

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF MONTCLAIR**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2013**

**Comprehensive Annual
Financial Report**

of the

Township of Montclair School District

Montclair, New Jersey

For the Fiscal Year Ended June 30, 2013

Prepared by

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

Finance Department

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INTRODUCTORY SECTION



MONTCLAIR PUBLIC SCHOOLS

BUSINESS OFFICE

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WWW.MONTCLAIR.K12.NJ.US

October 28, 2013

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

Dear Board Members:

The Comprehensive Annual Financial Report of the Montclair School District (the "District") for the fiscal year ended June 30, 2013, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education (the "Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the basic financial statements and results of operations of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District provides a full range of educational services appropriate to grade levels Pre K through 12. The educational services provided include regular and vocational programs as well as special education for handicapped children. The District completed the 2012-2013 fiscal year with an enrollment of 6,667 students, which is a increase of 29 students from the previous year's enrollment.

2) ECONOMIC CONDITION AND OUTLOOK: The Township of Montclair is primarily residential with a few commercial ratable and with little space remaining for development. Several years ago, the Township completed a revaluation of all property. Since then, many tax appeals have resulted in a decrease in the net valuation taxable from \$7.335 billion in 2008 to \$5.775 billion in 2012. The Township has completed another revaluation of property which resulted in decreased property values for the 2012 tax year. As state and federal aid to education declines, the local tax levy has assumed a larger percentage of the school budget- from 70% in 1986 to 92% in 2012-13.

Families with young children choose Montclair for its excellent schools. The housing market remains active as senior citizens leave the area and are replaced by younger families. The school system is expected to continue to maintain enrollment at approximately 6,600 students for the next ten years.

3) MAJOR INITIATIVES: In 2012-13, the newly-appointed Superintendent conducted a multitude of school visits, community forums and public strategic planning sessions to inform the development of a two-year Strategic Operating Plan for the district, which was approved by the Board in June 2013. The Strategic Operating Plan includes seven broad goals with specific objectives and strategies for attaining those goals. The seven goals are: (1) High Expectations and Achievement for All; (2) Consistent and Rigorous Instruction Across All Classrooms; (3) Highly Effective Central Services Support to Schools; (4) Effective Internal and External Communications and Parent Engagement; (5) Effective and Accountable Leadership at the School and District Levels; (6) Equitable Resources/School Offerings, and (7) Focus/Attention on Montclair High School.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments and assignments of fund balance at June 30, 2013.

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

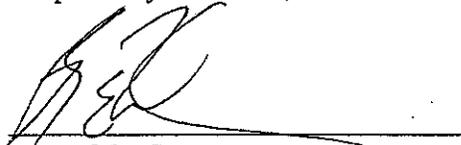
7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under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

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

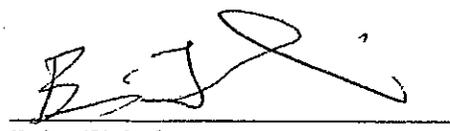
9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth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

