COMPREHENSIVE ANNUAL

FINANCIAL REPORT

of the

Borough of Montvale Board of Education
Montvale, New Jersey

For the Fiscal Year Ended June 30, 2011

Prepared by

Borough of Montvale Board of Education
Finance Department

BOARD OF EDUCATION
BOROUGH OF MONTVALE

TABLE OF CONTENTS

	Page
INTRODUCTORY SECTION (Unaudited)	
Letter of Transmittal	2-5
Organizational Chart	6
Roster of Officials	7
Consultants and Advisors	8
FINANCIAL SECTION	
INDEPENDENT AUDITOR'S REPORT	
Independent Auditor's Report on General Purpose Financial Statements and Supplementary Schedules of Expenditures of Federal Awards and State Financial Assistance	11-12
REQUIRED SUPPLEMENTARY INFORMATION – PART I	
Management's Discussion and Analysis (Unaudited)	14-20
BASIC FINANCIAL STATEMENTS	
A. District – wide Financial Statements:	
A-1 Statement of Net Assets	23
A-2 Statement of Activities	24
B. Fund Financial Statements:	
Governmental Funds:	
B-1 Balance Sheet	27
B-2 Statement of Revenues, Expenditures and Changes in Fund Balances	28
B-3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities	29
Proprietary Funds:	
B-4 Statement of Net Assets	31
B-5 Statement of Revenues, Expenses and Changes in Fund Net Assets	32
B-6 Statement of Cash Flows	33
Fiduciary Funds:	
B-7 Statement of Fiduciary Net Assets	35
B-8 Statement of Changes in Fiduciary Net Assets	36

BOARD OF EDUCATION
BOROUGH OF MONTVALE

TABLE OF CONTENTS
CONTINUED

	Page
NOTES TO BASIC FINANCIAL STATEMENTS	38-58
REQUIRED SUPPLEMENTARY INFORMATION – PART II	
C. Budgetary Comparison Schedules:	
C-1 Budgetary Comparison Schedule – General Fund	61-64
C-2 Budgetary Comparison Schedule – Special Revenue Fund	65
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION	
C-3 Budget to GAAP Reconciliation	67
OTHER SUPPLEMENTARY INFORMATION	
D. School Level Schedules:Fund Financial Statements:	
D-1 Combining Balance Sheet	N/A
D-2 Blended Resource Fund – Schedule of Expenditures Allocated by Resource Type-Actual	N/A
D-3 Blended Resource Fund – Schedule of Blended Expenditures - Budget and Actual	N/A
E. Special Revenue Fund:	
E-1-E-1b Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	71-73
E-2 Demonstrably Effective Program Aid Schedule of Expenditures – Budgetary Basis	N/A
E-3 Early Childhood Program Aid Schedule of Expenditures - Budgetary Basis	N/A
E-4 Distance Learning Network Aid Schedule of Expenditures – Budgetary Basis	N/A
E-5 Instructional Supplement Aid Schedule of Expenditures - Budgetary Basis	N/A
F. Capital Projects Fund:	
F-1 Summary Schedule of Project Expenditures	75
F-2 Summary Schedule of Revenues, Expenditures and Changes in Fund Balance – Budgetary Basis	76
F-2a to F-2f – Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	77-82
G. Proprietary Funds:	
Enterprise Fund:	
G-1 Combining Statement of Net Assets	N/A
G-2 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-3 Combining Statement of Cash Flows	N/A

BOARD OF EDUCATION
BOROUGH OF MONTVALE

TABLE OF CONTENTS
CONTINUED

	Page
REQUIRED SUPPLEMENTARY INFORMATION –PART II (CONTINUED)	
G. Proprietary Funds:	
Internal Service Fund:	
G-4 Combining Statement of Net Assets	N/A
G-5 Combining Statement of Revenues, Expenses and Changes in Fund Net Assets	N/A
G-6 Combining Statement of Cash Flows	N/A
H. Fiduciary Fund	
H-1 Combining Statement of Fiduciary Net Assets	N/A
H-2 Combining Statement of Changes in Fiduciary Net Assets	N/A
H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements	87
H-4 Payroll Agency Fund Schedule of Receipts and Disbursements	88
I. Long – Term Debt	
I-1 Schedule of Serial Bonds	90
I-2 Schedule of Obligation Under Capital Leases	N/A
I-3 Debt Service Fund Budgetary Comparison Schedule	91
STATISTICAL SECTION (UNAUDITED)	
J. Financial Trends:	
J-1 Net Assets by Component	94
J-2 Changes in Net Assets	95-96
J-3 Fund Balances – Governmental Funds	97
J-4 Changes in Fund Balances – Governmental Funds	98-99
J-5 General Fund – Other Local Revenue by Source Revenue Capacity	100
J-6 Assessed Value and Estimated Actual Value of Taxable Property	101
J-7 Direct and Overlapping Property Tax Rates	102
J-8 Principal Property Taxpayers	103
J-9 Property Tax Levies and Collections Debt Capacity	104
J-10 Ratios of Outstanding Debt by Type	105
J-11 Ratios of Net General Bonded Debt Outstanding	106
J-12 Direct and Overlapping Governmental Activities Debt as of June 30	107
J-13 Legal Debt Margin Information Demographic and Economic Information	108
J-14 Demographic and Economic Statistics	109
J-15 Principal Employers	110

BOARD OF EDUCATION
BOROUGH OF MONTVALE

TABLE OF CONTENTS
COTINUED

STATISTICAL SECTION (UNAUDITED) (Continued)

	Page
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	111
J-17 Operating Statistics	112
J-18 School Building Information	113
J-19 Schedule of Required Maintenance for School Facilities	114
J-20 Insurance Schedule	115

SINGLE AUDIT SECTION

K-1 Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with "Government Auditing Standards"	117-118
K-2 Report on Compliance with Requirements Applicable to Each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 and New Jersey OMB Circular Letter 04-04	119-120
K-3 Schedule of Expenditures of Federal Awards, Schedule A	121
K-4 Schedule of Expenditures of State Financial Assistance, Schedule B	122
K-5 Notes to Schedules of Expenditures of Awards and Financial Assistance	123-124
K-6 Schedules of Findings and Questioned Costs	
Part 1 Summary of Auditor's Results	125-126
Part 2 Schedule of Financial Statement Findings	127
Part 3 Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs	128
K-7 Summary Schedule of Prior-Year Audit Findings and Questioned Costs as Prepared by Management	129

Introductory Section

Montvale Board of Education

Marian Latz
School Business Administrator
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August 24, 2011

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

Dear Board Members:

The comprehensive annual financial report of the Montvale School District for the fiscal year ending June 30, 2011 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. To the best of our knowledge and belief, the data presented in this report is accurate and is reported in a manner designed to present fairly in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the aggregate remaining fund information of the Montvale School District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended, in conformity with accounting principles generally accepted in the United States of America. All disclosures necessary to enable the reader to gain an understanding of the Montvale School 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 Montvale School District's organizational chart, and a list of principal officials. The financial section includes the basic financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The Montvale School District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments," and State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single Audit Section of this report.

1] **REPORTING ENTITY AND ITS SERVICES:** The Montvale School District is an independent reporting entity within the criteria adopted by the GASB as established by GASB statement #14. All funds and account groups of the district are included in this report. The Montvale School District Board of Education and all its schools constitute the district's reporting entity. The district provides a full range of educational services appropriate to grade levels K through 8. These include regular and special education for handicapped students. The district completed the 2009-10 fiscal year with

an enrollment of 1093 students, an increase of 3 students as compared to the previous year's enrollment. The following details the changes in the student enrollment of the Montvale School District over the last five years. In anticipation of new housing and kindergarten enrollment determined using the five-year cohort survival method, it is anticipated that future district enrollment will increase approximately 2-4%. This is subject to an economic upturn that would lead to the actual construction of new housing which has already been approved.

Average Daily Enrollment

Fiscal Year	Student Enrollment	Percent Change
2010-2011	1093.0	- .27%
2009-2010	1096.0	+5.08%
2008-2009	1043.0	+3.52%
2007-2008	1007.5	-0.71%
2006-2007	1014.7	-2.00%

2] ECONOMIC CONDITION AND OUTLOOK: The Borough of Montvale enjoys very high ratables, due mainly to the large section of the community zoned for offices occupied by major corporations. Property assessments have increased due to new housing construction. Occupation rates of office properties continue to be high.

The community's favorable tax rate, accessibility to major roadways and employment, pleasant suburban atmosphere, and the excellent reputation of its schools make Montvale a very attractive place to live. The community has experienced a growth in the number of townhouses and single family residences in recent years. Construction of a complex of "luxury villas" is in the final stages of construction having yielded the enrollment of four children during the 2009-10 school year and an additional three children in the 2010-11 school year. Planning Board approval has been given to an additional 81 unit townhome complex and several single family homes. A 100 unit complex is currently being reviewed by the Planning/Zoning Board. Better than average taxes for Bergen County and the community's desirability continue to result in home sales at preferred amounts.

All students will be accommodated in the existing Memorial Elementary and Fieldstone Middle Schools for the 2011-12 school year. Class size averages are 18-24 and 20-26 respectively.

3] MAJOR INITIATIVES: The Board of Education annually reviews school building needs and prioritizes the identified items. The Board recently assumed possession of School #2, previously used by the Borough of Montvale to house the Public Library. An Ad Hoc committee has been formed to discuss options for use of the building. The Board contracted with LAN and Associates to review all the school buildings and an update to the Five Year Facility Plan is in progress.

The district annually evaluates the results of State testing and set goals for curriculum and teaching improvements to continue to have the district exceed the adequate yearly progress standards as defined in the No Child Left Behind Act. The district utilized the *Learnia* diagnostic assessments through a State Pilot Program. Data will be tracked longitudinally and results used to evaluate the curriculum as well as identify student weaknesses for remediation.

The district continued its commitment to mentoring new staff members, and is providing on-going professional development activities for all teaching staff. In-house workshops are offered in a variety of areas based on needs and interests as determined by a staff survey. Classes in the areas of integrating technology into the curriculum, differentiation of instruction, and using data to drive instruction were provided.

The Montvale Schools continue to improve and upgrade technology in the district. Internet access continues to be available in every classroom and computer lab. Use has increased annually as teaching staff incorporates more project-based assignments. Staff members are proficient in the use

of e-mail to communicate with each other and parents. In an effort to be more "green" the planned dissemination of district memos via web mail and forms on the district web-site was successful. The district web site also includes Board of Education public session agendas and minutes, school calendars, and district newsletters. Parents and students have access to teacher created homework web pages to assist in tracking assignments. Due to the generosity of the community, as organized through the Montvale Educational Foundation, every academic classroom has an interactive white board (Easi-Teach) and in 2010-11, their use was expanded by teacher created and commercially available materials. On going professional development for teachers is in place for this and related initiatives. To improve accessibility to additional Internet band width, both schools have been re-wired for data access. Through the generosity and support of the Montvale Education Foundation and the Montvale Parent Teacher Organization, a wireless access system will be installed in both schools during the summer of 2011. The District will also substantially increase Internet Band width for Internet access for the 2011-12 school year. For the sixth year web-based student management software, EduWave, was used for attendance, scheduling, and record management. Training is ongoing for the components in the software that address lesson-planning, curriculum writing, and sharing of teacher created materials. Parents of students sign on to get access to their child's information, including downloading and printing of report cards.

Voters of the district passed the school budget in April 2011. The school budget has been approved 16 times in the past 18 years. The Board set and accomplished their annual goals.

The many volunteers who participate in the PTO's safety, educational, and fund-raising programs support the Montvale School District's programs. Both groups continue to work with the schools to provide enrichment opportunities and provide funding for teacher requested materials.

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

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

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

5] **BUDGETARY CONTROLS:** In addition to internal accounting controls, the Montvale School 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 voters of the municipality. Annual appropriated budgets are adopted for the general 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 reappropriation of

fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2011.

6] **ACCOUNTING SYSTEM AND REPORTS:** The Montvale School District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board [GASB]. The accounting system of the district is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statement."

7] **DEBT ADMINISTRATION**: On May 15, 2000, the district sold 20-year bonds in the amount of $5,083,000. The district makes interest payments each May and November, and one principal payment each May. The voters approved a referendum in April 2005. Twenty-year bonds in the amount of $2,371,000 were sold on November 15, 2006. Interest payments are due each May and November, and one principal payment each November.

8] **CASH MANAGEMENT**: The investment policy of the Montvale School District is guided in a large part by state statute. 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 required governmental units to deposit public funds only in public depositories in New Jersey, where the funds are secured in accordance with the Act.

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

10] **OTHER INFORMATION:**

Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. Accountant Timothy Vrabel of T.M. Vrabel and Associates, LLC was appointed by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act of 1984 and the related OMB Circular A-133 and state Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combined individual fund statements and schedules is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

11] **ACKNOWLEDGMENT**:

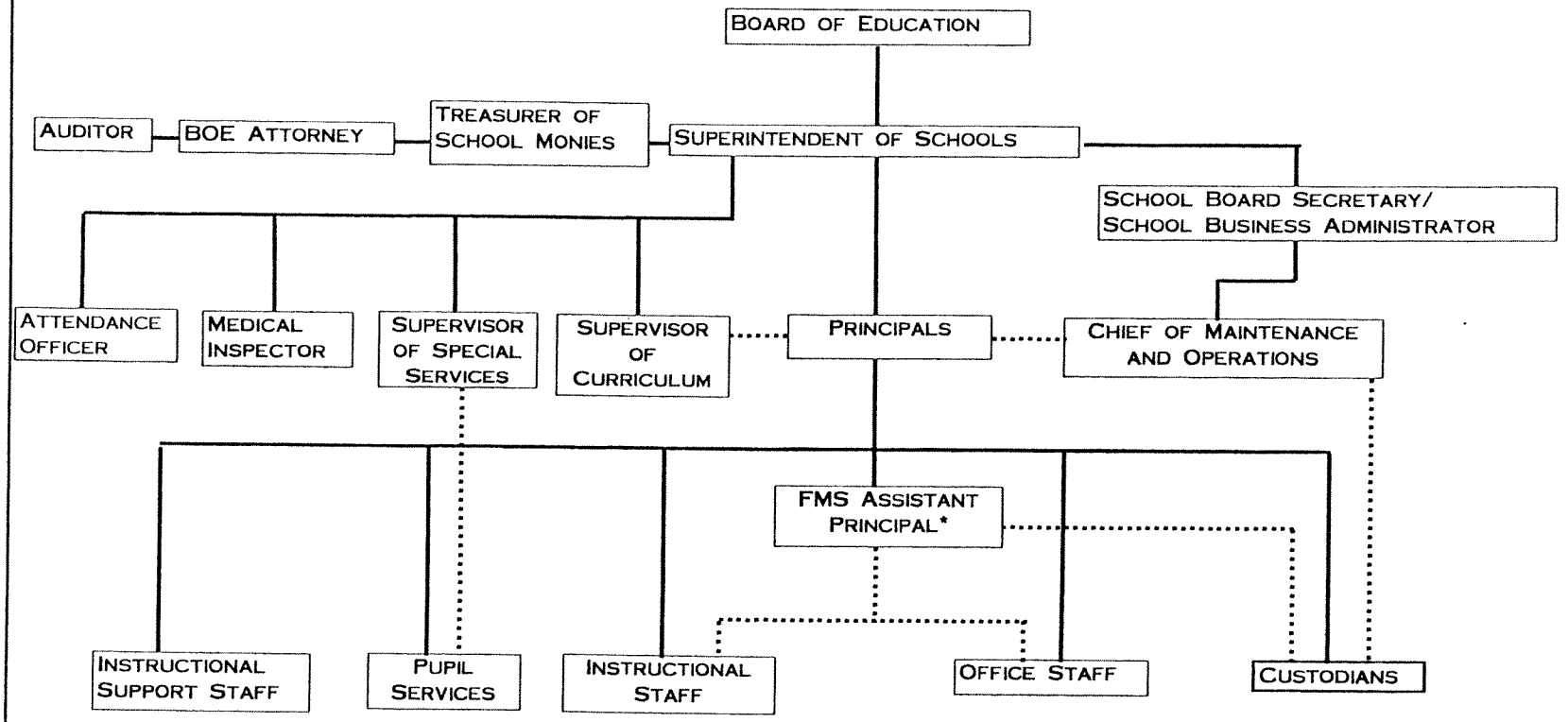
We would like to express our appreciation to the members of the Montvale Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation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

Respectfully submitted,

William J. Belluzzi
Superintendent

Marian Latz
Board Secretary/SBA

MONTVALE PUBLIC SCHOOLS



*Reports to FMS Principal

MONTVALE SCHOOL DISTRICT
BERGEN COUNTY, NEW JERSEY

ROSTER OF OFFICIALS
APRIL, 2011

	Term Expires
President	
Marie Muller-Noonan	2012
Vice-President	
Diane Baviello	2014

Members of the Board of Education

Frank Campana	2014
Thomas Funesti	2013
Carol Harris-Bardes	2013
Nicolette Kavanagh	2014
Scott Rossig	2012

Other Officials

Superintendent	Mr. William J. Belluzzi
Board Secretary/School Business Administrator	Mrs. Marian Latz
Treasurer	Mrs. Margaret Wright
Solicitors	Stephen R. Fogarty [Fogarty & Hara]

BOROUGH OF MONTVALE
BOARD OF EDUCATION
CONSULTANTS AND ADVISORS

ARCHITECT

The Spiezle Group
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AUDIT FIRM

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Financial Section

Independent Auditor's Report

T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

INDEPENDENT AUDITOR'S REPORT

The Honorable President and
Members of the Board of Education
Borough of Montvale School District
County of Bergen, New Jersey

We have audited the accompanying basic financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Montvale School District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Borough of Montvale School District's management. Our responsibility is to express an opinion on these basic 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 in compliance with audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Borough of Montvale School District as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated August 24, 2011 on our consideration of the Borough of Montvale School 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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The Management's Discussion and Analysis on page 14 through 20 and budgetary comparison information on schedules C-1 and C-2 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America as promulgated by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

Timothy M. Vrabel
Public School Accountant
License No. CS000698

Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

August 24, 2011

REQUIRED SUPPLEMENTARY INFORMATION - PART I

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Borough of Montvale School District financial activities for the fiscal year ended June 30, 2011. Please read it in conjunction with the transmittal letter on page 1 and the District's financial statements, which begin on page 23.

FINANCIAL HIGHLIGHTS

- The District's net assets increased $177,000 as a result of this year's operations. Net assets of our business-type activities decreased by $2,000, or 20 percent, and net assets of our governmental activities increased by $179,000 or2.7 percent.
- Total cost of all of the District's programs was $15.4 million in 2010-2011 compared to $15.8 million in 2009-2010.
- During the year, the District had expenses for governmental activities that were $63,000 more than the $15.5 million generated in tax and other program revenues.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 23 and 24) provide information about the activities of the District as a whole and present a longer-term view on the District's finances. Fund financial statements start on page 27. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operation in more detail than the government-wide statements by providing information about the District's most financially significant funds

Reporting the District as a Whole

The Statement of Net Assets and the Statement of Activities

Our analysis of the District as a whole begins on page 16. One of the most important questions asked about the District's finances is "Is the District as a whole better off or worse off as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's *net assets* and changes in them. You can think of the District's net assets, the difference between assets and liabilities, as one way to measure the District's financial health, or *financial position*. Over time, *increases* or *decreases* in the District's net assets are one indicator whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's property tax base, and the condition of the District's capital assets to assess the overall *health* of the District.

In the Statement of Net Assets and the Statement of Activities, we divide the District into two kinds of activities:

- Governmental activities: most of the District's basic services are reported here, including general administration. Local taxes, tuition and state and federal aid finance most of these activities.

- Business-type-activities: the District has proprietary funds for a milk program, and for a pre-k summer program known as Safety Town. These are shown on pages 32 and 33.

Reporting the District's Most Significant Funds

Fund Financial Statements

Our analysis of the District's major funds begins on page 18. The fund financial statements begin on page 27 and provide detailed information about the most significant funds-not the District as a whole. Some funds are required to be established by State law. The District's two kinds of funds, governmental and proprietary, use different accounting approaches.

