II, Part A	84.367A	NCLB331015	7/1/14-6/30/15	202,174			103,535	(146,645)			43,110		
Title II, Part A	84.367A	NCLB331014	7/1/13-6/30/14	218,336	45,079		45,079						
Title II, Part A	84.367A	NCLB331013	9/1/12-8/31/13	149,492			727					727	
Title II A Subtotal					45,079		727	148,614	(146,645)		43,110	727	
Title III	84.365A	NCLB331015	7/1/14-6/30/15	9,593									
Title III	84.365A	NCLB331014	7/1/13-6/30/14	26,259	24,586		24,330		256				
Title III	84.365A	NCLB331012	9/1/10-8/31/12	12,388	54				54				
Title III Subtotal					24,640		24,330		310				
Special Education Cluster:													
I.D.E.A. Part B, Basic	84.027	IDEA331015	7/1/14-6/30/15	2,110,682			1,380,193	(1,747,285)			367,092		
I.D.E.A. Part B, Basic	84.027	IDEA331014	7/1/13-6/30/14	1,922,402	326,391		326,391		(7,013)			7,013	
I.D.E.A. Part B, Basic	84.027	IDEA331013	7/1/12-6/30/13	1,636,133			34,413					34,413	
I.D.E.A. Part B, Preschool	84.173	IDEA331015	7/1/14-6/30/15	54,722			53,364	(52,243)				1,121	
I.D.E.A. Part B, Preschool	84.173	IDEA331014	7/1/13-6/30/14	80,846	27,605		27,605						
Special Education Cluster Subtotal					353,996		34,413	1,787,553	(1,799,528)	(7,013)	367,092	42,547	
Total U.S. Department of Education					682,977		51,124	2,575,364	(2,522,906)	7,103	618,021	59,755	
Total Special Revenue Fund					682,977		51,124	2,575,364	(2,522,906)	7,103	618,021	59,755	

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

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, 2014			Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2015		
					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	9/1/14-6/30/15	\$ 82,186			\$ 65,321	\$ (82,186)		\$ 16,865			
School Breakfast Program	10.553	N/A	9/1/13-6/30/14	32,441	\$ 6,744		6,744						
National School Lunch Program	10.555	N/A	9/1/14-6/30/15	399,555			324,003	(399,555)		75,552			
National School Lunch Program	10.555	N/A	9/1/13-6/30/14	394,227	76,941		76,941						
U.S.D.A Commodities Program	10.555	N/A	7/1/14-6/30/15	94,547			94,547	(86,574)			\$ 7,973		
U.S.D.A Commodities Program	10.555	N/A	7/1/13-6/30/14	77,479		\$ 3,565		(3,565)					
Total U.S. Department of Agriculture						83,685		567,556	(571,880)		92,417	7,973	
Total Federal Financial Awards					\$ 1,020,189	\$ 3,565	\$ 51,124	\$ 3,499,963	\$ (3,198,302)	\$ 7,103	\$ 710,438	\$ 7,973	\$ 59,755

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, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014				Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Cancellation of Prior Year Encumbrances	Balance at June 30, 2015			MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Adjustment					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	\$ 115,766				\$ 115,766								\$ 1,164,526
Special Education Aid	14-495-034-5120-089	7/1/13 - 6/30/14	4,171,264	405,180				405,180								4,171,264
Adjustment Aid	14-495-034-5120-085	7/1/13 - 6/30/14	503,304	51,451				51,451								503,304
Security Aid	14-495-034-5120-084	7/1/13 - 6/30/14	747,557	70,746				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
Nonpublic Transportation Aid	14-495-034-5120-005	7/1/13 - 6/30/14	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	193,436				193,436								4,003,739
Transportation Aid	15-495-034-5120-014	7/1/14 - 6/30/15	1,164,526					1,050,688	\$ (1,164,526)						\$ 113,838	1,164,526
Special Education Aid	15-495-034-5120-089	7/1/14 - 6/30/15	4,171,264					3,763,501	(4,171,264)						407,763	4,171,264
Adjustment Aid	15-495-034-5120-085	7/1/14 - 6/30/15	503,304					454,103	(503,304)						49,201	503,304
Security Aid	15-495-034-5120-084	7/1/14 - 6/30/15	747,557					674,479	(747,557)						73,078	747,557
PARCC Readiness Aid	15-495-034-5120-098	7/1/14 - 6/30/15	68,020					61,371	(68,020)						6,649	68,020
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14 - 6/30/15	68,020					61,371	(68,020)						6,649	68,020
Extraordinary Special Education Costs	15-495-034-5120-473	7/1/14 - 6/30/15	469,850						(469,850)			\$ 469,850			469,850	469,850
Nonpublic Transportation Aid	15-495-034-5120-005	7/1/14 - 6/30/15	53,070						(53,070)			53,070			53,070	53,070
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14 - 6/30/15	4,026,825					3,827,460	(4,026,825)			199,365			199,365	4,026,825
Total General Fund State Aid				1,431,833				11,324,806	(11,272,436)			722,285			1,379,463	22,458,080
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	15-100-034-5120-064	9/1/14 - 6/30/15	100,809				\$ (3)	100,809	(93,225)					\$ 7,587		93,225
Nursing Services	15-100-034-5120-070	9/1/14 - 6/30/15	160,486					160,486	(160,486)							160,486
Technology	15-100-034-5120-070	9/1/14 - 6/30/15	54,144					54,144	(50,630)					3,514		50,630
Auxiliary Services:																
Compensatory Education	15-100-034-5120-067	9/1/14 - 6/30/15	77,935					77,935	(74,172)					3,763		74,172
English as a Second Language	15-100-034-5120-067	9/1/14 - 6/30/15	2,741					2,741	(913)					1,828		913
Transportation	15-100-034-5120-067	9/1/14 - 6/30/15	25,181					25,181	(25,181)							25,181
Home Instruction	15-100-034-5120-067	9/1/14 - 6/30/15	9,119						(9,706)			\$ 9,706		9,706		9,706
Handicapped Services:																
Supplemental Instruction	15-100-034-5120-066	9/1/14 - 6/30/15	47,867					47,867	(42,531)					5,336		42,531
Examination & Classification	15-100-034-5120-066	9/1/14 - 6/30/15	75,805					75,805	(69,881)					5,924		69,881
Corrective Speech	15-100-034-5120-066	9/1/14 - 6/30/15	45,942					45,942	(20,586)					25,356		20,586
New Jersey Nonpublic Aid:																
Textbook Aid	14-100-034-5120-064	9/1/13 - 6/30/14	91,655				\$ 13,343			\$ 13,343	\$ (678)			678		78,312
Nursing Services	14-100-034-5120-070	9/1/13 - 6/30/14	129,001													129,001
Technology	14-100-034-5120-070	9/1/13 - 6/30/14	33,420				1,204			1,204						32,216
Auxiliary Services:																
Compensatory Education	14-100-034-5120-067	9/1/13 - 6/30/14	71,475				6,078			6,078						65,397
English as a Second Language	14-100-034-5120-067	9/1/13 - 6/30/14	3,492				2,794			2,794						698
Transportation	14-100-034-5120-067	9/1/13 - 6/30/14	23,361													23,361
Home Instruction	14-100-034-5120-067	9/1/13 - 6/30/14	5,036	5036				5,036								5,036
Handicapped Services:																
Supplemental Instruction	14-100-034-5120-066	9/1/13 - 6/30/14	37,467				3,330			3,330						34,137
Examination & Classification	14-100-034-5120-066	9/1/13 - 6/30/14	71,340				4,723			4,723						66,617
Corrective Speech	14-100-034-5120-066	9/1/13 - 6/30/14	39,841				2,734			2,734						37,107
Total Special Revenue Fund				5,036	1,099	34,206	(3)	595,946	(547,311)	34,206	(678)	9,706	1,099	53,986	9,706	1,019,193