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

Respectfully submitted,



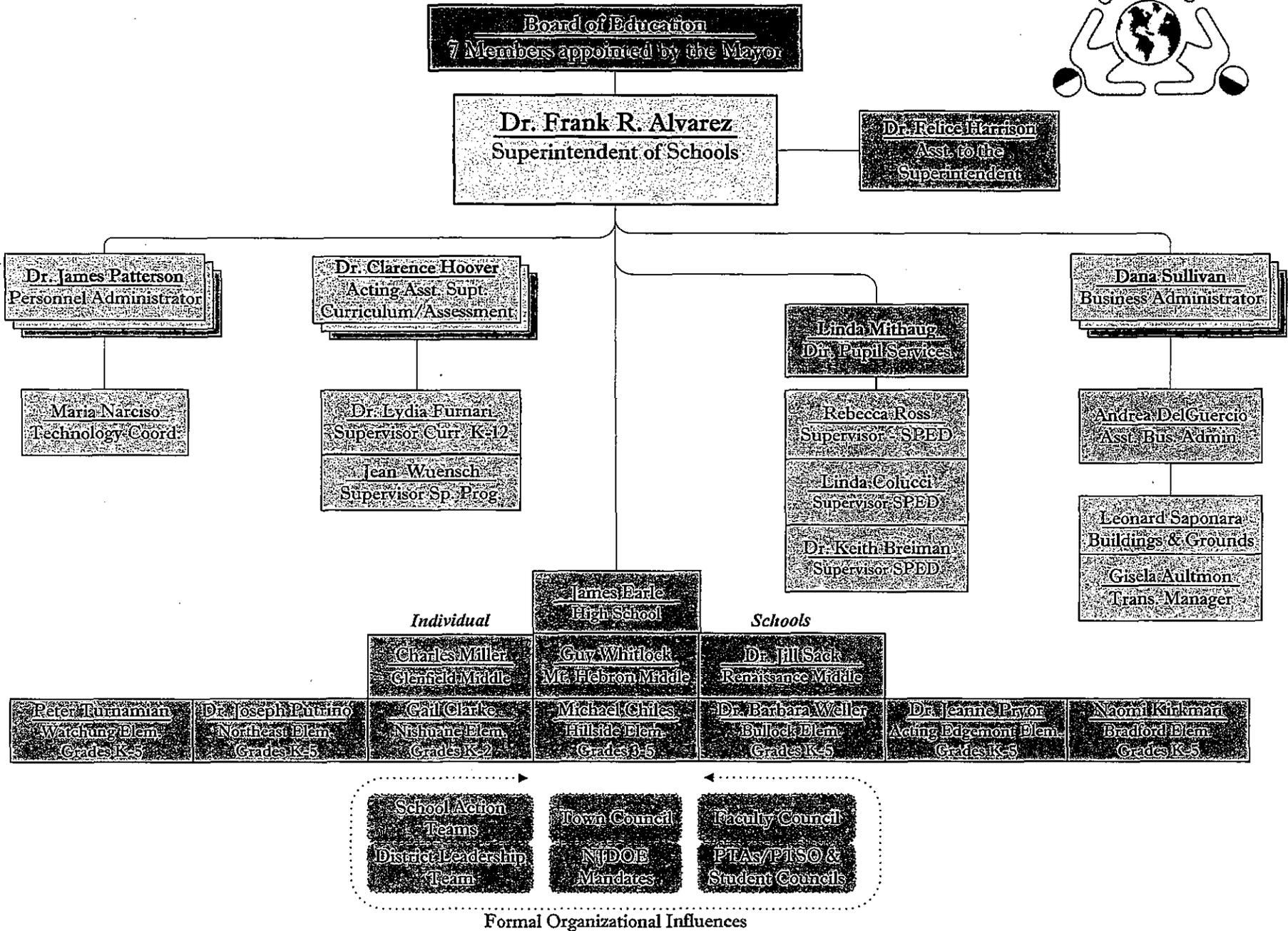
Penny MacCormack
Superintendent



Brian Fleischer
Chief Operating Officer

Montclair Public Schools

Organizational Chart 2011-2012



**MONTCLAIR TOWNSHIP SCHOOL DISTRICT
 ROSTER OF OFFICIALS
 JUNE 30, 2013**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Robin Kulwin, President	2017
Leslie Larson, Vice President	2015
Tanya Coke	2014
Shelly Lombard	2015
Norman Rosenblum	2014
David Cummings	2017
David Deutsch	2017

<u>Other Officers</u>	<u>Title</u>
Penny MacCormack	Superintendent of Schools
Nicholas Puleio	Interim Business Administrator/Board Secretary (Until 6/30/2013)
Brian Fleischer	Chief Operating Officer (From 7/1/2013)
Michael Zazzarino	Treasurer