Governmental funds: most of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's general government operations and the basic services it provides. Governmental fund information helps one determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in reconciliation on page 29.

Proprietary funds: when the District charges customers for the full cost of the services it provides, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Assets and the Statement of Activities. In fact, the District's enterprise funds (a component of business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

The District as Trustee

Reporting the District's Fiduciary Responsibilities

The District is the trustee, or *fiduciary*, for the Unemployment Compensation Trust, Scholarship Funds and Agency Funds. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets on pages 35 and 36. We exclude these activities from the District's other financial statements because the District cannot use these assets to finance its operations. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes.

THE DISTRICT AS A WHOLE

The District's *combined* net assets changed from a year ago, *increasing* from $6.670 million to $6.847 million. Looking at the net assets and net expenses of governmental and business-type activities separately, different stories emerge. Our analysis below focuses on the net assets (Table 1) and changes in net assets (Table 2) of the District's governmental and business-type activities as of June 30.

Table 1
Net Assets (in Thousands)

	Governmental Activities		Business-type Activites		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Current and other assets	2,090	2,087	45	11	2,135	2,098
Long term receivables	60				60	-
Capital assets	10,782	10,965	5	6	10,787	10,971
Total assets	12,932	13,052	50	17	12,982	13,069
Long-term debt outstanding	5,866	6,230			5,866	6,230
Other liabilities	227	162	42	7	269	169
Total liabilities	6,093	6,392	42	7	6,135	6,399
Net assets:						
Invested in capital assets, net of debt	5,208	5,011	5	6	5,213	5,017
Restricted	1,099	1,401			1,099	1,401
Unrestricted (deficit)	532	248	3	4	535	252
Total net assets	6,839	6,660	8	10	6,847	6,670

Net assets of the District's governmental activities increased by .2.7 percent. Unrestricted net assets, the part of net assets that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements increased by $284,000. Restricted net assets, those restricted mainly for capital projects decreased by $302,000. Both net asset categories benefited from increased economic activity, which resulted in actual revenues exceeding budgeted revenues. The investment in capital assets, net of debt category increased by $197,000.

Table 2
Changes in Net Assets (in thousands)

	Governmental Activities		Business-type Activites		Total Primary Government	
	2011	2010	2011	2010	2011	2010
Revenues						
Program revenues:						
Charges for Services	300	320	12	13	312	333
Operating Grants and Contributions	1,551	2,050	14	13	1,565	2,063
General revenues:						
Property Taxes	13,536	13,020			13,536	13,020
Tuition	16	11			16	11
Federal and State Aid	112	48			112	48
Interest and Investment Earnings	12	15			12	15
N.J.E.D.A. Grant (Canceled)	60	(444)			60	
Other General Revenues	2	12	-	-	2	12
Total Revenues:	15,589	15,032	26	26	15,615	15,502
Program expenses including indirect expenses						
Instruction:						
Regular	7,168	7,393			7,168	7,393
Special	1,218	1,201			1,218	1,201
Other instruction	546	542			546	542
Support services:						
Tuition	541	581			541	581
Student and instruction related services	2,085	2,086			2,085	2,086
School administrative services	861	856			861	856
General and business administrative services	875	920			875	920
Plant operations and maintenance	1,343	1,369			1,343	1,369
Pupil transportation	507	568			507	568
Interest on long-term debt	266	283			266	283
Business-type activities:						
Milk Program			26	26	26	26
Safetytown	-	-	2	3	2	3
Total Expenses	15,410	15,799	28	29	15,438	15,828
Increase (Decrease) in Net Assets	179	(767)	(2)	(3)	177	(326)

THE DISTRICT'S FUNDS
Governmental Activities
Table 3
Information below compares revenues and expenditures for all governmental fund types for 2010-2011 and 2009-2010.

($000 omitted) Revenues by Source:	2010-2011	2009-2010	% Change
Local Tax Levy	13,803	13,303	3.76%
Tuition Charges	16	11	45.45%
Transportation Fees	34	37	-8.11%
Interest Earned to Investments	12	15	-20.00%
Miscellaneous	54	18	200.00%
Total - Local Sources	13,919	13,384	4.00%
State Sources	1,335	1,776	-24.83%
Federal Sources	309	316	-2.22%
Total Revenues	15,563	15,476	0.56%

($000 omitted) Expenditures by Function:	2010-2011	2009-2010	% Change
Current:			
Regular Instruction	5,125	5,338	-3.99%
Special education	885	905	-2.21%
Other instruction	393	388	1.29%
Support Services and undistributed costs:			
Tuition	541	581	-6.88%
Student and instruction related services	1,631	1,645	-0.85%
School administrative services	617	621	-0.64%
General and Business administrative services	656	691	-5.07%
Plant operations and maintenance	1,112	1,143	-2.71%
Pupil transportation	506	568	-10.92%
Employee Benefits	3,306	3,178	4.03%
Capital Outlay	206	58	255.17%
Debt Service:			
Principal	380	365	4.11%
Interest on long-term debt	268	285	-5.96%
Total Expenditures	15,626	15,766	-0.89%

Business-type Activities

District's major Enterprise Funds consist of the Food Service (milk program) and a pre-k summer program (Safety Town). The basic financial statements for the major funds are included in this report. Because the focus on business-type funds is a cost of service measurement or capital maintenance, we have included these funds in Table 4, which demonstrates return on ending assets and return on ending net assets.

Table 4

($000 omitted)

	Milk Program	Safetytown
Total Assets	18	32
Net Assets	8	-
Change in Net Assets	(2)	-
Return on Ending Total Assets	-11.11%	0.00%
Return on Ending Net Assets	-25.00%	0.00%

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets
Table 5

Capital Assets at Year-end
(Net of Depreciation, in thousands)

	Governmental Activities		Business-type Activites		Totals	
	2011	2010	2011	2010	2011	2010
Land	250	250			250	250
Land Improvements	947	904			947	904
Buildings	14,615	14,485			14,615	14,485
Machinery and Equipment	264	264	36	36	300	300
Construction in Progress	-	-	-	-	-	-
Subtotal	16,076	15,903	36	36	16,112	15,939
Accumulated Depreciation	(5,294)	(4,938)	(31)	(30)	(5,325)	(4,968)
Totals	10,782	10,965	5	6	10,787	10,971

The District's 2011-2012 capital budget anticipates a spending level of $153,989 for capital projects. More detailed information about the District capital assets is presented in Note III:C. to the basic financial statements

DEBT

At year – end the District had total debt of $ 5.575 million versus $5.955 million last year – a decrease of 6.4 percent – as shown in Table 6.

Outstanding Debt, at year –end (in thousands)
Table 6

	Governmental Activities	
	2011	2010
Serial Bonds	5,574	5,954
Loans		
Lease Purchase Agreement		
Temporary Notes		
Authorized but not Issued	1	1
	5,575	5,955

An analysis of District Debt is presented in Note III:D. to the basic financial statements.

BUDGETS

The variances between the originally adopted budget for the 2010-2011 year, and the final budget were caused by the treatment of encumbrances that are added to the original budget, and the appropriation of prior year state aid (extraordinary aid). In addition, the State pension payments which are paid by the State on behalf of employees are not budgeted; however they are counted as an expense in the audit...

In addition, savings were generated by:

- A district-wide salary freeze, which also permitted classroom positions removed from the budget to be restored.
- The award of additional state aid equal to the amount not paid by the State for FICA as a result of the salary freeze.
- Unanticipated changes in staff. Qualified, certified, replacements with less experience were hired.
- Providing in-house professional development activities.
- Continued shared services for speech services through a joint agreement with the River Vale School District and for occupational and physical therapy services through Region II.
- Maintaining classified preschool students in-district by opening an additional part-time pre-k handicapped/integrated class.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Mrs. Marian Latz, School Business Administrator, Montvale Public School District, 47 Spring Valley Road, Montvale, New Jersey.

BASIC FINANCIAL STATEMENTS

Section A

DISTRICT – WIDE FINANCIAL STATEMENTS

Exhibit A-1

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Net Assets
June 30, 2011

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and cash equivalents	$ 1,100,466.81	$ 42,622.45	$ 1,143,089.26
Receivables, net	346,543.97	2,266.36	348,810.33
Interfund receivable	4,661.48		4,661.48
Restricted assets:			
Cash and cash equivalents	559,967.12		559,967.12
Capital reserve account - cash	138,262.86		138,262.86
Capital assets, net (Note III:C.):	10,781,720.40	4,777.68	10,786,498.08
Total Assets	12,931,622.64	49,666.49	12,981,289.13
LIABILITIES			
Accounts payable	171,352.38	5,068.75	176,421.13
Contracts payable	6,727.75		
Interfund payable		4,661.48	4,661.48
Bond interest payable	31,604.28		31,604.28
Deferred revenue	16,590.43	31,990.00	48,580.43
Noncurrent liabilities (Note IV:B.):			
Due within one year	415,200.00		415,200.00
Due beyond one year	5,451,247.38	-	5,451,247.38
Total liabilities	6,092,722.22	41,720.23	6,127,714.70
NET ASSETS			
Invested in capital assets, net of related debt	5,207,720.40	4,777.68	5,212,498.08
Capital projects	738,477.83		738,477.83
Debt service	(31,604.28)		(31,604.28)
Other purposes	392,454.65		392,454.65
Unrestricted	531,851.82	3,168.58	535,020.40
Total Net Assets	$ 6,838,900.42	$ 7,946.26	$ 6,846,846.68

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

Exhibit A-2

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Activities
For the Year Ended June 30, 2011

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Assets: Governmental Activities	Net (Expense) Revenue and Changes in Net Assets: Business-type Activities	Net (Expense) Revenue and Changes in Net Assets: Total
Governmental activities:							
Instruction:							
Regular	$ 7,167,820.01	$ -	$ 556,426.36	$ -	$ (6,611,393.65)	$ -	$ (6,611,393.65)
Special education	1,218,318.34		271,481.01		(946,837.33)		(946,837.33)
Other instruction	546,056.05		43,552.31		(502,503.74)		(502,503.74)
Support services:							
Tuition	541,220.33		188,229.81		(352,990.52)		(352,990.52)
Student and instruction related services	2,084,817.23		274,730.94		(1,810,086.29)		(1,810,086.29)
School administrative services	860,824.75		67,579.21		(793,245.54)		(793,245.54)
General and business administrative services	875,492.50		63,001.98		(812,490.52)		(812,490.52)
Plant operations and maintenance	1,342,863.61		68,850.68		(1,274,012.93)		(1,274,012.93)
Pupil transportation	506,901.02	34,095.13	17,551.93		(455,253.96)		(455,253.96)
Interest on long-term debt	266,237.38	266,237.38	-		-		-
Total governmental activities	15,410,551.22	300,332.51	1,551,404.23		(13,558,814.48)		(13,558,814.48)
Business-type activities:							
Milk Program	26,642.73	10,272.80	14,064.12			(2,305.81)	(2,305.81)
Safetytown	2,150.00	2,150.00	-			-	-
Total business-type activities	28,792.73	12,422.80	14,064.12	-	-	(2,305.81)	(2,305.81)
Total primary government	$ 15,439,343.95	$ 312,755.31	$ 1,565,468.35	$ -	$ (13,558,814.48)	$ (2,305.81)	$ (13,561,120.29)
General revenues:							
Taxes:							
Property taxes, levied for general purposes					$ 13,197,682.00	$ -	$ 13,197,682.00
Property taxes, levied for debt service principal					338,796.62		338,796.62
Federal and State aid not restricted					111,956.00		111,956.00
Tuition (other than special schools)					15,625.00		15,625.00
Investment Earnings					12,317.27	93.09	12,410.36
Miscellaneous Income					35,243.53		35,243.53
N.J.S.D.A. Grant					59,648.40		59,648.40
Debt Service Assessment					(32,950.00)	-	(32,950.00)
Total general revenues, special items, extraordinary items and transfers					13,738,318.82	93.09	13,738,411.91
Change in Net Assets					179,504.34	(2,212.72)	177,291.62
Net Assets—beginning					6,659,396.08	10,158.98	6,669,555.06
Net Assets—ending					$ 6,838,900.42	$ 7,946.26	$ 6,846,846.68

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

Section B

FUND FINANCIAL STATEMENTS

GOVERNMENTAL FUNDS

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Balance Sheet
Governmental Funds
June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and cash equivalents	$ 1,152,567.19	$ (52,100.38)	$ 559,967.12	$ -	$ 1,660,433.93
Interfunds receivable	4,661.48				4,661.48
Receivables from other governments	183,208.50	94,008.70	59,648.40		336,865.60
Other receivables	9,678.37				9,678.37
Restricted cash and cash equivalents	138,262.86	-	-	-	138,262.86
Total Assets	$ 1,488,378.40	$ 41,908.32	$ 619,615.52	$ -	$ 2,149,902.24
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	$ 138,607.60	$ 32,744.78	$ -	$ -	$ 171,352.38
Contracts payable			6,727.75		6,727.75
Deferred revenue	7,426.89	9,163.54	-		16,590.43
Total Liabilities	146,034.49	41,908.32	6,727.75		194,670.56
Fund Balances:					
Restricted for:					
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	35,595.90				- 35,595.90
Reserve for Excess Surplus	311,798.43				311,798.43
Capital Reserve Account	138,262.86				138,262.86
Capital Projects			600,214.97		600,214.97
Assigned to:					-
Other Purposes	32,387.52		12,672.80		45,060.32
Designated for Subsequent Year's Expenditures	375,484.10				- 375,484.10
Unassigned	448,815.10				448,815.10
Total Fund Balances	1,342,343.91	-	612,887.77	-	1,955,231.68
Total Liabilities and Fund Balances	$ 1,488,378.40	$ 41,908.32	$ 619,615.52	$ -	

Amounts reported for *governmental activities* in the statement of net assets (A-1) are different because:

Adjustment to Debt Service Fund net assets for the accrual of interest expense.	(31,604.28)
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is $16,076,088.99 and the accumulated depreciation is $5,294,368.59.	10,781,720.40
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (see Note IV:B.)	(5,866,447.38)
Net assets of governmental activities	$ 6,838,900.42

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

Exhibit B-2

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Revenues, Expenditures, And Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES					
Local sources:					
Local tax levy	$ 13,197,682.00	$ -	$ -	$ 605,034.00	$ 13,802,716.00
Tuition charges	15,625.00				15,625.00
Transportation fees	34,095.13				34,095.13
Interest earned on investments	10,926.70		1,288.23		12,214.93
Interest earned on Capital Reserve Funds	102.34				102.34
Miscellaneous	35,243.53	19,385.00	-	-	54,628.53
Total - Local Sources	13,293,674.70	19,385.00	1,288.23	605,034.00	13,919,381.93
State sources	1,322,795.41	12,550.00			1,335,345.41
Federal sources	-	308,629.82	-	-	308,629.82
Total Revenues	14,616,470.11	340,564.82	1,288.23	605,034.00	15,563,357.16
EXPENDITURES					
Current:					
Regular instruction	5,104,047.35	20,885.00			5,124,932.35
Special education instruction	720,407.95	164,964.89			885,372.84
Other instruction	393,071.44				393,071.44
Support services and undistributed costs:					
Tuition	541,220.33				541,220.33
Student and instruction related services	1,493,331.69	137,814.48			1,631,146.17
School administrative services	616,964.58				616,964.58
General and business administrative services	656,067.61				656,067.61
Plant operations and maintenance	1,111,536.77				1,111,536.77
Pupil transportation	505,848.80				505,848.80
Unallocated benefits	3,301,239.44	4,350.45			3,305,589.89
Capital outlay	37,835.00	12,550.00	156,179.39		206,564.39
Debt service:					
Principal				380,000.00	380,000.00
Interest and other charges	-	-	-	268,409.26	268,409.26
Total Expenditures	14,481,570.96	340,564.82	156,179.39	648,409.26	15,626,724.43
Excess (Deficiency) of revenues over expenditures	134,899.15	-	(154,891.16)	(43,375.26)	(63,367.27)
OTHER FINANCING SOURCES AND (USES)					
N.J. Schools Development Authority Grants			59,648.40		59,648.40
Transfers in			95,187.70	29,043.08	124,230.78
Transfers (out)	(95,187.70)		(29,043.08)	-	(124,230.78)
Total Other Financing Sources and (Uses)	(95,187.70)	-	125,793.02	29,043.08	59,648.40
Net change in fund balances	39,711.45	-	(29,098.14)	(14,332.18)	(3,718.87)
Fund Balance—July 1	1,302,632.46	-	641,985.91	14,332.18	1,958,950.55
Fund Balance—June 30	$ 1,342,343.91	$ -	$ 612,887.77	$ -	$ 1,955,231.68

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

Exhibit B-3

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2011

Total net change in fund balances - governmental funds (from B-2)		(3,718.87)
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The difference in accrued interest is an addition in the reconciliation. (+)		
Interest paid	268,409.26	
Interest accrued	(266,237.38)	
		2,171.88
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the period.		
Depreciation expense	(356,512.44)	
Capital outlays (exclusive of capital lease principal payments)	206,564.39	
		(149,948.05)
A Debt Service Assessment which is a capital outlay expenditure but not included in capital assets.		(32,950.00)
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-)		-
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations and unused sick pay) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition in the reconciliation (+).		(16,050.62)
Payment of long-term liability principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities.		-
Debt principal		380,000.00
Capital lease principal		-
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net assets.		
Proceeds of long-term debt		-
Capital lease proceeds		-
Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (Donated Capital Assets) (+)		-
Change in net assets of governmental activities		179,504.34

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

PROPRIETARY FUNDS

Exhibit B-4

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Net Assets
Proprietary Funds
June 30, 2011

	Business-type Activities - Enterprise Funds		
	Milk Program	Safetytown	Totals
ASSETS			
Current Assets:			
Cash and cash equivalents	$ 10,583.93	$ 32,038.52	$ 42,622.45
Accounts receivable	2,266.36	-	2,266.36
Total Current Assets	12,850.29	32,038.52	44,888.81
Noncurrent assets:			
Furniture, machinery and equipment	35,989.63		35,989.63
Less accumulated depreciation	(31,211.95)		(31,211.95)
Total Noncurrent Assets	4,777.68	-	4,777.68
Total Assets	17,627.97	32,038.52	49,666.49
LIABILITIES			
Current Liabilities:			
Accounts payable	5,068.75		5,068.75
Interfund payable	4,661.48		4,661.48
Deferred revenue	-	31,990.00	31,990.00
Total Current Liabilities	9,730.23	31,990.00	41,720.23
Total Liabilities	9,730.23	31,990.00	41,720.23
NET ASSETS			
Invested in capital assets, net of related debt	4,777.68		4,777.68
Unrestricted	3,120.06	48.52	3,168.58
Total Net Assets	$ 7,897.74	$ 48.52	$ 7,946.26

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

Exhibit B-5

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds		
	Milk Program	Safetytown	Totals
Operating Revenues:			
Charges for services:			
Daily sales - reimbursable programs	$ 10,272.80	$ -	$ 10,272.80
Program fees	-	2,150.00	2,150.00
Total Operating Revenues	10,272.80	2,150.00	12,422.80
Operating Expenses:			
Cost of sales	15,950.24		15,950.24
Salaries	4,330.22	1,947.26	6,277.48
Employee benefits	331.26	148.98	480.24
General supplies	4,799.00	53.76	4,852.76
Depreciation	1,232.01	-	1,232.01
Total Operating Expenses	26,642.73	2,150.00	28,792.73
Operating Income (Loss)	(16,369.93)	-	(16,369.93)
Nonoperating Revenues (Expenses):			
Federal sources:			
Special milk program	14,064.12		14,064.12
Interest and investment revenue	93.09		93.09
Total Nonoperating Revenues (Expenses)	14,157.21	-	14,157.21
Income (loss) before contributions and transfers	(2,212.72)	-	(2,212.72)
Change in net assets	(2,212.72)	-	(2,212.72)
Total Net Assets—Beginning	10,110.46	48.52	10,158.98
Total Net Assets—Ending	$ 7,897.74	$ 48.52	$ 7,946.26