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014				Repayment of Prior Years' Balances	Balance at June 30, 2015			MEMO			
				Budgetary Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor	Adjustment		Cash Received	Budgetary Expenditures	GAAP Accounts Receivable	Budgetary Deferred Revenue	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
Capital Projects Fund:															
SDA Grants **	Various	7/1/14-6/30/16	\$ 990,572												\$ 990,572
SDA Grants **	Various	Various	7,257,997	\$ 3,383,952											3,383,952
Total Capital Projects Fund				3,383,952											4,374,524
Enterprise Fund															
State School Lunch Program	14-100-010-3350-023	9/1/13 - 6/30/14	11,312	2,221				\$ 2,221							11,312
State School Lunch Program	14-100-010-3350-023	9/1/14 - 6/30/15	11,355					8,945	\$ (11,355)		\$ 2,410				11,355
Total Enterprise Fund				2,221				11,166	(11,355)		2,410				22,667
Total State Financial Awards				\$ 4,823,042	\$ 1,099	\$ 34,206	\$ (681)	\$ 11,931,918	\$ (11,831,102)	\$ 55,389	\$ 734,401	\$ 1,099	\$ 53,986	\$ 5,756,397	\$ 27,373,985

N/A- Not Available

** SDA grant awards can not be detailed, as the records of the District do not segregate the grants awarded by specific project. No submissions of grant funds were done in the current year or collections made in the current year.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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, 2015. 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 Circulars 04-04 and 15-08, *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 capital projects fund is presented in the accompanying schedules on the budgetary basis with the exception of the revenue recognition of the Educational Facilities Construction and Financing Act grants which are realized as revenue upon their award, whereas the GAAP basis recognizes the revenue to the extent of actual expenditures and when funds are submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$14,035) for the General Fund and \$15,788 for the Special Revenue Fund (of which (\$59,514 is for local grants not reflected on the schedules of assistance). See Note 1 D 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 \$2,769,148 and \$4,396,024 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	\$ 103,516	\$ 18,423,573	\$ 18,527,089
Special Revenue Fund	2,483,797	542,694	3,026,491
Food Service Fund	571,880	11,355	583,235
Total Financial Assistance	<u>\$ 3,159,193</u>	<u>\$ 18,977,622</u>	<u>\$ 22,136,815</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports.

NOTE 5. OTHER

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, 2015. 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 \$8,248,569 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2015, \$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. The District did not submit for reimbursement any expenditures in the current fiscal year.

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

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 Circulars 04-04 and 15-08*.
- 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 Circulars 04-04 and 15-08 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 Circulars 04-04 and 15-08 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 \$354,933.
- 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 and state programs for the current fiscal year consisted of the following:

	<u>Federal CFDA Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
Federal:				
Special Education Cluster:				
IDEA Part B, Basic	84.027	7/1/14-6/30/15	\$ 2,110,682	\$ 1,747,285
IDEA Part B, Preschool	84.173	7/1/14-6/30/15	54,722	52,243
No Child Left Behind				
Title I	84.010A	7/1/14-6/30/15	625,938	576,733
	<u>State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
State:				
Extraordinary Special Education Costs	495-034-5120-473	7/1/14-6/30/15	\$ 469,850	\$ 469,850
Reimbursed TPAF Social Security Contributions	495-034-5095-002	7/1/14-6/30/15	4,026,825	4,026,825

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

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 Circulars 04-04 and 15-08.

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

Status of Prior Year Findings:

The District had no prior year audit findings.