MONTCLAIR TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors

Architect

Richard Rigolo
151 Grove Street
Clifton, New Jersey 07013

Attorney

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

Audit Firm

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

Official Depositories

Investors Savings Bank
505 Bloomfield Avenue
Montclair, New Jersey 07042

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

Bank of America
605 Valley Road
Montclair, New Jersey 07042

TD Bank
233 Bloomfield Avenue
Montclair, New Jersey 07042

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

Valley National Bank
1460 Valley Road
Wayne, New Jersey 07470

FINANCIAL SECTION



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

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

Independent Auditors' Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Montclair Township School District (the "District"), a component unit of the Township of Montclair in the County of Essex, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Montclair Township School District, in the County of Essex, as of June 30, 2013, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary schedules such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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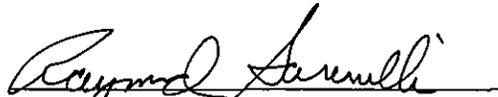
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

October 11, 2013
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

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

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

This section of the Montclair Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2013. Please read it in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

Financial Highlights

- Total net position has decreased by \$438,276 or 0.53%.
- Overall revenue was \$124,143,817.
- Overall expenditures were \$124,582,093.

Overview of the Financial Statements

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

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

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

Figure A-1

Organization of Montclair Township School District's Financial Report

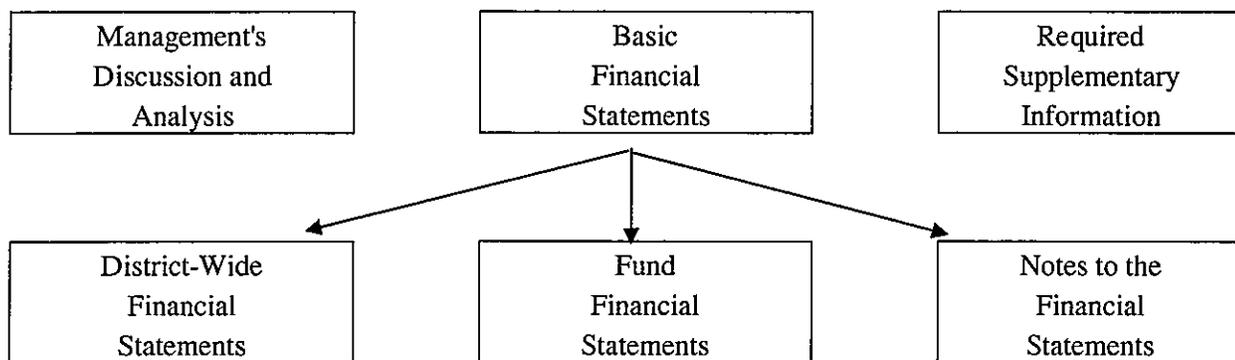


Figure A-2 summarizes the major features of the district's financial statements, including the portion of the district's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The district has three kinds of funds:

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

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

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

Financial Analysis of the District as a Whole

Net Position. The District's *combined* net position was \$81,621,243 on June 30, 2013, \$438,276 or 0.53% less than it was the fiscal year before. (See Figure A-3).

Figure A-3

Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012	
Current and Other Assets	\$21,454,676	\$20,257,733	\$615,342	\$551,538	\$22,070,018	\$20,809,271	6.06%
Capital Assets	68,606,368	68,665,576	169,864	194,743	68,776,232	68,860,319	-0.12%
Total Assets	90,061,044	88,923,309	785,206	746,281	90,846,250	89,669,590	1.31%
Long-Term Liabilities	1,969,028	2,139,464			1,969,028	2,139,464	-7.97%
Other Liabilities	7,024,829	5,156,589	231,150	314,018	7,255,979	5,470,607	32.64%
Total Liabilities	8,993,857	7,296,053	231,150	314,018	9,225,007	7,610,071	21.22%
Net Position:							
Net Investment in Capital							
Assets	68,606,368	68,665,576	169,864	194,743	68,776,232	68,860,319	-0.12%
Restricted	11,270,241	11,718,456			11,270,241	11,718,456	-3.82%
Unrestricted/(Deficit)	1,190,578	1,243,224	384,192	237,520	1,574,770	1,480,744	6.35%
Total Net Position	\$81,067,187	\$81,627,256	\$554,056	\$432,263	\$81,621,243	\$82,059,519	-0.53%

Changes in Net Position. The district's combined net position decreased \$438,276 or 0.53%. Net position from governmental activities decreased \$560,969 and an increase in net position from business-type activities of \$121,793. Net investment in capital assets decreased \$84,087 due to an increase in capital assets offset by current fiscal year depreciation, restricted net position decreased \$448,215 and unrestricted net position increased by \$94,026.