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

Exhibit B-6

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2011

	Business-type Activities - Enterprise Funds		
	Milk Program	Safetytown	Totals
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers	$ 9,095.20	$ 31,990.00	$ 41,085.20
Payments to employees	(4,330.22)	(1,947.26)	(6,277.48)
Payments for employee benefits	(331.26)	(148.98)	(480.24)
Payments to suppliers	(15,680.49)	(53.76)	(15,734.25)
Net cash provided by (used for) operating activities	(11,246.77)	29,840.00	18,593.23
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Federal Sources	14,064.12		14,064.12
Net cash provided by (used for) non-capital financing activities	14,064.12		14,064.12
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	93.09		93.09
Net cash provided by (used for) investing activities	93.09	-	93.09
Net increase (decrease) in cash and cash equivalents	2,910.44	29,840.00	32,750.44
Balances—beginning of year	7,673.49	2,198.52	9,872.01
Balances—end of year	$ 10,583.93	$ 32,038.52	$ 42,622.45
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	$ (16,369.93)	$ -	$ (16,369.93)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation and net amortization	1,232.01		1,232.01
(Increase) decrease in accounts receivable, net	(1,177.60)		(1,177.60)
Increase (decrease) in deferred revenue		29,840.00	29,840.00
Increase (decrease) in accounts payable	5,068.75	-	5,068.75
Total adjustments	5,123.16	29,840.00	34,963.16
Net cash provided by (used for) operating activities	$ (11,246.77)	$ 29,840.00	$ 18,593.23

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

FIDUCIARY FUNDS

Exhibit B-7

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Fiduciary Net Assets
Fiduciary Funds
June 30, 2011

	Unemployment Compensation Trust	Agency Fund
ASSETS		
Cash and cash equivalents	$ 84,145.32	$ 55,856.39
Total Assets	$ 84,145.32	$ 55,856.39
LIABILITIES		
Payable to student groups		43,266.36
Payroll deductions and withholdings		12,590.03
Total Liabilities		$ 55,856.39
NET ASSETS		
Held in trust for unemployment claims and other purposes	$ 84,145.32	

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

Exhibit B-8

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Year Ended June 30, 2011

	Unemployment Compensation Trust
ADDITIONS	
Contributions:	
Plan member	$ 13,962.73
Total Contributions	13,962.73
Investment earnings:	
Interest	188.88
Net investment earnings	188.88
Total Additions	14,151.61
DEDUCTIONS	
Unemployment claims	30,738.55
Total Deductions	30,738.55
Change in Net Assets	(16,586.94)
Net Assets—beginning	100,732.26
Net Assets—ending	$ 84,145.32

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

NOTES TO BASIC FINANCIAL STATEMENTS

Note I: Summary of Significant Accounting Policies

A. Basis of Presentation

The financial statements of the Board of Education (Board) of the Borough of Montvale School District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District is required to follow the pronouncements of the Financial Accounting Standards Board (FASB) issued through November 30, 1989 (when applicable) that do not conflict with or contradict GASB pronouncements. Although the District has the option to apply FASB pronouncements issued after that date to its business-type activities and enterprise funds, the District has chosen not to do so. The more significant accounting policies established in GAAP and used by the District are discussed below.

In June 1999, the GASB issued Statement No. 34, Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments. This Statement established new financial reporting requirements for state and local governments throughout the United States. It required new information and restructuring much of the information that governments had presented in the past. The District began implementing these standards for the fiscal year ending June 30, 2004.

Other GASB Statements were also required to be implemented in conjunction with GASB Statements No. 34. Therefore, the District implemented for the fiscal year ending June 30, 2004, Statement No. 37 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments: Omnibus, and Statement No. 38 – Certain Financial Statement Note Disclosures.

B. Reporting Entity

The Borough of Montvale School District 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.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is the degree of oversight responsibility maintained by the District. Oversight responsibility includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations and accountability for fiscal matters. The combined financial statements include all funds of the District over which the Board exercises operating control. The operations of the District include one elementary and one middle school located in Montvale. 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.

Note I: Summary of Significant Accounting Policies (Continued)

C. Basic Financial Statements- Government-Wide Statements

The statement of net assets and the statement of activities display information about the District. These statements include the financial activities of the District, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties.

The statement of activities presents a comparison between direct expenses and program revenues for each segment of the business-type activities of the District and for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (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. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

D. Basic Financial Statements- Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprises its assets, liabilities, reserves, fund equity, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

The following fund types are used by the District:

Governmental Fund Types

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

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

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

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

Note I: Summary of Significant Accounting Policies (Continued)

D. Basic Financial Statements- Fund Financial Statements (Continued)

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

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

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

Proprietary Fund Type

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

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

The District's Enterprise Fund are comprised of the Special Milk and Safetytown operations.

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

Special Milk Program:	
Equipment	12 Years
Light Trucks and Vehicle	4 Years
Heavy Trucks and Vehicle	6 Years

Fiduciary Fund Types

Fiduciary Funds are used to report assets held in a trustee or agency capacity for others and therefore are not available to support District programs. The reporting focus is on net assets and changes in net assets and are reported using accounting principles similar to proprietary funds.

The District's fiduciary funds are presented in the fiduciary fund financial statements by type (Unemployment Compensation and agency). Since by definition these assets are being held for the benefit of a third party (other local governments, private parties, pension participants, etc.) and cannot be used to address activities or obligations of the government, these funds are not incorporated into the government-wide statements.

Note I: Summary of Significant Accounting Policies (Continued)

E. Measurement Focus and Basis of Accounting

The government-wide, proprietary and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include state and federal aid, property taxes, grants entitlements and donations.

Government funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. 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. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Ad Valorem (Property) Taxes are susceptible to accrual as under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. The District is entitled to receive moneys under the established payment schedule and the unpaid amount is considered to be an "accounts receivable".

F. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue and debt service funds. The budgets are submitted to the county office and are voted upon at the annual school election on the third Tuesday in April. 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 must be approved by School Board resolution. Appropriation of additional fund balance in the amount of $158,970.00 and prior year encumbrances in the amount of $73,421.75 were made during the year ended June 30, 2011. The significant budget transfers and amendments approved in the school year are presented on Exhibit C-1.

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 legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

Note I: Summary of Significant Accounting Policies (Continued)

F. Budgets/Budgetary Control (Continued)

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

The reconciliation of the general and special revenue funds from the budgetary basis of accounting to the GAAP basis of accounting is presented on Exhibit C-3.

G. Assets, Liabilities and Fund Equity

1. Deposits and Investments

Deposits are cash and cash equivalents including petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. Other than Certificates of Deposit, deposits with maturities of greater than three months are considered to be Investments. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

2. Short – term Interfund Receivables/Payables

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

3. Inventories

Inventories, which benefit future periods, other than those recorded in the enterprise fund are recorded as expenditure during the year of purchase.

4. Capital Assets

Capital assets purchased or acquired with an original cost of $2,000 or more are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on the following assets is provided on the straight – line basis over the following estimated useful lives:

Buildings	20-50 years
Machinery and Equipment	5-10 years
Land Improvements	10-20 years
Other Infrastructure	10-50 years

Land and Construction in Progress are not depreciated.

Note I: Summary of Significant Accounting Policies (Continued)

G. Assets, Liabilities and Fund Equity (Continued)

4. Capital Assets (Continued)

GASB No. 34 requires the District to report and depreciate new infrastructure assets effective with the beginning of the current year. Neither their historical cost nor related depreciation has historically been reported in the financial statements. The retroactive reporting of infrastructure is subject to an extended implementation period and is first effective for fiscal years ending in 2006.

5. Compensated Absences

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

In governmental and similar trust funds, compensated absences that are expected to be liquidated with expendable available financial resources are reported as an expenditure and fund liability in the fund that will pay for the compensated absences. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations. (See Note IX)

6. Deferred Revenue

Deferred revenue in the special revenue fund represents cash which has been received but not yet earned. See Note 1(F) regarding the special revenue fund.

7. Long – term Obligations

Long – term debt is recognized as a liability of a governmental fund when due, or when resources have been accumulated in the debt service fund for payment early in the following year. For other long – term obligations, only that portion expected to be financed from expendable available financial resources is reported as a fund liability of a governmental fund. The noncurrent portion (the amount estimated to be used in subsequent fiscal years) for governmental funds is maintained separately and represents a reconciling item between the fund and government – wide presentations.

8. Fund Equity

Reserves represent those portions of fund equity not appropriable for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

9. Use of Estimates

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

Note II: Reconciliation of Government Wide and Fund Financial Statements

Explanation of Differences between Governmental Funds Balance Sheet and the Statement of Net Assets

"Total fund balances" of the District's governmental funds in B-1 differs from "net assets" of governmental activities reported in the statement of net assets in A-1. This difference primarily results from the long - term economic focus of the statement of net assets versus the current financial resources focus of the governmental fund balance sheets.

Balance Sheet/Statement of Net Assets

Assets	Total Governmental Funds	Long - term Assets Liabilities (1)	Reclassifications and Eliminations	Statement of Net Assets Totals
Cash and cash equivalents	$ 1,660,433.93	$ -	$ (559,967.12)	$ 1,100,466.81
Receivables, net			346,543.97	346,543.97
Interfund Receivables	4,661.48			4,661.48
Receivables from Other Governments	336,865.60		(336,865.60)	-
Other Receivables	9,678.37		(9,678.37)	-
Restricted assets:				
Cash and cash equivalents			559,967.12	559,967.12
Capital Reserve Account - cash	138,262.86			138,262.86
Capital Assets, net	-	10,781,720.40	-	10,781,720.40
Total Assets	$ 2,149,902.24	$ 10,781,720.40	$ -	$ 12,931,622.64
Liabilities				
Accounts Payable	$ 171,352.38	$ -	$ -	$ 171,352.38
Contracts Payable	6,727.75			6,727.75
Bond Interest Payable			31,604.28	31,604.28
Deferred Revenue	16,590.43			16,590.43
Noncurrent Liabilities	-	5,574,000.00	292,447.38	5,866,447.38
Total Liabilities	194,670.56	5,574,000.00	324,051.66	6,092,722.22
Fund Balances/Net Assets				
Net Assets				
Invested in capital assets, net of related debt		5,207,720.40		5,207,720.40
Restricted for:				
Capital projects	738,477.83			738,477.83
Debt Service			(31,604.28)	(31,604.28)
Other purposes	392,454.65			392,454.65
Unrestricted	824,299.20	-	(292,447.38)	531,851.82
Total Fund Balances/Net Assets	1,955,231.68	5,207,720.40	(324,051.66)	6,838,900.42
Total Liabilities and Fund Balances/Net Assets	$ 2,149,902.24	$ 10,781,720.40	$ -	$ 12,931,622.64

1. When Capital Assets (land, buildings, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net assets includes those capital assets among the assets of the District as a whole.

Cost of capital assets	$ 16,076,088.99
Accumulated depreciation	(5,294,368.59)
	$ 10,781,720.40

Long - term liabilities applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities - both current and long - term are reported in the of net assets.

Serial Bonds	$ 5,574,000.00
Compensated Absences	292,447.38
	$ 5,866,447.38

Adjustment to Debt Service Fund net assets for the accrual of interest expense. $ (31,604.28)

Note II: Reconciliation of Government Wide and Fund Financial Statements (Continued)

Explanation of Differences between Governmental Funds Operating Statement of Activities

The "net change in fund balances" for governmental funds in B-2 differs from the "change in net assets" for governmental activities reported in the statement of activities in A-2. The difference arise primarily for the long - term economic focus of the statement of activities versus the current financial resources focus of the governmental funds. The effect of the differences is illustrated below.

Statement of Revenues, Expenditures, and Changes in Fund Balance/Statement of Activities

	Total Governmental Funds	Long - term Revenue, Expenses (2)	Capital Related Items (3)	Long - term Debt Transactions (4)	Reclassifications and Eliminations (5)	Statement of Activities Totals
Revenues and Other Sources						
Local Tax Levy	$ 13,802,716.00	$ -	$ -	$ -	$ -	$ 13,802,716.00
Tuition Charges	15,625.00					15,625.00
Transportation Fees	34,095.13					34,095.13
Interest Earned on Investments	12,317.27					12,317.27
Miscellaneous	54,628.53					54,628.53
State Sources	1,335,345.41					1,335,345.41
Federal Sources	308,629.82	-	-	-	-	308,629.82
Total	15,563,357.16	-	-	-	-	15,563,357.16
Expenditures						
Current:						
Regular instruction	5,124,932.35		285,235.76	(16,857.99)	1,774,509.89	7,167,820.01
Special education	885,372.84		38,762.98	22,950.98	271,231.54	1,218,318.34
Other instruction	393,071.44		7,985.59	688.96	144,310.06	546,056.05
Support Services and undistributed costs:						
Tuition	541,220.33					541,220.33
Student and instruction related services	1,631,146.17				453,671.06	2,084,817.23
School administrative services	616,964.58		10,668.59	9,268.67	223,922.91	860,824.75
General and business administrative services	656,067.61		10,668.59		208,756.30	875,492.50
Plant operations and maintenance	1,111,536.77		3,190.93		228,135.91	1,342,863.61
Pupil transportation	505,848.80				1,052.22	506,901.02
Unallocated Benefits	3,305,589.89				(3,305,589.89)	-
Capital Outlay	206,564.39		(206,564.39)			-
Debt Service:						
Principal	380,000.00			(380,000.00)		-
Interest	268,409.26	(2,171.88)	-		-	266,237.38
Total	15,626,724.43	(2,171.88)	149,948.05	(363,949.38)	-	15,410,551.22
Other Financing Uses/Changes in Net Assets:						
Debt Service Assessment			(32,950.00)			(32,950.00)
N.J. Schools Development Authority Grants	$ 59,648.40		-			59,648.40
Total	59,648.40	-	(32,950.00)	-	-	26,698.40
Net Change for the Year	$ (3,718.87)	$ 2,171.88	$ (182,898.05)	$ 363,949.38	$ -	$ 179,504.34

2. In the statement of activities, interest on long -term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliations. (+) $ 2,171.88

3. 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 which capital outlays exceeded depreciation in the period.

Depreciation expense	$ (356,512.44)
Capital outlays	206,564.39
	$ (149,948.05)

A Debt Service Assessment which is a capital outlay expenditure but not included in capital assets. $ (32,950.00)

3. In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net assets will differ from the change in fund balance by the cost of the asset removed. (-) $ -

3. Revenues in the statement of activities which do not provide current financial resources are not reported as revenues in the funds. (Donated Capital Assets) (+) $ -

4. In the statement of activities, certain operating expenses, e.g. compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the differences is an addition to the reconciliation (+). $ (16,050.62)

Payment of long-term liability principal is an expenditure in the government funds, but the payment reduces long - term liabilities in the statement of net assets and is not reported in the statement of activities. -

Debt principal	380,000.00
Capital lease principal	-
	$ 363,949.38

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

Proceeds of long - term debt	$ -
Capital lease proceeds	-
	$ -

5. Allocate Benefits expenditures

Note III: Detailed Disclosure Regarding Assets and Revenues

A. Deposits and Investments

Deposits

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey which are insured by the Federal Deposit Insurance Corporation (FDIC), the Savings Association Insurance Fund, or by any other agencies of the United States that insure deposits or the State of New Jersey Cash Management Fund.

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

At June 30, 2011 the Borough of Montvale School District's cash and cash equivalent's amounted to $2,312,083.57. Of this amount, $250,000.00 was covered by federal depository insurance (F.D.I.C.) and $322,343.16 was covered by a collateral pool maintained by the banks as required by GUDPA

At June 30, 2011, the Borough of Montvale School District's participation in the State of New Jersey Cash Management Fund amounted to $1,739,740.41.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, requires the disclosure of bank deposits that are subject to custodial credit risk. The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Borough of Montvale School District will not be able to recover deposits or will not be able to recover collateral securities that may be in the possession of an outside party.

As of June 30, 2011, $1,739,740.41 of the Borough of Montvale School District's cash and cash equivalents of $2,312,083.57 was exposed to custodial credit risk as follows:

Uninsured and collateral held by public depository or by its' trust department not in the Borough of Montvale School District's name	$ 1,739,740.41
	$ 1,739,740.41

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

A. Deposits and Investments (Continued)

Investments

New Jersey statutes (N.J.S.A. 18A:20-37) permit the Borough of Montvale School District to purchase the following types of securities:

a. When authorized by resolution adopted by a majority vote of all its members the board of education of any school district may use moneys which may be in hand for the purchase of the following types of securities which, if suitable for registry, may be registered in the name of the school district;

(1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
(2) Government money market mutual funds;
(3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
(4) Bonds or other obligations of the school district or bonds or other obligations of local unit or units within which the school district is located;
(5) 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 school district;
(6) Local government investment pools:
(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4) or
(8) Agreements for the repurchase of fully collateralized securities, if:
(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a;
(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 section 1 of P.L. 1970, c.236 (C.17:9-41) and for which a master repurchase agreement providing for the custody and security of collateral is executed.

The Borough of Montvale School District had no investments as described in Note I:G.1 at June 30, 2011.

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

B. Interfund Receivables and Payables

As of June 30, 2011, interfund receivables and payables resulting from various interfund transactions were as follows:

	Due from Other Funds	Due to Other Funds
General Fund	$ 4,661.48	
Enterprise Fund		$ 4,661.48

New Jersey statute requires that interest earned on the investments in capital projects fund be credited to the general fund or debt service based on Board resolution. In accordance with Board resolution, accrued interest as of June 30,2011 in the amount of $1,288.23 was transferred to debt service fund to offset future interest payments to bondholders.

Note III: Detailed Disclosure Regarding Assets and Revenues (Continued)

C. Capital Assets

Capital asset activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Additions	Adjustment	Ending Balance
Governmental activities:				
Capital assets not being depreciated:				
Land	$ 250,000.00	$ -	$ -	$ 250,000.00
Construction in Progress	-	-	-	-
Total Capital assets not being depreciated	250,000.00	-	-	250,000.00
Land Improvements	903,752.60	43,728.23		947,480.83
Buildings and Improvements	14,485,196.32	129,886.16		14,615,082.48
Machinery and Equipment	263,525.68	-	-	263,525.68
Totals at historical cost	15,652,474.60	173,614.39	-	15,826,088.99
Less accumulated depreciation for:				
Land Improvements	(442,252.41)	(47,374.02)		(489,626.43)
Buildings and Improvements	(4,305,822.95)	(287,655.85)		(4,593,478.80)
Machinery and Equipment	(189,780.79)	(21,482.57)	-	(211,263.36)
Total accumulated depreciation	(4,937,856.15)	(356,512.44) (1)	-	(5,294,368.59)
Net capital assets being depreciated	10,714,618.45	(182,898.05)	-	10,531,720.40
Governmental activities capital assets, net	$ 10,964,618.45	$ (182,898.05)	$ -	$ 10,781,720.40
Business - type activities:				
Equipment	$ 35,989.63	$ -	$ -	$ 35,989.63
Less accumulated depreciation	(29,979.94)	(1,232.01)	-	(31,211.95)
Business - type activities capital assets, net	$ 6,009.69	$ (1,232.01)	$ -	$ 4,777.68

(1) Depreciation expense was charged to governmental functions as follows:

Instruction	$ 285,235.76
Special Education	38,762.98
Other Instruction (Athletic)	7,985.59
School Administrative Services	10,668.59
General and Business Administrative Services	10,668.59
Plant Operations and Maintenance	3,190.93
	$ 356,512.44

Note IV: Detailed Disclosures Regarding Liabilities and Expenses/Expenditures

A. Operating Leases

The District has commitments to lease computers and copying equipment under operating leases which expire in 2016. Total operating lease payments made during the year ended June 30, 2011 were $43,809.36 . Future minimum lease payments are as follows:

Year Ended	Amount
June 30, 2012	$ 147,341.44
June 30, 2013	107,850.29
June 30, 2014	105,486.29
June 30, 2015	63,613.44
June 30, 2016	58,312.32
Total future minimum lease payments	$ 482,603.78

B. Long - Term Liabilities

Long - Term liability activity for the year ended June 30, 2011 was as follows:

	Beginning Balance	Accrued	Paid	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Long - Term debt:					
Serial Bonds	$ 5,954,000.00	$ -	$ (380,000.00)	$ 5,574,000.00	$ 390,000.00
Total debt payable	5,954,000.00	-	(380,000.00) (1)	5,574,000.00	390,000.00
Other liabilities:					
Compensated absences	276,396.76	44,750.62	(28,700.00)	292,447.38	25,200.00
Total other liabilities	276,396.76	44,750.62	(28,700.00) (2)	292,447.38	25,200.00
Governmental activities long - term liabilities	$ 6,230,396.76	$ 44,750.62	$ (408,700.00)	$ 5,866,447.38	$ 415,200.00

(1) Paid by debt service fund
(2) Paid by general fund

Note IV: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

B. Long – Term Liabilities (Continued)

1. Bonds Payable

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

Serial Bonds outstanding as of June 30, 2011 consisted of the following:

Description	Interest Rate	Due Date	Maturity Date	Amount Issued	Amount Outstanding
School Bonds of 2001	Various	5/15	2021	$5,983,000.00	$3,533,000.00
School Bonds of 2006	Various	11/15	2026	2,371,000.00	2,041,000.00
				$8,354,000.00	$5,574,000.00

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

Year ending June 30,	Principal	Interest	Total
2012	$390,000.00	$251,034.25	$641,034.25
2013	415,000.00	233,084.25	648,084.25
2014	430,000.00	213,984.25	643,984.25
2015	445,000.00	194,209.25	639,209.25
2016	460,000.00	173,334.25	631,671.75
2017	480,000.00	151,671.75	633,334.25
2018	495,000.00	129,221.75	624,221.75
2019	510,000.00	106,084.25	616,084.25
2020	525,000.00	82,259.25	607,259.25
2021	533,000.00	57,746.75	590,746.75
2022	145,000.00	32,888.00	177,888.00
2023	150,000.00	26,988.00	176,988.00
2024	150,000.00	20,988.00	170,988.00
2025	150,000.00	14,988.00	164,988.00
2026	150,000.00	8,950.50	158,950.50
2027	146,000.00	2,956.50	148,956.50
	$5,574,000.00	$1,700,389.00	$7,274,389.00

Note IV: Detailed Disclosure Regarding Liabilities and Expenses/Expenditures (Continued)

B. Long – Term Liabilities (Continued)

2. Temporary Notes

There were no Temporary Notes outstanding as of June 30, 2011.

3. Bonds Authorized But Not Issued

As of June 30, 2011, the Board had authorized but not issued bonds in the amount of $640.00.

4. Capital Leases Payable

There were no Capital Leases as of June 30, 2011.

Note V: Detailed Disclosure Regarding Fund Equity

A. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended by P.L.2004, C.73 (S1701),the designation for Reserved Fund Balance—Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2011 is $347,394.33. The reserved fund balance of $35,595.90 has been appropriated in the fiscal year 2011 -2012 and $311,798.43 will be appropriated in the fiscal year 2013 -2014.

Note V: Detailed Disclosure Regarding Fund Equity (Continued)

B. Capital Reserve Account

During fiscal year 1996-1997 the Board passed a resolution for the establishment of a capital reserve account. The 1997-1998 certified budget included a $200,000.00 Board approved transfer from excess unreserved fund balance 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 department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional 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. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

1997-1998 Budget (described above)	$ 200,000.00
1997-1998 Investment Income	10,483.89
1998-1999 Budget (Unreserved Fund Balance)	25,000.00
1998-1999 Investment Income	12,273.94
1999-2000 Investment Income	12,387.89
2000-2001 Budgeted Withdrawal	(134,625.00)
2000-2001 Investment Income	9,910.31
2001-2002 Investment Income	10,539.67
2002-2003 Investment Income	59.00
2002-2003 Budget Withdrawal	(104,362.00)
2003-2004 Unexpended Capital Project	36,793.29
2003-2004 Investment Income	1,250.03
2004-2005 Investment Income	1,992.78
2005-2006 Investment Income	2,165.67
2006-2007 Investment Income	4,035.20
2007-2008 Investment Income	843.87
2007-2008 Budget Withdrawal	(19,900.00)
2008-2009 Budget (Unreserved Fund Balance)	150,000.00
2008-2009 Investment Income	(692.48)
2009-2010 Investment Income	1,869.50
2010-2011 Investment Income	102.34
2010-2011 Budget Withdrawal	(83,250.00)
Balance June 30, 2011	$ 138,262.86

The June 30, 2011 LRFP balance of local support costs of uncompleted capital projects at June 30, 2011 is $272,100.00. However, the LRFP is in the process of being revised.

Note VI: Pension Plans

Description of Systems

Substantially all of the Board's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the New Jersey Division of Pensions and Benefits. The Teachers' Pension and Annuity Fund retirement system is considered a cost sharing plan with special funding situations as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The PERS is considered a cost sharing multiple-employer defined benefit plan.

The Public Employees' Retirement System (PERS) was established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school district or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 8 to 10 years of service for pension benefits and 25 years for post – retirement health care coverage.

The Teachers' Pension and Annuity Fund (TPAF) was established in January 1955, under the provisions of N.J.S.A. 18:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post – retirement health care coverage.

According to the state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement systems terminate. The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits issues a publicly available financial report that includes the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey Division of Pensions and Benefits website at www.state.nj.us/treasury/pensions

Retirement Benefits

For PERS and TPAF employees, the benefits will be 1/55 of the average of the three highest years compensation for each year of service. However, for PERS and TPAF who are veterans of the U.S. armed forces, the benefits will be 1/55 of final compensation for each year of service.

Significant Legislation

P.L. 2010, c.1, effective May 21, 2010, made a number of changes to the State-administered retirement systems concerning eligibility, the retirement allowance formula, the definition of compensation, the positions eligible for service credit, the non-forfeitable right to a pension, the prosecutor's part of the PERS, special retirement under the PFRS, and employer contributions to the retirement systems.

Note VI: Pension Plans (Continued)

Significant Legislation (Continued)

This new legislation changed the membership eligibility criteria for new members of TPAF and PERS from the amount of annual compensation to the number of hours worked weekly. Also, it returned the benefit multiplier for new members of TPAF and PERS to 1/60 from 1/55, and it provided that new members of TPAF and PERS have the retirement allowance calculated using the average annual compensation for the last five years of service instead of the last three years of service. New members of TPAF and PERS will no longer receive pension service credit from more than one employer. Pension service credit will be earned for the highest paid position only. For new members of the PFRS, the law capped the maximum compensation that can be used to calculate a pension from these plans at the annual wage contribution base for Social Security, and requires the pension to be calculated using a three year average annual compensation instead of the last year's salary. This law also closed the prosecutor's part of the PERS to new members and repealed the law for new members that provided a non-forfeitable right to receive a pension based on the laws of the retirement system in place at the time five years of pension service credit is attained. The law also requires the State to make its full pension contribution, defined as $1/7^{th}$ of the required amount, beginning in Fiscal Year 2012.

P.L. 2010, c.3, effective May 21, 2010, replaced the accidental and ordinary disability retirement for new members of the TPAF and PERS with disability insurance coverage similar to that provided by the State to individuals enrolled in the State's Defined Contribution Retirement Program.

Funding Status and Funding Progress

As of June 30, 2009, the most recent actuarial valuation date, the aggregate funded ratio for the retirement systems (TPAF, PERS, PFRS, POPF, CPFPF, JRS, and SPRS) is 66.0 percent with an unfunded actuarial accrued liability of $45.8 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 62.0 percent and $30.7 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 72.1 percent and $15.1 billion.

The required supplementary information regarding the funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared o past expectations and new estimates are made about the probability of future events.

Note VI: Pension Plans (Continued)

Contribution Requirements

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan member and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. The pension funds provide for employee contributions based on 5.5 percent for TPAF and 5.5 percent for PERS of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in all Funds. The actuarially determined employer contribution includes funding for cost-of living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premiums.

Note VI: Pension Plans (Continued)

Contribution Requirements (Continued)

During the state fiscal year ended June 30, 2010, for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, annual pension cost equals contributions made.

The District's total payroll for the year ended June 30, 2011 was $8,855,053.81 and covered payroll was $6,780,046.00 for TPAF and $1,419,561.00 for PERS. Contributions to the TPAF and the PERS for the year ended June 30, 2010 made by the employees, the Board, and the State of New Jersey on behalf of the Board were as follows:

		TPAF	Percent of Covered Payroll	PERS	Percent of Covered Payroll
Employees	6/30/11	$332,403.83	4.90%	$78,076.38	5.50%
	6/30/10	342,702.57	4.87%.	78,714.70	5.56%
	6/30/09	338,519.56	4.92	71,444.82	5.61%
Board5 of Education	6/30/11	N/A	N/A	153,201.00	10.79%
	6/30/10	N/A	N/A	114,527.00	8.09%
	6/30/09	N/A	N/A	93,040.60	7.31%
State of New Jersey	6/30/11	487,672.00	7.19%	N/A	N/A
	6/30/10	475,936.00	6.76%	N/A	N/A
	6/30/09	478,186.00	6.95%	N/A	N/A

In accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board $508,631.41 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount and the State of New Jersey's Contribution to the TPAF have been included in the basic financial statements and the budgetary comparison schedule – General Fund as a revenue and expenditure in accordance with GASB 24.

Note VII: Post-Retirement Medical Benefits

P.L. 1987, c.384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund and the Public Employees' Retirement System, respectively, to fund post-retirement medical benefits for those employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees receiving post-retirement medical benefits and the state contributed $883.8 million 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 benefits changed from a pre-funding 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 free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid $126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in Fiscal Year 2010.

Note VIII: Risk Management

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 table is a summary of district contributions, employee contributions, reimbursements to the state for benefits paid and the ending balance of the district's trust fund for the current and previous two years:

Fiscal Year	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2010-2011	$ 0.00	$ 13,962.73	$ 30,738.55	$ 84,145.32
2009-2010	50,000.00	13,780.52	58,115.09	100,732.26
2008-2009		12,474.58	13,441.26	94,791.35

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 is a member of the South Bergen Workers Compensation Plan (the "Plan"). The Plan is a self-administered group of school districts established for the purpose of providing certain low-cost workers' compensation insurance coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessment to the Plan and should it be determined the payments received by the Plan are deficient, additional assessments may be levied.

The District is also a member of the School Alliance Insurance Fund (the "Fund"). The Fund is both an insured and self-administered group of school districts established for the purpose of providing certain low-cost Property Damage, Employer's Liability, Automobile and Equipment Liability, Environmental Liability, School Board Legal Liability and Boiler and Machinery insurance coverage for member school districts in order to keep local property taxes at a minimum. The District pays an annual assessment to the Fund and should it be determined that payments received by the Fund are deficient, additional assessments may be levied. Additionally, the Fund maintains a contract of excess insurance with a commercial reinsuror to secure the payment of benefits.

Note VIII: Risk Management (Conrinued)

The District continues to carry commercial insurance coverage for all other risks of loss, including employee health and accident insurance. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note IX: 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 vacation and sick leave in varying amounts under the District's personnel policies. In the event of termination, an employee is reimbursed for accumulated vacation. Sick leave benefits provide for ordinary sick pay and begin vesting with the employee upon reaching eligibility for retirement under a state retirement plan.

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

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, 2011, no liability existed for compensated absences in the Special Milk Program or Safety Town Funds.

REQUIRED SUPPLEMENTARY INFORMATION - PART II

Section C

BUDGETARY COMPARISON SCHEDULES

Exhibit C-1

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:						
Local Sources:						
Local Tax Levy		$ 13,197,682.00	$ -	$ 13,197,682.00	$ 13,197,682.00	$ -
Tuition		6,075.00	-	6,075.00	15,625.00	9,550.00
Transportation Fees		37,700.00	-	37,700.00	34,095.13	(3,604.87)
Interest Earned on Investments		25,000.00	-	25,000.00	10,926.70	(14,073.30)
Interest Earned on Capital Reserve Funds		400.00	-	400.00	102.34	(297.66)
Miscellaneous		23,350.00		23,350.00	35,243.53	11,893.53
Total - Local Sources		13,290,207.00		13,290,207.00	13,293,674.70	3,467.70
State Sources:						
Categorical Special Education Aid		82,664.00	-	82,664.00	82,664.00	-
TPAF Wage Freeze Grant			-		12,005.00	12,005.00
Extraordinary Aid			-		171,986.00	171,986.00
Nonpublic Transportation Aid			-		5,220.00	5,220.00
TPAF Pension (On-Behalf - Non-Budgeted)			-		487,672.00	487,672.00
TPAF Social Security (Reimbursed - Non-Budgeted)		-	-	-	508,631.41	508,631.41
Total State Sources		82,664.00	-	82,664.00	1,268,178.41	1,185,514.41
Total Revenues		13,372,871.00	-	13,372,871.00	14,561,853.11	1,188,982.11
EXPENDITURES:						
Current Expense:						
Regular Programs - Instruction						
Preschool - Salaries of Teachers	105-100-101	$ 35,546.00	$ 2,735.00	$ 38,281.00	$ 38,276.25	$ 4.75
Kindergarten - Salaries of Teachers	110-100-101	462,927.00	17,959.00	480,886.00	480,739.55	146.45
Grades 1-5 - Salaries of Teachers	120-100-101	2,545,196.00	(67,856.00)	2,477,340.00	2,477,338.05	1.95
Grades 6-8 - Salaries of Teachers	130-100-101	1,739,123.00	(95,308.00)	1,643,815.00	1,637,775.17	6,039.83
Regular Programs - Home Instruction:			-			
Salaries of Teachers	150-100-101	1,500.00	525.00	2,025.00	2,021.25	3.75
Regular Programs - Undistributed Instruction			-			
Other Salaries for Instruction	190-100-106	54,145.00	20,210.00	74,355.00	74,107.10	247.90
Purchased Professional-Educational Services	190-100-320	37,000.00	(16,290.00)	20,710.00	20,708.89	1.11
Purchased Technical Services	190-100-340	2,000.00	-	2,000.00	1,500.00	500.00
Other Purchased Services (400-500 series)	190-100-500	40,687.00	-	40,687.00	40,506.27	180.73
General Supplies	190-100-610	265,385.00	1,497.15	266,882.15	261,569.65	5,312.50
Textbooks	190-100-640	29,610.00	48,410.00	78,020.00	69,505.17	8,514.83
TOTAL REGULAR PROGRAMS - INSTRUCTION		5,213,119.00	(88,117.85)	5,125,001.15	5,104,047.35	20,953.80
SPECIAL EDUCATION - INSTRUCTION						
Learning and/or Language Disabilities:						
Salaries of Teachers	204-100-101	28,825.00	(28,825.00)			-
Other Salaries for Instruction	204-100-106	7,770.00	(7,770.00)			-
General Supplies	204-100-610	1,000.00	-	1,000.00	-	1,000.00
Total Learning and/or Language Disabilities		37,595.00	(36,595.00)	1,000.00	-	1,000.00
Resource Room/Resource Center:						
Salaries of Teachers	213-100-101	640,289.00	541.00	640,830.00	628,640.49	12,189.51
Other Purchased Services (400-500 series)	213-100-500	1,500.00	-	1,500.00	1,000.00	500.00
General Supplies	213-100-610	8,550.00	-	8,550.00	8,549.27	0.73
Total Resource Room/Resource Center		650,339.00	541.00	650,880.00	638,189.76	12,690.24
Preschool Disabilities - Part-Time:						
Salaries of Teachers	215-100-101	59,806.00	6,471.00	66,277.00	66,276.83	0.17
Other Salaries for Instruction	215-100-106	22,346.00	(85.00)	22,261.00	13,491.59	8,769.41
Purchased Professional-Educational Services	215-100-320	21,050.00	(6,386.00)	14,664.00	300.00	14,364.00
Other Purchased Services (400-500 series)	215-100-500	200.00	-	200.00	150.00	50.00
General Supplies	215-100-610	2,000.00	-	2,000.00	1,999.77	0.23
Total Preschool Disabilities - Part-Time		105,402.00	-	105,402.00	82,218.19	23,183.81
Home Instruction:						
Salaries of Teachers	219-100-101	1,800.00	-	1,800.00		1,800.00
Total Home Instruction		1,800.00	-	1,800.00	-	1,800.00
TOTAL SPECIAL EDUCATION - INSTRUCTION		795,136.00	(36,054.00)	759,082.00	720,407.95	38,674.05
Basic Skills/Remedial - Instruction						
Salaries of Teachers	230-100-101	272,172.00	(10,116.00)	262,056.00	261,704.00	352.00
General Supplies	230-100-610	1,950.00	-	1,950.00	1,949.71	0.29
Total Basic Skills/Remedial - Instruction		274,122.00	(10,116.00)	264,006.00	263,653.71	352.29
Bilingual Education - Instruction						
Salaries of Teachers	240-100-101	66,079.00	(2,024.00)	64,055.00	59,994.50	4,060.50
General Supplies	240-100-610	600.00	-	600.00	599.63	0.37
Total Bilingual Education - Instruction		66,679.00	(2,024.00)	64,655.00	60,594.13	4,060.87
School-Spon. Cocurricular Actvts. - Inst.						
Salaries	401-100-100	14,433.00	25,825.00	40,258.00	36,867.00	3,391.00
Purchased Services (300-500 series)	401-100-500	500.00	1,000.00	1,500.00	804.97	695.03
Supplies and Materials	401-100-600	500.00	1,000.00	1,500.00	835.48	664.52
Total School-Spon. Cocurricular Actvts. - Inst.		15,433.00	27,825.00	43,258.00	38,507.45	4,750.55