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

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

	Governmental Activities		Business-Type Activities		Total School District		Percentage Change
	2012/2013	2011/2012	2012/2013	2011/2012	2012/2013	2011/2012	
Revenue:							
Program Revenue:							
Charges for Services	\$ 783,292	\$ 523,788	\$ 549,990	\$ 681,788	\$ 1,333,282	\$ 1,205,576	10.59%
Operating Grants & Contributions	19,506,729	18,801,996	642,348	590,331	20,149,077	19,392,327	3.90%
Capital Grants and Contributions	3,243,859	25,399			3,243,859	25,399	100.00%
General Revenue:							
Property Taxes	97,509,698	97,509,698			97,509,698	97,509,698	0.00%
Unrestricted Federal & State Aid	1,346,151	763,527			1,346,151	763,527	76.31%
Other	339,293	(108,013)	222,457	394,794	561,750	286,781	95.88%
Total Revenue	122,729,022	117,516,395	1,414,795	1,666,913	124,143,817	119,183,308	4.16%
Expenses:							
Instruction	68,320,626	65,972,006			68,320,626	65,972,006	3.56%
Pupil and Instruction Services	28,210,897	24,690,529			28,210,897	24,690,529	14.26%
Administrative and Business	9,804,993	9,518,659			9,804,993	9,518,659	3.01%
Maintenance and Operations	9,178,249	9,275,074			9,178,249	9,275,074	-1.04%
Transportation	4,666,981	4,327,092			4,666,981	4,327,092	7.85%
Special Schools	477,788	503,306			477,788	503,306	-5.07%
Other	2,629,557	2,579,943	1,293,002	1,590,572	3,922,559	4,170,515	-5.95%
Total Expenses	123,289,091	116,866,609	1,293,002	1,590,572	124,582,093	118,457,181	5.17%
Increase/(Decrease) in Net Position	\$ (560,069)	\$ 649,786	\$ 121,793	\$ 76,341	\$ (438,276)	\$ 726,127	160.36%

Revenue Sources. The district's total revenue for the 2012-2013 school year was \$124,143,817. (See Figure A-4). Property taxes accounted for most of the district's revenue with local taxes accounting for \$97,509,698 of the total, or 78.55%. (See Figure A-5). Another 19.93% came from state and federal aid and the remainder from miscellaneous sources. Montclair Township School District basically conducts its operations from the revenues it receives from its local taxpayers.

**Figure A-5
Sources of School District Revenue - Fiscal Year 2013**

	Amount	Percentage
Sources of Income:		
State Formula Aid	\$ 5,747,796	4.63%
Property Taxes	97,509,698	78.55%
Federal and State Categorical Grants	18,991,291	15.30%
Charges for Services	1,333,282	1.07%
Other	561,750	0.45%
	\$ 124,143,817	100.00%

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

The total cost of all programs and services was \$124,582,093. The district's expenses are predominantly related to instructing, caring for (pupil services) and transporting students (81.23 percent). (See Figure A-6). The District's administrative and business activities accounted for 7.87%. The Montclair Township School District operates 12 schools, and an administration building which results in maintenance costs of 7.37 percent.