Exhibit C-1

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
School-Spon. Athletics - Instruction						
Salaries	402-100-100	$ -	$ 24,491.00	$ 24,491.00	$ 24,491.00	$ -
Purchased Services (300-500 series)	402-100-500		7,500.00	7,500.00	3,650.00	3,850.00
Supplies and Materials	402-100-600		2,300.00	2,300.00	2,175.15	124.85
Total School-Spon. Athletics - Instruction		-	34,291.00	34,291.00	30,316.15	3,974.85
Total Instruction		6,364,489.00	(74,195.85)	6,290,293.15	6,217,526.74	72,766.41
Undistributed Expenditures - Instruction:						
Tuition to Other LEAs Within the State - Special	000-100-562	212,987.00	-	212,987.00	201,528.57	11,458.43
Tuition to CSSD & Regional Day Schools	000-100-565	197,980.00	103,200.00	301,180.00	282,800.00	18,380.00
Tuition to Private Schools for the Disabled - Within State	000-100-566	202,700.00	(103,200.00)	99,500.00	56,891.76	42,608.24
Total Undistributed Expenditures - Instruction:		613,667.00	-	613,667.00	541,220.33	72,446.67
Undistributed Expend. - Attend. & Social Work						
Salaries	000-211-100	9,934.00	(25.00)	9,909.00	9,552.00	357.00
Supplies and Materials	000-211-600	100.00	-	100.00	49.92	50.08
Total Undistributed Expend. - Attend. & Social Work		10,034.00	(25.00)	10,009.00	9,601.92	407.08
Undist. Expend. - Health Services						
Salaries	000-213-100	143,570.00	8,199.00	151,769.00	151,768.20	0.80
Purchased Professional and Technical Services	000-213-300	17,479.00	3,495.00	20,974.00	20,970.00	4.00
Other Purchased Services (400-500 series)	000-213-500	950.00	490.00	1,440.00	1,437.89	2.11
Supplies and Materials	000-213-600	2,320.00	85.00	2,405.00	2,404.04	0.96
Total Undistributed Expenditures - Health Services		164,319.00	12,269.00	176,588.00	176,580.13	7.87
Undist. Expend. - Speech,OT,PT & Related Services						
Salaries of Other Professional Staff	000-216-100	191,375.00	-	191,375.00	179,570.55	11,804.45
Purchased Professional - Educational Services	000-216-320	600.00	-	600.00	475.49	124.51
Supplies and Materials	000-216-600	1,800.00	-	1,800.00	1,799.58	0.42
Total Undist. Expend. - Speech,OT,PT & Related Services		193,775.00	-	193,775.00	181,845.62	11,929.38
Undist. Expend. - Other Supp. Serv. Students - Extra Serv.						
Salaries of Other Professional Staff	000-217-100	264,880.00	-	264,880.00	251,773.07	13,106.93
Purchased Professional - Educational Services	000-217-320	142,830.00	8,020.00	150,850.00	145,191.61	5,658.39
Total Undist. Expend. - Other Supp. Serv. Students - Extra Serv.		407,710.00	8,020.00	415,730.00	396,964.68	18,765.32
Undist. Expend. - Guidance						
Salaries of Other Professional Staff	000-218-104	67,429.00	37,187.00	104,616.00	99,550.50	5,065.50
Other Purchased Services (400-500 series)	000-218-500	400.00	-	400.00	180.45	219.55
Supplies and Materials	000-218-600	650.00	-	650.00	649.32	0.68
Total Undist. Expend. - Guidance		68,479.00	37,187.00	105,666.00	100,380.27	5,285.73
Undist. Expend. - Child Study Team						
Salaries of Other Professional Staff	000-219-104	334,764.00	(9,620.00)	325,144.00	285,868.79	39,275.21
Salaries of Secretarial and Clerical Assistants	000-219-105	55,224.00	-	55,224.00	54,220.13	1,003.87
Purchased Professional - Educational Services	000-219-320	54,611.00	-	54,611.00	54,110.96	500.04
Other Purchased Prof. and Tech. Services	000-219-390	27,200.00	1,830.00	29,030.00	18,780.00	10,250.00
Misc. Pur. Serv. (400-500 series) Other Than Residential Costs	000-219-592	225.00	1,600.00	1,825.00	1,807.50	17.50
Supplies and Materials	000-219-600	5,350.00	-	5,350.00	4,357.56	992.44
Total Undist. Expend. - Child Study Team		477,374.00	(6,190.00)	471,184.00	419,144.94	52,039.06
Undist. Expend. - Improvement of Inst. Serv.						
Salaries of Supervisor of Instruction	000-221-102	105,445.00	-	105,445.00	101,385.80	4,059.20
Salaries of Other Professional Staff	000-221-104	3,500.00	(3,500.00)			-
Purchased Prof- Educational Services	000-221-320	572.00	3,500.00	4,072.00	1,659.34	2,412.66
Other Purch Services (400-500)	000-221-500	1,000.00	-	1,000.00	843.76	156.24
Supplies and Materials	000-221-600	1,100.00	-	1,100.00	1,099.83	0.17
Total Undist. Expend. - Improvement of Inst. Serv.		111,617.00	-	111,617.00	104,988.73	6,628.27
Undist. Expend. - Edu. Media Serv./Sch. Library						
Salaries	000-222-100	24,953.00	34,602.00	59,555.00	59,555.00	-
Purchased Professional and Technical Services	000-222-300	4,192.00	-	4,192.00	3,959.00	233.00
Supplies and Materials	000-222-600	14,300.00	-	14,300.00	14,299.30	0.70
Total Undist. Expend. - Edu. Media Serv./Sch. Library		43,445.00	34,602.00	78,047.00	77,813.30	233.70
Undist. Expend. - Instructional Staff Training Serv.						
Salaries of Other Professional Staff	000-223-104	10,000.00	980.00	10,980.00	10,980.00	-
Purchased Professional - Educational Service	000-223-320	10,000.00	-	10,000.00	9,080.62	919.38
Other Purchased Services (400-500 series)	000-223-500	6,950.00	(980.00)	5,970.00	4,027.30	1,942.70
Supplies and Materials	000-223-600	3,000.00	-	3,000.00	1,924.18	1,075.82
Total Undist. Expend. - Instructional Staff Training Serv.		29,950.00	-	29,950.00	26,012.10	3,937.90
Undist. Expend. - Supp. Serv. - General Admin.						
Salaries	000-230-100	245,125.00	(6,400.00)	238,725.00	235,754.00	2,971.00
Legal Services	000-230-331	20,000.00	(810.00)	19,190.00	4,730.50	14,459.50
Audit Fees	000-230-332	12,800.00	-	12,800.00	6,000.00	6,800.00
Architectural/Engineering Services	000-230-334	5,000.00	17,800.00	22,800.00	1,116.94	21,683.06
Other Purchased Professional Services	000-230-339	8,100.00	-	8,100.00	3,025.00	5,075.00
Purchased Technical Services	000-230-340	8,595.00	-	8,595.00	8,345.80	249.20
Communications/Telephone	000-230-530	27,775.00	810.00	28,585.00	28,076.26	508.74
BOE Other Purchased Services	000-230-585	2,300.00	-	2,300.00	708.44	1,591.56
Other Purchased Services (400-500 series)	000-230-590	2,840.00	-	2,840.00	2,252.18	587.82
Supplies and Materials	000-230-600	5,810.00	-	5,810.00	5,270.48	539.52
BOE In-House Training/Meeting Supplies	000-230-630	500.00	-	500.00	499.40	0.60
Miscellaneous Expenditures	000-230-890	29,485.00	(11,400.00)	18,085.00	11,562.85	6,522.15
BOE Membership Dues and Fees	000-230-895	8,700.00	-	8,700.00	7,429.00	1,271.00
Total Undist. Expend. - Supp. Serv. - General Admin.		377,030.00	-	377,030.00	314,770.85	62,259.15

Exhibit C-1

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Undist. Expend. - Support Serv. - School Admin.						
Salaries of Principals/Assistant Principals	000-240-103	$ 351,835.00	$ (12,682.00)	$ 339,153.00	$ 338,286.00	$ 867.00
Salaries of Other Professional Staff	000-240-104	69,580.00	-	69,580.00	67,226.99	2,353.01
Salaries of Secretarial and Clerical Assistants	000-240-105	175,612.00	13,902.00	189,514.00	188,867.78	646.22
Purchased Professional and Technical Services	000-240-300	7,900.00	-	7,900.00	6,986.32	913.68
Other Purchased Services (400-500 series)	000-240-500		5,485.00	5,485.00	2,516.25	2,968.75
Supplies and Materials	000-240-600	12,131.00	(204.00)	11,927.00	10,777.34	1,149.66
Other Objects	000-240-800	2,100.00	204.00	2,304.00	2,303.90	0.10
Total Undist. Expend. - Support Serv. - School Admin.		619,158.00	6,705.00	625,863.00	616,964.58	8,898.42
Undist. Expend. - Central Services						
Salaries	000-251-100	295,242.00	(7,785.00)	287,457.00	284,413.47	3,043.53
Purchased Professional Services	000-251-330	10,350.00	1,080.00	11,430.00	11,428.14	1.86
Miscellaneous Purchased Services (400-500 series)	000-251-592	650.00	-	650.00	600.00	50.00
Supplies and Materials	000-251-600	7,750.00	-	7,750.00	7,725.94	24.06
Other Objects	000-251-890	2,925.00	-	2,925.00	1,704.10	1,220.90
Total Undist. Expend. - Central Services		316,917.00	(6,705.00)	310,212.00	305,871.65	4,340.35
Undist. Expend. - Admin. Info. Technology						
Salaries	000-252-100	35,145.00	-	35,145.00	33,955.06	1,189.94
Purchased Technical Services	000-252-340	1,875.00	-	1,875.00	1,470.05	404.95
Total Undist. Expend. - Admin. Info. Technology		37,020.00	-	37,020.00	35,425.11	1,594.89
Undist. Expend. - Allowable Maint. For School Facilities						
Salaries	000-261-100	103,056.00	(8,150.00)	94,906.00	91,757.65	3,148.35
Cleaning, Repair and Maintenance Services	000-261-420	68,800.00	10,997.00	79,797.00	79,796.18	0.82
General Supplies	000-261-610	30,627.00	(7,029.50)	23,597.50	20,556.54	3,040.96
Total Undist. Expend. - Allowable Maint. For School Facilities		202,483.00	(4,182.50)	198,300.50	192,110.37	6,190.13
Undist. Expend. - Oth. Oper. & Maint. of Plant						
Salaries	000-262-100	470,841.00	52,147.00	522,988.00	513,806.10	9,181.90
Cleaning, Repair and Maintenance Services	000-262-420	2,025.00	2,010.00	4,035.00	3,566.59	468.41
Rental of Athletic Fields	000-262-441	25,000.00	-	25,000.00	25,000.00	-
Other Purchased Property Services	000-262-490	10,100.00	2,217.00	12,317.00	12,188.91	128.09
Insurance	000-262-520	47,346.00	-	47,346.00	47,261.00	85.00
Miscellaneous Purchased Services	000-262-590	1,055.00	195.00	1,250.00	1,250.00	-
General Supplies	000-262-610	45,542.00	(2,130.00)	43,412.00	42,523.23	888.77
Energy (Natural Gas)	000-262-621	115,000.00	22,575.00	137,575.00	137,568.93	6.07
Energy (Electricity)	000-262-622	180,000.00	(51,977.00)	128,023.00	82,504.98	45,518.02
Other Objects	000-262-800	340.00	-	340.00	332.00	8.00
Total Undist. Expend. - Other Oper. & Maint. Of Plant		897,249.00	25,037.00	922,286.00	866,001.74	47,102.36
Undist. Expend. - Care and Upkeep of Grounds						
Cleaning, Repair and Maintenance Services	000-263-420	22,100.00	39,210.00	61,310.00	51,251.88	10,058.12
General Supplies	000-263-610	5,100.00	-	5,100.00	2,172.78	2,927.22
Total Undist. Expend. - Care and Upkeep of Grounds		27,200.00	39,210.00	66,410.00	53,424.66	12,985.34
Undist. Expend. - Student Transportation Serv.						
Salaries for Pupil Trans. (Between Home & School) - Regular	000-270-160	2,800.00	-	2,800.00	2,793.00	7.00
Contracted Services - Aid in Lieu of Payments - Nonpublic	000-270-503	10,450.00	-	10,450.00	10,033.30	416.70
Contracted Services (Between Home and School) - Vendors	000-270-511	325,640.00	(6,300.00)	319,340.00	278,320.08	41,019.92
Contracted Services (Other than Between Home and School) - Vend	000-270-512	7,139.00	13,000.00	20,139.00	14,486.53	5,652.47
Contracted Services (Between Home and School) - Joint Agreement	000-270-513	30,400.00	-	30,400.00	17,828.97	12,571.03
Contracted Services (Special Education Students) - Joint Agreement	000-270-515	246,000.00	-	246,000.00	182,386.92	63,613.08
Total Undist. Expend. - Student Transportation Serv.		622,429.00	6,700.00	629,129.00	505,846.80	123,280.20
UNALLOCATED BENEFITS						
Social Security Contributions	000-291-220	136,687.00	24,243.00	160,930.00	155,519.53	5,410.47
Other Retirement Contributions - Regular	000-291-241	125,000.00	33,000.00	158,000.00	155,454.59	2,545.41
Workmen's Compensation	000-291-260	60,000.00	-	60,000.00	56,106.00	3,894.00
Health Benefits	000-291-270	1,977,914.00	30,990.00	2,008,904.00	1,919,832.74	89,071.26
Tuition Reimbursement	000-291-280	27,500.00	-	27,500.00	14,950.02	12,549.98
Other Employee Benefits	000-291-290	4,575.00	-	4,575.00	3,073.15	1,501.85
TOTAL UNALLOCATED BENEFITS		2,331,676.00	88,233.00	2,419,909.00	2,304,936.03	114,972.97
On-behalf TPAF pension Contributions (non-budgeted)			-		487,672.00	(487,672.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)					508,631.41	(508,631.41)
TOTAL ON-BEHALF CONTRIBUTIONS		-	-	-	996,303.41	(996,303.41)
TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS		2,331,676.00	88,233.00	2,419,909.00	3,301,239.44	(881,330.44)
TOTAL UNDISTRIBUTED EXPENDITURES		7,551,532.00	240,860.50	7,792,392.50	8,226,209.22	(442,998.62)
TOTAL GENERAL CURRENT EXPENSE		13,916,021.00	166,664.85	14,082,685.65	14,443,735.96	(361,050.31)

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
General Fund
Fiscal Year Ended June 30, 2011

		Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY						
Equipment						
Regular Programs - Instruction:						
Grades 1-5	120-100-730	$ -	$ 17,637.00	$ 17,637.00	$ -	$ 17,637.00
Total Equipment		-	17,637.00	17,637.00	-	17,637.00
Facilities Acquisition and Construction Services						
Architectural/Engineering Services	000-400-334	9,500.00	(9,500.00)			-
Construction Services	000-400-450	73,750.00	(37,597.60)	36,152.40	4,885.00	31,267.40
Other Objects	000-400-800	32,950.00	-	32,950.00	32,950.00	-
Total Facilities Acquisition and Construction Services		116,200.00	(47,097.60)	69,102.40	37,835.00	31,267.40
TOTAL CAPITAL OUTLAY		116,200.00	(29,460.60)	86,739.40	37,835.00	48,904.40
TOTAL EXPENDITURES		14,032,221.00	137,204.05	14,169,425.05	14,481,570.96	(312,145.91)
Excess (Deficiency) of Revenues Over (Under) Expenditures		(659,350.00)	(137,204.05)	(796,554.05)	80,282.15	876,836.20
Other Financing Sources (Uses):						
Operating Transfer Out:						
Capital Reserve Transferred to Capital Projects Fund			(83,250.00)	(83,250.00)	(83,250.00)	-
Capital Outlay Transferred to Capital Projects Fund			(11,937.70)	(11,937.70)	(11,937.70)	-
Total Other Financing Sources (Uses)		-	(95,187.70)	(95,187.70)	(95,187.70)	-
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)		(659,350.00)	(232,391.75)	(891,741.75)	(14,905.55)	876,836.20
Fund Balance, July 1		1,357,249.46	-	1,357,249.46	1,357,249.46	-
Fund Balance, June 30		$ 697,899.46	$ (232,391.75)	$ 465,507.71	$ 1,342,343.91	$ 876,836.20
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources (Uses) Over (Under) Expenditures and Other Financing Sources (Uses):						
Increase in Capital Reserve		$ 400.00	-	$ 400.00	$ 1,869.50	$ 1,469.50
Withdrawal from Capital Reserve		(83,250.00)	-	(83,250.00)	(83,250.00)	-
Adjustment for Prior Year Encumbrances			(73,421.75)	(73,421.75)	(73,421.75)	-
Budgeted Fund Balance		(576,500.00)	(158,970.00)	(735,470.00)	139,896.70	875,366.70
Total		$ (659,350.00)	$ (232,391.75)	$ (891,741.75)	$ (14,905.55)	$ 876,836.20

Analysis of Fund Balance June 30, 2011:	
Restricted Fund Balance:	
Reserved Excess Surplus - Designated for Subsequent Year's Expenditures	$ 35,595.90
Reserve for Excess Surplus	311,798.43
Capital Reserve Account	138,262.86
Assigned Fund Balance:	
Year-end Encumbrances	32,387.52
Designated for Subsequent Year's Expenditures	375,484.10
Unassigned Fund Balance	448,815.10
	$ 1,342,343.91
Reconciliation of Budgetary Fund Balance to GAAP Fund Balance:	
Fund Balance June 30, 2011	$ 1,342,343.91
Last Two Current Year State Aid Payments Not Realized on GAAP Basis	-
	$ 1,342,343.91

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
Special Revenue Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
State Sources	$ -	$ 12,550.00	$ 12,550.00	$ 12,550.00	$ -
Federal Sources	215,321.00	84,930.39	300,251.39	292,345.87	7,905.52
Local Sources	-	31,935.00	31,935.00	19,385.00	12,550.00
Total Revenues	$ 215,321.00	$ 129,415.39	$ 344,736.39	$ 324,280.87	$ 20,455.52
EXPENDITURES:					
Instruction					
Personal Services - Salaries	$ -	$ 60,488.16	$ 60,488.16	$ 56,869.44	$ 3,618.72
Purchased Professional and Technical Services		14,255.00	14,255.00	14,255.00	-
Other Purchased Services (400-500 series)		91,208.00	91,208.00	75,378.00	15,830.00
General Supplies	215,321.00	(172,041.44)	43,279.56	43,279.10	0.46
Total Instruction	215,321.00	(6,090.28)	209,230.72	189,781.54	19,449.18
Support Services					
Personal Services - Employee Benefits		4,727.77	4,727.77	4,350.45	377.32
Purchased Professional and Technical Services		91,983.00	91,983.00	91,353.81	629.19
Purchased Professional - Educational Services	83,331.00	(61,015.00)	22,316.00	22,316.00	-
Supplies and Materials	-	3,928.90	3,928.90	3,929.07	(0.17)
Total Support Services	83,331.00	39,624.67	122,955.67	121,949.33	1,006.34
Facilities Acquisition and Construction Services:					
Buildings		12,550.00	12,550.00	12,550.00	-
Total Facilities Acquisition and Construction Servic	-	12,550.00	12,550.00	12,550.00	-
Total Expenditures	298,652.00	46,084.39	344,736.39	324,280.87	20,455.52
Total Outflows	$ 298,652.00	$ 46,084.39	$ 344,736.39	$ 324,280.87	$ 20,455.52

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Required Supplementary Information
Budgetary Comparison Schedule
Note to RSI
For the Fiscal Year Ended June 30, 2011

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

	Exhibit	General Fund	Special Revenue Fund
Sources/inflows of resources			
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1&C-2]	14,561,853.11	$ 324,280.87
Difference - budget to GAAP:			
The last State aid payment is recognized as revenue for budgetary purposes, and differs from GAAP which does not recognize this revenue until the subsequent year when the State recognizes the related expense in accordance with GASB 33.		54,617.00	
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		-	16,283.95
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2]	$ 14,616,470.11	$ 340,564.82
Uses/outflows of resources			
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1&C-2]	$ 14,481,570.96	$ 324,280.87
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.			16,283.95
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.	$ -		
Net transfers (outflows) to general fund	-	-	-
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	[B-2]	$ 14,481,570.96	$ 340,564.82

OTHER SUPPLEMENTARY INFORMATION

Section D

SCHOOL LEVEL SCHEDULES

Section E

SPECIAL REVENUE FUND

Exhibit E-1

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Special Revenue Fund
Combining Schedule of Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

		Total	State Aid	Federal Aid	Local Aid
REVENUES					
State Sources		$ 12,550.00	$ 12,550.00	$ -	$ -
Federal Sources		292,345.87		292,345.87	
Local Sources		19,385.00	-	-	19,385.00
Total Revenues		$ 324,280.87	$ 12,550.00	$ 292,345.87	$ 19,385.00
EXPENDITURES:					
Instruction:					
Personal Services - Salaries	100-100	$ 56,869.44	$ -	$ 56,869.44	$ -
Purchased Professional and Technical Services	100-300	14,255.00	-	8,955.00	5,300.00
Other Purchased Services (400-500 series)	100-500	75,378.00	-	75,378.00	-
General Supplies	100-610	43,279.10	-	29,194.10	14,085.00
Total Instruction		189,781.54	-	170,396.54	19,385.00
Support Services:					
Personal Services - Employee Benefits	200-200	4,350.45	-	4,350.45	-
Purchased Professional and Technical Services	200-300	91,353.81	-	91,353.81	-
Purchased Professional - Educational Services	200-320	22,316.00	-	22,316.00	-
Supplies and Materials	200-600	3,929.07	-	3,929.07	-
Total Support Services		121,949.33	-	121,949.33	-
Facilities Acquisition and Const. Serv.:					
Buildings	400-720	12,550.00	12,550.00	-	-
Total Facilities Acquisition and Const. Serv.		12,550.00	12,550.00	-	-
Total Expenditures		$ 324,280.87	$ 12,550.00	$ 292,345.87	$ 19,385.00

Exhibit E-1a

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Special Revenue Fund
Combining Schedule of State Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

		Total	NJBPU Clean Energy Grant
REVENUES			
State Sources		$ 12,550.00	$ 12,550.00
Total State Revenues		12,550.00	12,550.00
EXPENDITURES:			
Facilities Acquisition and Const. Serv.:			
Buildings	400-720	12,550.00	12,550.00
Total Facilities Acquisition and Const. Serv.		12,550.00	12,550.00
Total Expenditures		$ 12,550.00	$ 12,550.00