**Figure A-6
Sources of School District Expenses - Fiscal Year 2013**

Expense Category:	Amount	Percentage
Instruction	\$ 68,320,626	54.84%
Pupil and Instruction Services	28,210,897	22.64%
Administrative and Business	9,804,993	7.87%
Maintenance and Operations	9,178,249	7.37%
Transportation	4,666,981	3.75%
Special Schools	477,788	0.38%
Other	3,922,559	3.15%
	<u>\$ 124,582,093</u>	<u>100.00%</u>

Governmental Activities

Net position from the district's governmental activities decreased by \$428,276 in 2012-2013. A majority of all revenue for the Montclair Township School District is collected through property taxes. Each fiscal year, the District must seek Board of School Estimate approval for its operations. Property taxes made up 78.55% of revenues for governmental activities.

Instruction comprises 77.48% of District expenses, support services 18.98%, and all others 3.53%.

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

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

	Total Costs of Services		Net Cost of Services	
	2012/2013	2011/2012	2011/2012	2011/2012
Instruction	\$ 68,320,626	\$ 65,972,006	\$ 53,906,199	\$ 52,123,172
Pupil and Instruction Services	28,210,897	24,690,529	25,470,747	22,361,610
Administrative and Business	9,804,993	9,518,659	8,884,202	8,725,887
Maintenance and Operations	9,178,249	9,275,074	8,578,845	8,458,826
Transportation	4,666,981	4,327,092	3,467,080	3,246,886
Special Schools	477,788	503,306	62,440	44,501
Other	2,629,557	2,579,943	(614,302)	2,554,544
	<u>\$ 123,289,091</u>	<u>\$ 116,866,609</u>	<u>\$ 99,755,211</u>	<u>\$ 97,515,426</u>

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

Business-Type Activities

- Net position from the district's business-type activity increased \$121,793. (Refer to Figure A-4).

General Fund Budgetary Highlights

Over the course of the fiscal year, the district revised the annual operating budget several times. Budget amendments were made during the fiscal year within various budgetary line items for changes in school-based needs for programs and supplies. The overall budget was also increased by \$370,000 utilizing funds raised in prior years due to unexpected costs associated with professional service expenses and a continued deficit in the food service fund.

Capital Asset and Debt Administration

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

	<u>Government Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Percentag Change</u>
	<u>2012/2013</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2011/2012</u>	<u>2012/2013</u>	<u>2011/2012</u>	
Land	\$ 5,187,355	\$ 5,187,355			\$ 5,187,355	\$ 5,187,355	0.00%
Buildings and Improvements	61,143,669	60,835,499			61,143,669	60,835,499	0.51%
Machinery and Equipment	<u>2,275,344</u>	<u>2,642,721</u>	<u>\$ 169,864</u>	<u>\$ 194,743</u>	<u>2,445,208</u>	<u>2,837,464</u>	-13.82%
Total Capital Assets, Net	<u>\$ 68,606,368</u>	<u>\$ 68,665,575</u>	<u>\$ 169,864</u>	<u>\$ 194,743</u>	<u>\$ 68,776,232</u>	<u>\$68,860,318</u>	-0.12%

The District's capital assets decreased by \$84,086. Capital acquisitions were \$2,756,019 offset by depreciation of \$2,840,105. Major acquisitions of the District are mainly continued progress and the completion of several construction projects.

Long-term Debt

At fiscal year-end, the District had \$1,969,028 in Compensated Absences Payable outstanding – a decrease of \$170,436 from the prior fiscal year - as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.)

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

	<u>Total School District</u>		<u>Percentage Change</u>
	<u>2012/2013</u>	<u>2011/2012</u>	
Compensated Absences Payable	<u>\$ 1,969,028</u>	<u>\$ 2,139,464</u>	<u>-7.97%</u>

**Management Discussion and Analysis
For the Fiscal Year Ended June 30, 2013
(Unaudited)**

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

The Audit for Fiscal Year 2013 reflects a strong financial position for the Montclair School District which is supporting the current fiscal year (2013-2014) budget through the use of unanticipated fund balance. In addition, funding to the Maintenance and Capital Reserve accounts will increase in a prudent approach to protect the district's infrastructure.