Exhibit E-1b

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Special Revenue Fund
Combining Schedule of Federal Program Revenues and Expenditures - Budgetary Basis
For the Fiscal Year Ended June 30, 2011

		Total	E.S.E.A. Title II	I.D.E.A. Part B Basic	I.D.E.A. Part B Preschool	ARRA I.D.E.A. Part B Basic	ARRA I.D.E.A. Part B Preschool
REVENUES							
Federal Sources		$ 292,345.87	$ 17,190.00	$ 174,738.43	$ 12,834.00	$ 85,507.05	$ 2,076.39
Total Federal Revenues		$ 292,345.87	$ 17,190.00	$ 174,738.43	$ 12,834.00	$ 85,507.05	$ 2,076.39
EXPENDITURES:							
Instruction:							
Personal Services - Salaries	100-100	$ 56,869.44	$ -	$ 30,000.00	$ -	$ 25,039.44	$ 1,830.00
Purchased Professional and Technical Services	100-300	8,955.00		2,000.00		6,955.00	
Other Purchased Services (400-500 series)	100-500	75,378.00		69,170.00	6,208.00		
General Supplies	100-610	29,194.10	1,500.00	4,500.00	-	23,087.71	106.39
Total Instruction		170,396.54	1,500.00	105,670.00	6,208.00	55,082.15	1,936.39
Support Services:							
Personal Services - Employee Benefits	200-200	4,350.45		2,295.00		1,915.45	140.00
Purchased Professional and Technical Services	200-300	91,353.81		65,573.43		25,780.38	
Purchased Professional - Educational Services	200-320	22,316.00	15,690.00		6,626.00		
Supplies and Materials	200-600	3,929.07	-	1,200.00	-	2,729.07	-
Total Support Services		121,949.33	15,690.00	69,068.43	6,626.00	30,424.90	140.00
Total Expenditures		$ 292,345.87	$ 17,190.00	$ 174,738.43	$ 12,834.00	$ 85,507.05	$ 2,076.39

Section F

CAPITAL PROJECTS FUND

Exhibit F-1

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Capital Projects Fund
Summary Schedule of Project Expenditures
For the Year Ended June 30, 2011

Project Title/Issue	Approval Date	Revised Budgetary Appropriations	GAAP Expenditures to Date		Unexpended Appropriations 6/30/2011
			Prior Years	Current Year	
Improvements to Schools	4/20/1999	$ 8,094,220.40	$ 8,049,557.80	$ 27,754.85	$ 16,907.75
Improvements to Fieldstone Middle School	4/19/2005	2,688,371.00	2,091,931.57	19,104.00	577,335.43
Improvements to Memorial Elementary School	4/19/2005	807,795.00	806,911.12	-	883.88
Memorial Elementary School Gym Lights	8/31/2010	49,378.07	-	49,378.07	-
Fieldstone Middle School Gym Lights	8/31/2010	48,854.09	-	48,854.09	-
Fieldstone Middle School Sidewalks	3/14/2011	56,603.94	-	38,843.23	17,760.71
Totals		$ 11,745,222.50	$ 10,948,400.49	$ 183,934.24	$ 612,887.77

Exhibit F-2

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Summary Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budgetary Basis
For the Year Ended June 30, 2011

REVENUES AND OTHER FINANCING SOURCES	
State Sources - SCC Grant	$ 59,648.40
Bond Proceeds	-
Contribution from private sources	-
Transfer from capital reserve	83,250.00
Transfer from capital outlay	11,937.70
Total Revenues	154,836.10
EXPENDITURES AND OTHER FINANCING USES	
Equipment (73X)	-
Salaries (100)	-
Legal Services (331)	-
Other Purchased Professional and Technical Services (390)	22,170.39
Construction Services (450)	134,009.00
General Supplies (610)	-
Land and Improvements (710)	-
Lease Purchase Agreements - Principal (721)	-
Buildings other than Lease Purchase Agreements - Principal (722)	-
Other Objects (800)	-
Transfer to Fund 40	27,754.85
Total Expenditures	183,934.24
Excess (deficiency) of revenues over (under) expenditures	(29,098.14)
Fund Balance - July 1	641,985.91
Fund Balance - June 30	$ 612,887.77

Exhibit F-2a

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Improvements to Schools
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 2,111,220.40	$ -	$ 2,111,220.40	$ 2,111,220.40
Bond Proceeds	5,983,000.00		5,983,000.00	5,983,000.00
Contribution from private sources			-	
Transfer from capital reserve			-	
Transfer from capital outlay	-	-	-	-
Total Revenues	8,094,220.40	-	8,094,220.40	8,094,220.40
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)	165,887.21		165,887.21	162,000.00
Salaries (100)	-		-	
Legal Services (331)	-		-	
Other Purchased Professional and Technical Services (390)	1,199,291.94		1,199,291.94	1,215,000.00
Construction Services (450)	6,519,378.65		6,519,378.65	6,717,220.40
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)				
Transfer to Fund 40	165,000.00	27,754.85	192,754.85	-
Total Expenditures	8,049,557.80	27,754.85	8,077,312.65	8,094,220.40
Excess (deficiency) of revenues over (under) expenditures	44,662.60	(27,754.85)	16,907.75	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP99346 and SP99347
Grant Date	4/20/99
Bond Authorization Date	4/20/99
Bonds Authorized	$ 5,983,000.00
Bonds Issued	$ 5,983,000.00
Original Authorized Cost	$ 8,094,220.40
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 8,094,220.40
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	99.79%
Original Target Completion Date	9/1/00
Revised Target Completion Date	9/1/00

Exhibit F-2b

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Improvements to Fieldstone Middle School
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 829,248.00	$ -	$ 829,248.00	$ 829,248.00
Bond Proceeds	1,859,123.00		1,859,123.00	1,859,763.00
Contribution from private sources			-	
Transfer from capital reserve	-		-	
Transfer from capital outlay	-	-	-	-
Total Revenues	2,688,371.00	-	2,688,371.00	2,689,011.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)	15,559.49		15,559.49	396,125.00
Salaries (100)	-		-	
Legal Services (331)	-		-	
Other Purchased Professional and Technical Services (390)	231,346.84		231,346.84	299,313.00
Construction Services (450)	1,845,025.24	19,104.00	1,864,129.24	1,993,573.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	2,091,931.57	19,104.00	2,111,035.57	2,689,011.00
Excess (deficiency) of revenues over (under) expenditures	596,439.43	(19,104.00)	577,335.43	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP3330-020-04-1000
Grant Date	4/19/05
Bond Authorization Date	4/19/05
Bonds Authorized	$ 1,859,763.00
Bonds Issued	$ 1,859,123.00
Original Authorized Cost	$ 3,132,938.00
Additional Authorized Cost	$ (443,927.00)
Revised Authorized Cost	$ 2,689,011.00
Percentage Increase over Original Authorized Cost	-14.17%
Percentage Completed	78.51%
Original Target Completion Date	9/1/06
Revised Target Completion Date	9/1/06

Exhibit F-2c

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Improvements to Memorial Elementary School
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SCC Grant	$ 295,918.00	$ -	$ 295,918.00	$ 295,918.00
Bond Proceeds	511,877.00		511,877.00	511,877.00
Contribution from private sources			-	
Transfer from capital reserve	-		-	
Transfer from capital outlay	-	-	-	-
Total Revenues	807,795.00	-	807,795.00	807,795.00
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)	11,886.13		11,886.13	88,650.00
Salaries (100)	-		-	
Legal Services (331)	-		-	
Other Purchased Professional and Technical Services (390)	74,044.77		74,044.77	78,145.00
Construction Services (450)	720,980.22		720,980.22	641,000.00
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	806,911.12	-	806,911.12	807,795.00
Excess (deficiency) of revenues over (under) expenditures	883.88	-	883.88	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP3330-030-04-1000
Grant Date	4/19/05
Bond Authorization Date	4/19/05
Bonds Authorized	$ 511,877.00
Bonds Issued	$ 511,877.00
Original Authorized Cost	$ 807,795.00
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 807,795.00
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	99.89%
Original Target Completion Date	9/1/06
Revised Target Completion Date	9/1/06

Exhibit F-2d

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Memorial Elementary School Gym Lights
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ -	$ 16,307.60	$ 16,307.60	$ 16,307.60
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve	-	24,461.40	24,461.40	24,461.40
Transfer from capital outlay	-	8,609.07	8,609.07	8,609.07
Total Revenues	-	49,378.07	49,378.07	49,378.07
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		7,563.57	7,563.57	7,563.57
Construction Services (450)		41,814.50	41,814.50	41,814.50
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	49,378.07	49,378.07	49,378.07
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP3330-030-09-1002
Grant Date	8/31/10
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 49,378.07
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 49,378.07
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	100.00%
Original Target Completion Date	12/31/10
Revised Target Completion Date	12/31/10

Exhibit F-2e

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Fieldstone Middle School Gym Lights
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ -	$ 10,042.80	$ 10,042.80	$ 10,042.80
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve	-	36,571.43	36,571.43	36,571.43
Transfer from capital outlay	-	2,239.86	2,239.86	2,239.86
Total Revenues	-	48,854.09	48,854.09	48,854.09
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		7,563.59	7,563.59	7,563.59
Construction Services (450)		41,290.50	41,290.50	41,290.50
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	48,854.09	48,854.09	48,854.09
Excess (deficiency) of revenues over (under) expenditures	-	-	-	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP3330-020-09-1001
Grant Date	8/31/10
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 48,854.09
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 48,854.09
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	100.00%
Original Target Completion Date	12/31/10
Revised Target Completion Date	12/31/10

Exhibit F-2f

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis
Fieldstone Middle School Sidewalks
From Inception and for the Year Ended June 30, 2011

	Prior Periods	Current Year	Totals	Revised Authorized Cost
REVENUES AND OTHER FINANCING SOURCES				
State Sources - SDA Grant	$ -	$ 33,298.00	$ 33,298.00	$ 33,298.00
Bond Proceeds			-	
Contribution from private sources			-	
Transfer from capital reserve	-	22,217.17	22,217.17	22,217.17
Transfer from capital outlay	-	1,088.77	1,088.77	1,088.77
Total Revenues	-	56,603.94	56,603.94	56,603.94
EXPENDITURES AND OTHER FINANCING USES				
Equipment (73X)			-	
Salaries (100)			-	
Legal Services (331)			-	
Other Purchased Professional and Technical Services (390)		7,043.23	7,043.23	7,043.23
Construction Services (450)		31,800.00	31,800.00	49,560.71
General Supplies (610)			-	
Land and Improvements (710)			-	
Lease Purchase Agreements - Principal (721)			-	
Buildings other than Lease Purchase Agreements - Principal (722)			-	
Other Objects (800)	-	-	-	-
Total Expenditures	-	38,843.23	38,843.23	56,603.94
Excess (deficiency) of revenues over (under) expenditures	-	17,760.71	17,760.71	-

ADDITIONAL PROJECT INFORMATION	
Project Number	SP3330-020-10-1001
Grant Date	3/14/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	$ 56,603.94
Additional Authorized Cost	$ -
Revised Authorized Cost	$ 56,603.94
Percentage Increase over Original Authorized Cost	0.00%
Percentage Completed	68.62%
Original Target Completion Date	12/31/10
Revised Target Completion Date	12/31/10

Section G

PROPRIETARY FUNDS

ENTERPRISE FUND

INTERNAL SERVICE FUND

Section H

FIDUCIARY FUND

Exhibit H-3

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Student Activity Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011

Schools	Balance June 30, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
Elementary School and Middle School	$ 90,665.62	$ 107,788.27	$ 155,187.53	$ 43,266.36
	$ 90,665.62	$ 107,788.27	$ 155,187.53	$ 43,266.36

Exhibit H-4

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Payroll Agency Fund
Schedule of Receipts and Disbursements
For the Fiscal Year Ended June 30, 2011

	Balance June 30, 2010	Cash Receipts	Cash Disbursements	Balance June 30, 2011
Payroll Deductions and Withholdings	$ 28,885.49	$ 3,844,502.26	$ 3,860,812.36	$ 12,575.39
Net Salaries and Wages	37.61	5,866,010.01	5,866,032.98	14.64
	$ 28,923.10	$ 9,710,512.27	$ 9,726,845.34	$ 12,590.03

Section I

LONG – TERM DEBT

Exhibit I-1

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Long - Term Debt
Schedule of Serial Bonds
For the Fiscal Year Ended June 30, 2011

Purpose	Date of Issue	Amount of Issue	Annual Maturities of Bonds Outstanding June 30, 2011 Date	Amount	Interest Rate	Balance June 30, 2010	Retired Current Year	Balance June 30, 2011
Additions and Renovations to Schools	5/15/01	$ 5,983,000.00	5/15/12	$ 300,000.00	4.750%	$ 3,823,000.00	$ 290,000.00	$ 3,533,000.00
			5/15/13	320,000.00	4.750%			
			5/15/14	330,000.00	4.750%			
			5/15/15	340,000.00	4.875%			
			5/15/16	350,000.00	4.875%			
			5/15/17	360,000.00	4.875%			
			5/15/18	370,000.00	4.875%			
			5/15/19	380,000.00	4.875%			
			5/15/20	390,000.00	4.875%			
			5/15/21	393,000.00	4.875%			
Additions and Renovations to Schools	11/15/06	$ 2,371,000.00	11/15/11	90,000.00	4.000%	2,131,000.00	90,000.00	2,041,000.00
			11/15/12	95,000.00	4.000%			
			11/15/13	100,000.00	4.000%			
			11/15/14	105,000.00	4.000%			
			11/15/15	110,000.00	4.000%			
			11/15/16	120,000.00	4.000%			
			11/15/17	125,000.00	4.000%			
			11/15/18	130,000.00	4.000%			
			11/15/19	135,000.00	4.000%			
			11/15/20	140,000.00	4.000%			
			11/15/21	145,000.00	4.000%			
			11/15/22-24	150,000.00	4.000%			
			11/15/25	150,000.00	4.050%			
			11/15/26	146,000.00	4.050%	-	-	-
						$ 5,954,000.00	$ 380,000.00	$ 5,574,000.00

Exhibit I-3

BOARD OF EDUCATION
BOROUGH OF MONTVALE
Budgetary Comparison Schedule
Debt Service Fund
For the Fiscal Year Ended June 30, 2011

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 605,034.00	$ -	$ 605,034.00	$ 605,034.00	$ -
Total Revenues	605,034.00	-	605,034.00	605,034.00	-
EXPENDITURES:					
Regular Debt Service:					
Interest	261,522.00	6,888.00	268,410.00	268,409.26	0.74
Redemption of Principal	380,000.00	-	380,000.00	380,000.00	-
Total Regular Debt Service	641,522.00	6,888.00	648,410.00	648,409.26	0.74
Total Expenditures	641,522.00	6,888.00	648,410.00	648,409.26	0.74
Excess (Deficiency) of Revenues Over (Under) Expenditures	(36,488.00)	(6,888.00)	(43,376.00)	(43,375.26)	0.74
Other Financing Sources:					
Operating Transfers In:					
Unexpended Balance Transferred from Capital Projects Fund	25,000.00		25,000.00	27,754.85	2,754.85
Interest Earned in Capital Projects Fund	-	-	-	1,288.23	1,288.23
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	(11,488.00)	(6,888.00)	(18,376.00)	(14,332.18)	4,043.82
Fund Balance, July 1	14,332.18	-	14,332.18	14,332.18	-
Fund Balance, June 30	$ 2,844.18	$ (6,888.00)	$ (4,043.82)	$ -	$ 4,043.82
Recapitulation of Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures					
Budgeted Fund Balance	$ (11,488.00)	$ (6,888.00)	$ (18,376.00)	$ (14,332.18)	$ 4,043.82

STATISTICAL SECTION
(UNAUDITED)

GASB requires that ten years of statistical data be presented. Pursuant to State of New Jersey Department of Education requirements issued for the fiscal year ended June 30, 1994, only two years statistical data needed to be presented. Additional year's data will be included each year thereafter until ten years of data is presented.

STATISTICAL SECTION (Unaudited)

Financial Trends

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

Revenue Capacity

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

Debt Capacity

J-10	Ratios of Outstanding Debt by Type
J-11	Ratios of Net General Bonded Debt Outstanding
J-12	Direct and Overlapping Governmental Activities Debt as of June 30
J-13	Legal Debt Margin Information

Demographic and Economic Information

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

Operating Information

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

Certain Exhibits do not contain ten years of information since GASBS No. 44 was implemented as of the fiscal year ending June 30,2006.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Net Assets by Component
Last Eight Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Governmental activities								
Invested in capital assets, net of related debt	$ 5,207,720.40	$ 5,010,618.45	$ 4,939,411.76	$ 4,743,300.93	$ 4,561,973.78	$ 4,741,416.19	$ 4,192,227.63	$ 4,211,861.19
Restricted	1,099,328.20	1,400,495.15	2,205,095.95	2,145,159.28	2,288,169.29	2,078,758.81	2,624,353.18	817,190.34
Unrestricted	531,851.82	248,282.48	281,866.35	76,887.94	55,436.94	143,366.73	40,711.71	434,482.08
Total governmental activities net assets	$ 6,838,900.42	$ 6,659,396.08	$ 7,426,374.06	$ 6,965,348.15	$ 6,905,580.01	$ 6,963,541.73	$ 6,857,292.52	$ 5,463,533.61
Business-type activities								
Invested in capital assets, net of related debt	$ 4,777.68	$ 6,009.69	$ 7,852.87	$ 9,696.09	$ 11,539.31	$ 13,382.53	$ 15,225.75	$ 9,884.10
Restricted							-	-
Unrestricted	3,168.58	4,149.29	5,464.28	3,851.52	6,784.25	5,955.19	8,693.08	7,771.98
Total business-type activities net assets	$ 7,946.26	$ 10,158.98	$ 13,317.15	$ 13,547.61	$ 18,323.56	$ 19,337.72	$ 23,918.83	$ 17,656.08
District-wide								
Invested in capital assets, net of related debt	$ 5,212,498.08	$ 5,016,628.14	$ 4,947,264.63	$ 4,752,997.02	$ 4,573,513.09	$ 4,754,798.72	$ 4,207,453.38	$ 4,221,745.29
Restricted	1,099,328.20	1,400,495.15	2,205,095.95	2,145,159.28	2,288,169.29	2,078,758.81	2,624,353.18	817,190.34
Unrestricted	535,020.40	252,431.77	287,330.63	80,739.46	62,221.19	149,321.92	49,404.79	442,254.06
Total district net assets	$ 6,846,846.68	$ 6,669,555.06	$ 7,439,691.21	$ 6,978,895.76	$ 6,923,903.57	$ 6,982,879.45	$ 6,881,211.35	$ 5,481,189.69

Source: District records

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Expenses								
Governmental activities								
Instruction								
Regular	$ 7,167,820.01	$ 7,392,756.43	$ 6,936,911.40	$ 7,118,566.43	$ 7,123,251.28	$ 6,743,815.32	$ 6,523,134.70	$ 6,022,388.61
Special education	1,218,318.34	1,201,166.71	1,058,281.07	1,103,191.91	1,114,134.50	985,768.67	860,927.84	1,073,931.15
Other instruction	546,056.05	541,819.43	473,358.86	443,306.80	424,199.62	389,925.36	315,216.30	250,796.71
Support Services:								
Tuition	541,220.33	580,755.20	528,540.03	598,796.03	399,523.87	392,124.28	396,967.13	427,354.17
Student and instruction related services	2,084,817.23	2,085,900.82	1,874,188.68	2,005,957.70	1,885,557.64	1,697,253.20	1,671,800.11	1,495,768.08
School administrative services	860,824.75	855,933.96	797,909.66	824,295.18	905,605.73	840,851.11	790,450.53	691,316.22
General and business administrative services	875,492.50	920,144.90	864,789.37	911,023.81	876,798.12	832,863.29	753,427.70	675,476.19
Plant operations and maintenance	1,342,863.61	1,369,003.45	1,304,516.60	1,317,163.69	1,250,750.97	1,170,417.44	1,181,954.49	1,101,186.07
Pupil transportation	506,901.02	568,376.70	560,866.80	478,597.87	434,293.39	430,958.82	423,986.14	341,107.75
Interest on long-term debt	266,237.38	283,121.76	299,331.14	314,865.51	329,446.05	244,883.76	255,579.08	265,811.88
Total governmental activities expenses	15,410,551.22	15,798,979.36	14,698,693.61	15,115,764.93	14,743,561.17	13,728,861.25	13,173,444.02	12,345,136.83
Business-type activities:								
Milk Program	26,642.73	26,301.43	26,088.40	26,839.45	29,757.66	30,809.53	20,395.97	20,786.08
Safetytown	2,150.00	2,600.00	7,824.28	7,184.68	10,656.60	2,270.86	2,580.96	1,664.74
Total business-type activities expense	28,792.73	28,901.43	33,912.68	34,024.13	40,414.26	33,080.39	22,976.93	22,450.82
Total district-wide expenses	15,439,343.95	15,827,880.79	14,732,606.29	15,149,789.06	14,783,975.43	13,761,941.64	13,196,420.95	12,367,587.65
Program Revenues								
Governmental activities:								
Charges for services:								
Pupil transportation	34,095.13	37,307.25	37,652.25	31,946.60	37,966.55	42,009.11	34,171.85	22,856.80
Interest on long-term debt	266,237.38	283,121.76	299,331.14	314,865.51	-	244,883.76	255,579.08	265,811.88
Operating grants and contributions	1,551,404.23	2,049,659.70	2,049,609.62	2,398,572.78	2,698,067.19	1,938,142.48	1,729,295.25	1,712,275.70
Total governmental activities program revenues	1,851,736.74	2,370,088.71	2,386,593.01	2,745,384.89	2,736,033.74	2,225,035.35	2,019,046.18	2,000,944.38

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Changes in Net Assets
Last Eight Fiscal Years
(accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Business-type activities:								
Charges for services								
Milk Program	$ 10,272.80	$ 9,728.37	$ 10,397.50	$ 9,965.21	$ 14,766.39	$ 14,589.58	$ 15,239.75	$ 13,813.24
Safetytown	2,150.00	2,600.00	7,843.18	5,666.14	12,175.45	2,270.86	2,610.00	495.00
Operating grants and contributions	14,064.12	13,325.46	15,323.06	13,265.08	11,984.95	11,638.84	11,389.93	9,091.33
Total business-type activities program revenues	26,486.92	25,653.83	33,563.74	28,896.43	38,926.79	28,499.28	29,239.68	23,399.57
Total district-wide program revenues	1,878,223.66	2,395,742.54	2,420,156.75	2,774,281.32	2,774,960.53	2,253,534.63	2,048,285.86	2,024,343.95
Net (Expense)/Revenue								
Governmental activities	(13,558,814.48)	(13,428,890.65)	(12,312,100.60)	(12,370,380.04)	(12,007,527.43)	(11,503,825.90)	(11,154,397.84)	(10,344,192.45)
Business-type activities	(2,305.81)	(3,247.60)	(348.94)	(5,127.70)	(1,487.47)	(4,581.11)	6,262.75	948.75
Total district-wide net expense	(13,561,120.29)	(13,432,138.25)	(12,312,449.54)	(12,375,507.74)	(12,009,014.90)	(11,508,407.01)	(11,148,135.09)	(10,343,243.70)
General Revenues and Other Changes in Net Assets								
Governmental activities:								
Taxes:								
Property taxes, levied for general purposes	13,197,682.00	12,703,906.00	12,393,008.00	11,924,836.00	11,418,991.00	11,152,947.00	10,591,497.00	10,108,652.00
Property taxes, levied for debt service principal	338,796.62	315,676.24	275,944.86	226,518.49	218,105.95	241,388.24	230,698.92	140,874.12
Federal and State aid not restricted	111,956.00	48,140.42	35,678.53	152,871.78	130,867.70	78,300.17	85,042.61	55,158.51
Tuition (other than special schools)	15,625.00	10,843.03	21,145.25	24,586.56	56.22	20,135.57	16,480.65	119,579.31
Investment earnings	12,317.27	15,336.36	37,237.91	96,601.16	147,407.47	81,394.79	41,306.75	20,744.84
Miscellaneous income	35,243.53	11,937.62	10,111.96	4,734.19	34,137.37	35,909.34	10,349.82	27,599.03
N.J. Economic Development Authority grants	59,648.40	(443,927.00)					1,569,093.00	(24,528.19)
Debt Service Assessment	(32,950.00)						-	
Donated Capital Assets							3,688.00	
Total governmental activities	13,738,318.82	12,661,912.67	12,773,126.51	12,430,148.18	11,949,565.71	11,610,075.11	12,548,156.75	10,448,079.62
Business-type activities:								
Investment earnings	93.09	89.43	118.48	351.75	473.31			
Total business-type activities	93.09	89.43	118.48	351.75	473.31	-	-	-
Total district-wide general revenues	13,738,411.91	12,662,002.10	12,773,244.99	12,430,499.93	11,950,039.02	11,610,075.11	12,548,156.75	10,448,079.62
Change in Net Assets								
Governmental activities	179,504.34	(766,977.98)	461,025.91	59,768.14	(57,961.72)	106,249.21	1,393,758.91	103,887.17
Business-type activities	(2,212.72)	(3,158.17)	(230.46)	(4,775.95)	(1,014.16)	(4,581.11)	6,262.75	948.75
Total district-wide change in net assets	$ 177,291.62	$ (770,136.15)	$ 460,795.45	$ 54,992.19	$ (58,975.88)	$ 101,668.10	$ 1,400,021.66	$ 104,835.92

Source: District records

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Fund Balances - Governmental Funds,
Last Eight Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
General Fund								
Restricted	$ 485,657.19	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Assigned	407,871.62							
Unassigned	448,815.10							
Reserved		777,953.22	1,077,841.53	919,467.55	861,915.35	803,092.78	769,541.65	533,992.55
Unreserved		524,679.24	451,356.35	335,337.94	307,601.94	361,866.73	244,506.71	593,112.08
Total general fund	$ 1,342,343.91	$ 1,302,632.46	$ 1,529,197.88	$ 1,254,805.49	$ 1,169,517.29	$ 1,164,959.51	$ 1,014,048.36	$ 1,127,104.63
All Other Governmental Funds								
Restricted, reported in:								
Capital projects fund	$ 600,214.97	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Debt service fund								
Assigned, reported in:								
Capital projects fund								
Reserved	12,672.80	-	14,305.00	43,118.11	201,238.92	2,328,448.08	188,998.10	188,998.10
Unreserved, reported in:								
Special revenue fund								
Capital projects fund		641,985.91	1,110,912.91	1,172,968.93	1,218,342.31	(1,048,405.17)	1,686,976.89	125,682.09
Debt service fund		14,332.18	37,900.17	47,471.47	46,458.24	25,019.53	9,620.45	631.19
Permanent fund								
Total all other governmental funds	$ 612,887.77	$ 656,318.09	$ 1,163,118.08	$ 1,263,558.51	$ 1,466,039.47	$ 1,305,062.44	$ 1,885,595.44	$ 315,311.38
Total Fund Balances	$ 1,955,231.68	$ 1,958,950.55	$ 2,692,315.96	$ 2,518,364.00	$ 2,635,556.76	$ 2,470,021.95	$ 2,899,643.80	$ 1,442,416.01

Source: District records

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Changes in Fund Balances - Governmental Funds,
Last Eight Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Revenues								
Tax levy	$ 13,802,716.00	$ 13,302,704.00	$ 12,968,284.00	$ 12,466,220.00	$ 11,966,543.00	$ 11,639,219.00	$ 11,077,775.00	$ 10,515,338.00
Tuition charges	15,625.00	10,843.03	21,145.25	24,586.56	56.22	20,135.57	16,480.65	119,579.31
Transportation fees	34,095.13	37,307.25	37,652.25	31,946.60	37,966.55	42,009.11	34,171.85	22,856.80
Interest earnings	12,317.27	15,336.36	37,237.91	96,601.16	147,407.47	81,394.79	41,306.75	20,744.84
Miscellaneous	54,628.53	17,666.64	16,025.13	9,472.53	37,963.53	35,909.34	27,372.02	27,599.03
State sources	1,335,345.41	1,776,317.06	1,885,755.58	2,336,759.38	2,285,835.48	1,787,351.12	1,599,704.86	1,570,727.55
Federal sources	308,629.82	315,754.04	193,619.40	209,946.84	209,827.20	229,091.53	197,610.80	196,706.66
Total revenues	15,563,357.16	15,475,928.38	15,159,719.52	15,175,533.07	14,685,599.45	13,835,110.46	12,994,421.93	12,473,552.19
Expenditures								
Instruction								
Regular Instruction	5,124,932.35	5,337,565.88	5,237,148.70	5,020,565.06	4,967,766.31	4,958,908.64	4,874,589.20	4,528,032.75
Special education instruction	885,372.84	904,770.01	806,789.47	800,140.64	807,377.12	749,080.65	667,118.08	720,888.64
Other instruction	393,071.44	387,948.86	356,518.30	320,338.03	298,607.45	288,763.75	241,616.83	201,271.88
Support Services:								
Tuition	541,220.33	580,755.20	528,540.03	598,796.03	399,523.87	392,124.28	396,967.13	427,354.17
Student and instruction related services	1,631,146.17	1,645,195.95	1,502,823.75	1,539,463.87	1,449,118.67	1,349,837.89	1,329,048.39	1,253,342.76
School administrative services	616,964.58	621,297.89	602,083.54	584,159.72	640,395.48	626,622.31	615,324.09	529,611.19
General and business administrative services	656,067.61	691,389.34	678,954.96	684,446.51	657,112.50	619,168.99	596,888.84	566,155.56
Plant operations and maintenance	1,111,536.77	1,142,632.03	1,119,056.94	1,074,308.06	1,014,436.98	985,108.60	1,001,162.38	933,862.01
Pupil transportation	505,848.80	567,391.48	560,015.91	477,761.79	434,293.39	430,958.82	423,986.14	341,107.75
Employee benefits	3,305,589.89	3,178,275.89	2,803,650.29	3,404,129.23	3,421,914.26	2,781,955.04	2,441,169.77	2,278,695.80
Capital outlay	206,564.39	57,935.00	138,851.41	136,832.63	2,231,461.68	595,932.08	31,507.53	143,387.66
Debt service:								
Principal	380,000.00	365,000.00	350,000.00	335,000.00	250,000.00	240,000.00	230,000.00	220,000.00
Interest and other charges	268,409.26	285,209.26	301,334.26	316,784.26	319,056.93	246,271.26	256,908.76	267,083.76
Total expenditures	15,626,724.43	15,765,366.79	14,985,767.56	15,292,725.83	16,891,064.64	14,264,732.31	13,106,287.14	12,410,793.93
Excess (Deficiency) of revenues over (under) expenditures	(63,367.27)	(289,438.41)	173,951.96	(117,192.76)	(2,205,465.19)	(429,621.85)	(111,865.21)	62,758.26

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Changes in Fund Balances - Governmental Funds,
Last Eight Fiscal Years
(modified accrual basis of accounting)
Unaudited

	Fiscal Year Ending June 30,							
	2011	2010	2009	2008	2007	2006	2005	2004
Other Financing sources (uses)								
Proceeds from borrowing					2,371,000.00			
N.J. Economic Development Authority grants	59,648.40	(443,927.00)					1,569,093.00	(24,528.19)
Transfers in	124,230.78	27,843.27	66,486.96	111,413.49	43,787.51	15,398.34	9,620.02	42,358.96
Transfers out	(124,230.78)	(27,843.27)	(66,486.96)	(111,413.49)	(43,787.51)	(15,398.34)	(9,620.02)	(42,358.96)
Total other financing sources (uses)	59,648.40	(443,927.00)	-	-	2,371,000.00	-	1,569,093.00	(24,528.19)
Net change in fund balances	$ (3,718.87)	$ (733,365.41)	$ 173,951.96	$ (117,192.76)	$ 165,534.81	$ (429,621.85)	$ 1,457,227.79	$ 38,230.07
Debt service as a percentage of noncapital expenditures	4.20%	4.14%	4.39%	4.30%	3.88%	3.56%	3.72%	3.97%

Source: District records

Exhibit J-5

BOARD OF EDUCATION
BOROUGH OF MONTVALE

General Fund - Other Local Revenue by Source
Last Ten Fiscal Years
(modified accrual basis of accounting)
Unaudited

Fiscal Year Ended June 30,	Total	Tuition	Transportation	Interest	Miscellaneous
2001	$ 146,426	$ 47,617	$ 21,124	$ 72,009	$ 5,676
2002	160,919	97,105	24,766	34,550	4,498
2003	171,098	106,195	25,407	23,119	16,377
2004	181,214	119,579	22,857	15,179	23,599
2005	92,689	16,481	34,172	31,687	10,350
2006	161,137	20,136	42,009	65,996	32,996
2007	175,780	56	37,967	104,464	33,294
2008	131,455	24,587	31,947	70,188	4,734
2009	112,061	21,145	37,652	37,238	16,025
2010	81,153	10,843	37,307	15,336	17,667
2011	95,993	15,625	34,095	11,029	35,244

Source: District records

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Assessed Value and Estimated Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate
2002	18,000,900	666,068,800	888,100	389,743,300	8,217,600	7,000,000	1,089,918,700	2,072,239	1,091,990,939	1,582,057,768	0.905
2003	16,155,000	679,201,500	888,100	380,938,300	8,217,600	7,000,000	1,092,400,500	2,012,496	1,094,412,996	1,532,977,192	0.945
2004	13,113,200	687,410,000	888,100	380,038,300	8,217,600	7,000,000	1,096,667,200	1,848,336	1,098,515,536	1,591,347,569	0.983
2005	11,640,900	699,500,500	888,100	367,170,700	7,749,600	7,000,000	1,093,949,800	1,620,457	1,095,570,257	1,738,970,853	1.036
2006 (1	32,617,600	1,605,160,800	2,296,100	594,743,900	13,075,000	14,553,000	2,262,446,400	2,491,607	2,264,938,007	1,941,870,285	0.525
2007	66,723,300	1,613,870,800	2,283,600	589,973,300	13,075,000	14,553,000	2,300,479,000	2,561,681	2,303,040,681	2,097,531,233	0.525
2008	51,808,600	1,641,992,200	2,283,600	603,707,200	13,075,000	18,753,000	2,331,619,600	2,959,566	2,334,579,166	2,164,252,522	0.545
2009	35,927,700	1,684,771,100	2,283,600	599,708,200	13,075,000	18,753,000	2,354,518,600	2,814,962	2,357,333,562	2,271,988,152	0.561
2010	30,721,300	1,699,843,800	2,283,600	589,788,400	13,075,000	18,753,000	2,354,465,100	3,948,799	2,358,413,899	2,228,598,105	0.572
2011	42,391,100	1,711,031,500	2,283,600	587,625,400	11,339,100	18,753,000	2,373,423,700	2,961,081	2,376,384,781	2,300,568,569	0.587

(1) Revaluation effective

Source: Municipal Tax Assessor

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(rate per $100 of assessed value)
Unaudited

Fiscal Year Ended December 31,	School District Direct Rate			Overlapping Rates			
	Basic Rate	General Obligation Debt Service	Total Direct School Tax Rate	Municipality	Regional School	County	Total Direct and Overlapping Tax Rate
2002	0.855	0.050	0.905	0.634	0.573	0.318	2.430
2003	0.900	0.045	0.945	0.653	0.595	0.297	2.490
2004	0.959	0.024	0.983	0.685	0.624	0.298	2.590
2005	0.992	0.044	1.036	0.729	0.664	0.311	2.740
2006 (1)	0.504	0.021	0.525	0.363	0.351	0.161	1.400
2007	0.500	0.025	0.525	0.377	0.382	0.166	1.450
2008	0.517	0.028	0.545	0.393	0.405	0.171	1.514
2009	0.533	0.028	0.561	0.412	0.422	0.184	1.579
2010	0.544	0.028	0.572	0.433	0.440	0.184	1.189
2011	0.560	0.027	0.587	0.448	0.444	0.202	1.681

(1) Revaluation effective

Source: Municipal Tax Collector

Exhibit J-8

BOARD OF EDUCATION
Borough of Montvale

Principal Property Taxpayers
Current Year and Nine Years Ago
Unaudited

Fiscal Year Ended June 30,	2011 Taxable Assessed Value	2011 % of Total District Net Assessed Value	2000 Taxable Assessed Value	2000 % of Total District Net Assessed Value
KPMG Peat Marwick	$ 50,000,000	2.12%	$ -	
Mercedes Benz	37,500,000	1.59%		
Two Paragon Associates	29,900,000	1.27%		
Prim Montvale LLC	29,000,000	1.23%		
CBRE #BB65-65204	28,050,000	1.19%		
Grand Prix Montvale	23,000,000	0.98%		
Benjamin Moore & Co.	19,000,000	0.81%	**Not Available**	
Alsan Realty Co. LP	18,753,000	0.80%		
Western Union	18,000,000	0.76%		
Reckitt & Colman, Inc.	15,650,000	0.66%		
Total	$ 268,853,000	11.40%	$ -	0.00%

Source: Municipal Tax Assessor

Exhibit J-9

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Property Tax Levies and Collections
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended December 31,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2001	24,590,404	24,193,297	98.38%	299,173	24,492,470	99.60%
2002	26,734,409	26,556,009	99.33%	92,471	26,648,480	99.67%
2003	27,400,362	27,198,074	99.26%	217,356	27,415,430	100.05%
2004	28,731,578	28,581,058	99.47%	145,581	28,726,639	99.98%
2005	30,207,410	30,047,123	99.46%	156,368	30,203,491	99.98%
2006	32,252,436	32,066,526	99.42%	151,408	32,217,934	99.89%
2007	33,579,779	33,225,738	98.94%	208,406	33,434,144	99.56%
2008	35,723,049	35,319,667	98.87%	250,547	35,570,214	99.57%
2009	37,403,321	36,754,510	98.26%	324,309	37,078,819	99.13%
2010	38,677,808	38,111,936	98.53%		38,111,936	98.53%

Source: Municipal Tax Collector

Exhibit J-10

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

	Governmental Activities				Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds	Certificates of Participation	Capital Leases	Bond Anticipation Notes (BANs)	Capital Leases	Total District	Percentage of Personal Income	Per Capita
2002	5,783,000			1,225,000		7,008,000	2.01%	970
2003	5,573,000					5,573,000	1.55%	772
2004	5,353,000					5,353,000	1.45%	741
2005	5,153,000					5,153,000	1.36%	717
2006	4,883,000					4,883,000	1.26%	683
2007	7,004,000					7,004,000	1.73%	965
2008	6,669,000					6,669,000	1.54%	886
2009	6,319,000					6,319,000	1.40%	828
2010	5,954,000					5,954,000	1.33%	810
2011	5,574,000					5,574,000	1.20%	758

Exhibit J-11

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding: General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2002	5,783,000		5,783,000	0.53%	800
2003	5,573,000		5,573,000	0.51%	772
2004	5,353,000		5,353,000	0.49%	741
2005	5,153,000		5,153,000	0.47%	717
2006	4,883,000		4,883,000	0.22%	683
2007	7,004,000		7,004,000	0.30%	965
2008	6,669,000		6,669,000	0.29%	886
2009	6,319,000		6,319,000	0.27%	828
2010	5,954,000		5,954,000	0.25%	810
2011	5,574,000		5,574,000	0.23%	758

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Direct and Overlapping Governmental Activities Debt
As of December 31,2010
Unaudited

Net Direct Debt of School District as of December 31,2010	$ 5,864,000.00
Net Overlapping Debt of School District:	
Borough of Montvale (100%)	12,141,840.00
Regional School District	6,855,489.00
County of Bergen - Borough's share of $730,825,490 at December 31, 2010 (1.21%)	8,880,091.91
Bergen County Utilities Authority (Water Pollution) - Borough's share of $268,704,631 at December 31, 2010 (1.4524%)	3,902,711.00
Total Direct and Overlapping Bonded Debt as of December 31,2010	$ 37,644,131.91

Source: Borough of Montvale Chief Financial Officer, Bergen County Treasurer's Office and Bergen County Utilities Authority.

Exhibit J-13

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Legal Debt Margin Information
Last Ten Fiscal Years
Unaudited

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis	
2008	2,238,068,343
2009	2,215,600,452
2010	2,241,448,636
	$ 6,695,117,431
Average equalized valuation of taxable property	$ 2,231,705,810
Debt limit (3 % of average equalization value)	66,951,174
Total Net Debt Applicable to Limit	5,574,000
Legal debt margin	$ 61,377,174

	Fiscal Year				
	2007	2008	2009	2010	2011
Debt limit	$ 57,022,026	$ 60,920,819	$ 63,577,462	$ 65,768,612	$ 66,951,174
Total net debt applicable to limit	7,004,640	6,669,000	6,319,000	5,954,000	5,574,000
Legal debt margin	$ 50,017,386	$ 54,251,819	$ 57,258,462	$ 59,814,612	$ 61,377,174
Total net debt applicable to the limit as a percentage of debt limit	12.28%	10.95%	9.94%	9.05%	8.33%

	Fiscal Year				
	2002	2003	2004	2005	2006
Debt limit	$ 39,654,931	$ 42,791,130	$ 45,356,101	$ 48,269,121	$ 52,258,131
Total net debt applicable to limit	5,783,780	5,573,780	5,353,000	7,494,640	7,254,640
Legal debt margin	$ 33,871,151	$ 37,217,350	$ 40,003,101	$ 40,774,481	$ 45,003,491
Total net debt applicable to the limit as a percentage of debt limit	14.59%	13.03%	11.80%	15.53%	13.88%

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

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2002	7,228	348,503,681	48,216	3.7%
2003	7,220	358,561,493	49,662	3.7%
2004	7,220	369,318,338	51,152	3.0%
2005	7,186	378,606,541	52,687	2.6%
2006	7,154	388,228,184	54,267	2.8%
2007	7,259	405,744,037	55,895	2.5%
2008	7,523	433,115,410	57,572	3.2%
2009	7,636	452,809,697	59,299	5.8%
2010	7,353	449,108,825	61,078	6.0%
2011	7,353 (Est.)	462,582,090	62,911	

Sources:
Population information provided by the NJ Dept of Labor and Workforce Development
Personal income has been estimated based upon the municipal population and per capita personal income presented
Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
Unemployment data provided by the NJ Dept of Labor and Workforce Development

Exhibit J-15

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Principal Employers
Current Year and Nine Years Ago
Unaudited

	2010			2000		
Employer	Employees	Rank [Optional]	Percentage of Total Municipal Employment	Employees	Rank [Optional]	Percentage of Total Municipal Employment
		Not Available			Not Available	
	0		0.00%	0		0.00%

Source: _____

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Full-time Equivalent District Employees by Function/Program
Last Ten Fiscal Years
Unaudited

Function/Program	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Instruction										
Regular	68.5	72.3	69.3	71.6	73.6	71.2	69.2	71.4	70.4	71.2
Special education	20.4	25	27	27	28	28.8	28.8	28.7	29.7	31
Other instruction	10.4	10.9	10.9	12	13.7	13	13	13.4	12.4	12.2
Support Services:										
Student and instruction related services	5.4	5.6	5.6	5.6	6	6.2	6.2	7.2	6.9	7.57
School administrative services	8.285	8.785	8.785	8.785	8.785	8.985	7.985	7.985	8.38	8.38
General and business administrative services	3.5	3.5	3.5	3.5	3.5	3.98	3.98	3.98	3.98	3.98
Central Services	2	2	2	2	2	2	2	2	2	2
Administrative information technology				0	0.5	0.5	0.5	0.5	0.5	0.5
Plant operations and maintenance	12	13	13	13	13	13	13	13	12.5	12.5
Total	130.485	141.085	140.085	143.485	149.085	147.665	144.665	148.165	146.76	149.33

Source: District Personnel Records

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2002	936	10,312,067	11,017	3.30%	96	1:12.8	1:8.8		936.0	900.8	5.61%	96.24%
2003	954	11,253,753	11,796	7.07%	97	1:11.3	1:10.5		975.5	939.2	4.22%	96.28%
2004	981	11,780,323	12,008	1.80%	98	1:11.8	1:10.8		995.4	962.8	2.04%	96.72%
2005	1,031	12,587,871	12,209	1.67%	101	1:12.2	1:11.7		1053.0	1015.4	5.79%	96.43%
2006	1,028	13,182,928	12,824	5.03%	102	1:11.1	1:9.9		1038.0	997.9	-1.42%	96.14%
2007	1,014	14,090,546	13,896	8.36%	100	1:10.5	1:9.8		1014.7	977.9	-2.24%	96.37%
2008	1,007.5	14,289,424	14,183	2.07%	98	1:10.8	1:9.6		1007.5	970.6	-0.71%	96.34%
2009	1,043.0	14,195,582	13,610	-4.04%	99	1:11.8	1:9.5		1063.0	1,022.2	5.51%	96.16%
2010	1,096.0	15,057,223	13,738	0.94%	97	1:12.2	1:10.3		1096.0	1,054.2	3.10%	96.19%
2011	1,096.0	14,771,751	13,478	-1.90%	97	1:12.0	1:10.5		1093.0	1,049.8	-0.27%	96.05%

Source: District records

Note: Enrollment based on annual October district count.

Exhibit J-18

BOARD OF EDUCATION
BOROUGH OF MONTVALE

School Building Information
Last Ten Fiscal Years
Unaudited

District Building	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011
Elementary										
Memorial Elementary (1954, 1962, 1983, 2000)										
Square Feet	85098	85098	85098	85098	85098	85098	85098	85098	85098	85098
Capacity (students)	584	584	584	584	584	584	584	584	584	584
Enrollment	558	545	535	557	558	558	559	559	620	599
Middle School										
Fieldstone Middle School (1966)										
Square Feet	89640	89640	89640	89640	89640	89640	89640	89640	89640	89640
Capacity (students)	475	475	475	475	475	475	475	475	475	475
Enrollment [a]	374	409	446	474	470	470	448	448	476	494

Number of Schools at June 30, 2011
- Elementary = 1
- Middle School = 1
- Senior High School = 0
- Other = 0

Source: District Facilities Office

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

BOARD OF EDUCATION
BOROUGH OF MONTVALE

General Fund
Schedule of Required Maintenance for School Facilities
Last Ten Fiscal Years
Unaudited

Undistributed Expenditures--Required Maintenance for School Facilities
11-000-261-xxx

*School Facility	Pending Projects (w/DOE Project #)	Gross Building Area (SF)	Ten Year Total	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
Memorial Elementary School	SP3330-030-04-1000 SP3330-030-09-1002	81,807	$ 910,165	$ 92,649	$ 120,765	$ 104,053	$ 98,711	$ 77,908	$ 81,157	$ 98,746	$ 83,653	$ 69,029	$ 83,494
Fieldstone Middle School	SP3330-020-04-1000 SP3330-020-09-1001 SP3330-020-10-1001	90,161	893,320	99,462	99,275	114,679	74,240	81,871	102,349	87,952	70,528	70,940	92,024
Total School Facilities		$ 171,968	$ 1,803,485	$ 192,110	$ 220,040	$ 218,732	$ 172,952	$ 159,779	$ 183,506	$ 186,698	$ 154,181	$ 139,969	$ 175,518

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

Source: District records

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Insurance Schedule
As of June 30, 2011
Unaudited

	Coverage	Deductible
School Alliance Insurance Fund:		
Property - Blanket Buildings & Contents	$ 23,059,955	$ 1,000
Flood	10,000,000	
Earthquake	25,000,000	
Boiler and Machinery	100,000,000	1,000
Comprehensive General Liability	5,000,000	1,000
Auto Liability	5,000,000	500/1000
Excess Public Official Liability	5,000,000	
Public Employees Dishonesty	500,000	1,000
Hartford Fire Insurance Co.:		
Public Official Bonds:		
Business Administrator	10,000	
Treasurer of School Moneys	225,000	
Ace American Insurance:		
Public Official Liability	5,000,000	
Environmental Liability	1,000,000	

Source: District's records.

Single Audit Section

T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

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

The Honorable President
Members of the Board of Education
Borough of Montvale School District
County of Bergen, New Jersey

We have audited the basic financial statements of the Borough of Montvale School District as of and for the year ended June 30, 2011, and have issued our report thereon dated August 24, 2011. 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 in compliance with audit requirements prescribed by the Division of Finance, Department of Education, State of New Jersey.

Internal Control Over Financial Reporting

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

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Borough of Montvale School 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 Governmental Auditing Standards and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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

Timothy M. Vrabel
Public School Accountant
License No. CS000698

Chris C. W. Hwang
Certified Public Accountant
License No. CC033704

August 24, 2011

T. M. Vrabel & Associates, LLC
Accountants and Auditors

Timothy M. Vrabel, RMA, PSA
Chris C. Hwang, CPA

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE
IN ACCORDANCE WITH OMB CIRCULAR A-133 AND
NEW JERSEY OMB CIRCULAR LETTER 04-04

The Honorable President
Members of the Board of Education
Borough of Montvale School District
County of Bergen, New Jersey

Compliance

We have audited the compliance of the Borough of Montvale School District with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey State Aid/Grant Compliance Supplement that are applicable to each of its major state programs for the year ended June 30, 2011 Borough of Montvale School District major state programs are identified in the Summary of Auditor's Results Section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major state programs is the responsibility of Borough of Montvale School District's management. Our responsibility is to express an opinion on Borough of Montvale School District's compliance based on our audit.

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

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In our opinion, the Board of Education of the Borough of Montvale School District, in the County of Bergen, State of New Jersey, complied, in all material respects, with the requirements referred to above that are applicable to each of its major state programs for the year ended June 30, 2011

Internal Control Over Compliance

The management of Borough of Montvale School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to state programs. In planning and performing our audit, we considered Borough of Montvale School District's internal control over compliance with requirements that could have a direct and material effect on a major state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB's Circular 04-04, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Montvale School District's internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Borough of Montvale School District's internal control over compliance.

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

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

This report is intended solely for the information and use of management, the Borough of Montvale School District, the New Jersey State Department of Education and other state and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than those specified parties.

Timothy M. Vrabel
Public School Accountant
License No. CS000698

Chris C. W. Hwang
Certified Public Accountant
License No. CC033704
August 24 2011

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Schedule of Expenditures of Federal Awards, Schedule A
For the Fiscal Year Ended June 30, 2011

Federal Grantor/Pass-Through Grantor/Program Title	Federal CFDA or Grant Number	Grant Period	Award Amount	Balance July 1, 2010	Adjustments	Cash Received	BUDGETARY EXPENDITURES Disbursements	Accounts Payable	Encumbrances	Total	Repayment of Prior Years' Balances	Balance June 30, 2011 Accounts Receivable	Deferred Revenue	Due to Grantor
U.S. Department of Agriculture Passed - Through State Department of Education:														
Special Milk Program	10.556	7/1/10-6/30/11	$ 14,064.12	$ -	$ -	$ 11,797.76	$ 14,064.12	$ -	$ -	$ 14,064.12	$ -	$ (2,266.36)	$ -	$ -
Special Milk Program	10.556	7/1/09-6/30/10	13,325.46	(1,088.76)	-	1,088.76	-	-	-	-	-	-	-	-
Total U.S. Department of Agriculture				(1,088.76)	-	12,886.52	14,064.12	-	-	14,064.12	-	(2,266.36)	-	-
U.S. Department of Education Passed - Through State Department of Education:														
E.S.E.A. Title II A	84.367A	9/1/10-8/31/11	17,190.00				17,190.00			17,190.00		(17,190.00)		
E.S.E.A. Title II A	84.367A	9/1/09-8/31/10	18,924.00	(3,965.00)		3,965.00				-		-		
E.S.E.A. Title IV	84.186A	9/1/09-8/31/10	1,965.00	(1,965.00)		1,965.00				-		-		
I.D.E.A. Part B, Basic	84.027A	9/1/10-8/31/11	190,748.00			144,630.99	169,141.89	5,596.54		174,738.43		(30,107.44)		
I.D.E.A. Part B, Basic	84.027A	9/1/09-8/31/10	186,494.00	(70,629.00)		70,629.00				-		-		
I.D.E.A. Part B, Preschool	84.173A	9/1/10-8/31/11	6,626.00			6,626.00	6,626.00			6,626.00		-		
I.D.E.A. Part B, Preschool	84.173A	9/1/09-8/31/10	6,208.00			6,208.00	6,208.00			6,208.00		-		
ARRA I.D.E.A., Basic	84.391	7/1/09-8/31/11	208,718.00	(39,009.00)		79,147.40	63,735.16	16,640.24	5,131.65	85,507.05		(45,368.65)		
ARRA I.D.E.A., Preschool	84.392	7/1/09-8/31/11	7,555.00	(183.61)		2,153.61	2,076.39	-	-	2,076.39		(106.39)		
Total U.S. Department of Education				(115,751.61)	-	315,325.00	264,977.44	22,236.78	5,131.65	292,345.87	-	(92,772.48)	-	-
Total Federal Financial Assistance				$ (116,840.37)	$ -	$ 328,211.52	$ 279,041.56	$ 22,236.78	$ 5,131.65	$ 306,409.99	$ -	$ (95,038.84)	$ -	$ -

The accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

BOARD OF EDUCATION
BOROUGH OF MONTVALE

Schedule of Expenditures of State Financial Assistance, Schedule B
For the Fiscal Year Ended June 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2010	Adjustments	Cash Received	BUDGETARY EXPENDITURES Disbursements	Accounts Payable	Encumbrances	Total	Repayment of Prior Years' Balances	Balance June 30, 2011 Accounts Receivable	Deferred Revenue	Due to Grantor
State Department of Education:														
General Funds:														
Categorical Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	$ 196,284.00	$ (12,014.37)	$ -	$ 12,014.37	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Categorical Special Education Aid	11-495-034-5120-089	7/1/10-6/30/11	82,664.00			82,664.00	82,664.00			82,664.00		-		
Categorical Special Education Aid	10-495-034-5120-089	7/1/09-6/30/10	513,628.00	(37,865.63)		37,865.63				-		-		
Categorical Security Aid	10-495-034-5120-084	7/1/09-6/30/10	77,391.00	(4,737.00)		4,737.00				-		-		
TPAF Wage Freeze Grant		7/1/10-6/30/11	12,005.00			6,002.50	12,005.00			12,005.00		(6,002.50)		
Extraordinary Aid	11-100-034-5120-473	7/1/10-6/30/11	171,986.00				171,986.00			171,986.00		(171,986.00)		
Extraordinary Aid	10-100-034-5120-473	7/1/09-6/30/10	171,215.00	(171,215.00)		171,215.00				-		-		
Non-Public Transportation Aid	11-495-034-5120-014	7/1/10-6/30/11	5,220.00				5,220.00			5,220.00		(5,220.00)		
Non-Public Transportation Aid	10-495-034-5120-014	7/1/09-6/30/10	3,903.00	(3,903.00)		3,903.00				-		-		
Reimbursed TPAF Social Security Contribution	11-495-034-5095-002	7/1/10-6/30/11	508,631.41			508,631.41	508,631.41			508,631.41		-		
On-Behalf TPAF Pension Contributions	11-495-034-5095-001	7/1/10-6/30/11	487,672.00	-		487,672.00	487,672.00			487,672.00		-		
Total General Funds				(229,735.00)		1,314,704.91	1,268,178.41			1,268,178.41		(183,206.50)		
Special Revenue Funds:														
Clean Energy Program	NJBPU	7/1/10-6/30/11	7,700.00			7,700.00	7,700.00			7,700.00		-		
Clean Energy Program	NJBPU	7/1/10-6/30/11	4,850.00			4,850.00	4,850.00			4,850.00		-		
Total Special Revenue Funds						12,550.00	12,550.00			12,550.00		-		
Capital Project Funds:														
N.J. Schools Development Authority Grant	SP3330-030-09-1002		16,307.60				16,307.60			16,307.60		(16,307.60)		
N.J. Schools Development Authority Grant	SP3330-020-09-1001		10,042.80				10,042.80			10,042.80		(10,042.80)		
N.J. Schools Development Authority Grant	SP3330-020-10-1001		33,298.00				33,298.00			33,298.00		(33,298.00)		
Total Capital Project Funds				-	-	-	59,648.40	-	-	59,648.40	-	(59,648.40)	-	-
Total All Funds				$ (229,735.00)	$ -	$ 1,327,254.91	$ 1,340,376.81	$ -	$ -	$ 1,340,376.81	$ -	$ (242,856.90)	$ -	$ -

The accompanying Notes to Schedules of Awards and Financial Assistance are an integral part of this schedule.

BOARD OF EDUCATION
BOROUGH OF MONTVALE
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2011

Note 1: General

The accompanying schedules of expenditures of awards and financial assistance present the activity of all federal and state programs of the Borough of Montvale School District Board of Education. The Board of Education is defined in Note I:B. to the Board's basic financial statements. All federal awards and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

Note 2: Basis of Accounting

The accompanying schedules of expenditures of awards and financial assistance are presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Notes I:E and Note I:F. to the Board's basic financial statements. The information in the schedules is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Therefore, some amounts presented in the schedules may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Note 3: Relationship to Basic Financial Statements

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules 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 one or more deferred June state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, payments are not recognized until the subsequent year due to the state deferral and recording of the 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 revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more deferred June state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

BOARD OF EDUCATION
BOROUGH OF MONTVALE
NOTES TO SCHEDULES OF EXPENDITURES OF AWARDS AND FINANCIAL ASSISTANCE
YEAR ENDED JUNE 30, 2011
(CONCLUDED)

Note 3: Relationship to Basic Financial Statements (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is $54,617.00 general fund and $16,283.65 the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the GAAP basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	Federal	State	Total
General Fund	$	$ 1,322,795.41	$ 1,332,795.41
Special Revenue Fund	308,692.82	12,550.00	321,179.82
Food Service Fund	14,064.12		14,064.12
Total Awards and Financial Assistance	$ 322,693.94	$ 1,335,345.41	$ 1,658,039.35

Note 4: Relationship to State Financial Reports

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

Note 5: Other

The amount reported as TPAF Pension Contributions represents the amount paid by the state on behalf of the district for post-retirement medical benefits and the normal and accrued liability pension costs for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

BOARD OF EDUCATION
BOROUGH OF MONTVALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Part I – Summary of Auditor's Results

Financial Statement Section

A) Type of auditor's report issued:	Unqualified
B) Internal Control over financial reporting:	
1) Material weakness(es) identified?	yes X no
2) Were significant deficiencies identified that were not considered to be material weaknesses?	yes X none reported
C) Noncompliance material to basic financial statements noted?	yes X no

Federal Awards Section

Not Applicable

BOARD OF EDUCATION
BOROUGH OF MONTVALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011

Part I – Summary of Auditor's Results (Continued)

State Financial Assistance Section

F) Dollar threshold used to determine Type A Programs — $ 300,000.00

K) Auditee qualified as low-risk auditee? — X yes ____ no

L) Type of auditor's report on compliance for major programs. — Unqualified

M) Internal Control over compliance:

1) Material weakness(es) identified? — ____ yes X no
2) Were significant deficiencies identified that were not considered to be material weaknesses? — ____ yes X none reported

N) Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 04-04? — ____ yes X no

O) Identification of major programs:

GMIS Number(s)	Name of State Program
11-495-034-5095-002	Reimbursed T.P.A.F Social Security Contribution

BOARD OF EDUCATION
BOROUGH OF MONTVALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the basic financial statements that are required to be reported in accordance with Chapter 5.18 of Government Auditing Standards.

Not Applicable

BOARD OF EDUCATION
BOROUGH OF MONTVALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2011
(CONTINUED)

Part 3 – Schedule of Federal Awards and State Financial Assistance Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by OMB Circular A-133 and New Jersey OMB's Circular 04-04.

Not Applicable

BOARD OF EDUCATION
BOROUGH OF MONTVALE
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
AND QUESTIONED COSTS AS PREPARED BY MANAGEMENT
FOR THE YEAR ENDED JUNE 30, 2011

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of Government Auditing Standards, U.S. OMB Circular A-133 (section .315 (a) (b)) and New Jersey OMB's Circular 04-04.

Not Applicable