As the district prepares for the development of the 2014-2015 budget it will face the ongoing challenges of the State mandated 2% Cap on the Tax Levy while reoccurring expenses in the areas of special education costs, utilities, transportation and employee health benefits with increases in excess of the cap. The ability to generate consistent revenue to cover annual expenses will continue to require a creative approach to budgeting for the foreseeable future.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS:			
Cash and Cash Equivalents	\$ 13,690,253	\$ 264,613	\$ 13,954,866
Receivables from Other Governments	1,749,671	96,695	1,846,366
Accounts Receivable- Other	2,610,289	85,486	2,695,775
Internal Balances	(150,176)	150,176	
Interfund Receivable	1,000		1,000
Inventory		18,372	18,372
Restricted Cash and Cash Equivalents	3,553,639		3,553,639
Capital Assets:			
Sites (Land)	5,187,355		5,187,355
Depreciable Buildings and Building Improvements and Machinery and Equipment	<u>63,419,013</u>	<u>169,864</u>	<u>63,588,877</u>
Total Assets	<u>90,061,044</u>	<u>785,206</u>	<u>90,846,250</u>
LIABILITIES:			
Accounts Payable	4,200,463	208,195	4,408,658
Accrued Liability for Health Claims	2,605,366		2,605,366
Interfund Payable	95		95
Unearned Revenue	144,307	22,955	167,262
Payable to Federal Government	11,623		11,623
Payable to State Government	62,975		62,975
Noncurrent Liabilities:			
Due Beyond One Year	<u>1,969,028</u>		<u>1,969,028</u>
Total Liabilities	<u>8,993,857</u>	<u>231,150</u>	<u>9,225,007</u>
NET POSITION:			
Net Investment in Capital Assets	68,606,368	169,864	68,776,232
Restricted for:			
Capital Projects	5,005,041		5,005,041
Other Purposes	6,265,200		6,265,200
Unrestricted	<u>1,190,578</u>	<u>384,192</u>	<u>1,574,770</u>
Total Net Position	<u>\$ 81,067,187</u>	<u>\$ 554,056</u>	<u>\$ 81,621,243</u>

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 50,419,530		\$ 6,476,980		\$ (43,942,550)		\$ (43,942,550)
Special Education	13,673,747		7,515,360		(6,158,387)		(6,158,387)
Other Special Instruction	2,448,400		264,161		(2,184,239)		(2,184,239)
School Sponsored Instruction	1,778,949		157,926		(1,621,023)		(1,621,023)
Support Services:							
Tuition	5,099,446	\$ 367,944			(4,731,502)		(4,731,502)
Student Services	20,513,702		2,372,206		(18,141,496)		(18,141,496)
Instruction Services	2,597,749				(2,597,749)		(2,597,749)
General Administrative Services	2,064,650		87,252		(1,977,398)		(1,977,398)
School Administrative Services	5,797,230		651,795		(5,145,435)		(5,145,435)
Central Services	1,645,518		169,283		(1,476,235)		(1,476,235)
Administrative Information Technology	297,595		12,461		(285,134)		(285,134)
Plant Operations and Maintenance	9,178,249		599,404		(8,578,845)		(8,578,845)
Pupil Transportation	4,666,981		1,199,901		(3,467,080)		(3,467,080)
Capital Outlay	85,938			\$ 3,243,859	3,157,921		3,157,921
Special Schools	477,788	415,348			(62,440)		(62,440)
Unallocated Depreciation	2,543,619				(2,543,619)		(2,543,619)
Total Governmental Activities	123,289,091	783,292	19,506,729	3,243,859	(99,755,211)		(99,755,211)

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Business-Type Activities:							
Food Service	\$ 1,192,701	\$ 463,564	\$ 642,348		\$ (86,789)	\$ (86,789)	
Special Programs	100,301	86,426			(13,875)	(13,875)	
Total Business-Type Activities	1,293,002	549,990	642,348		(100,664)	(100,664)	
Total Primary Government	\$ 124,582,093	\$ 1,333,282	\$ 20,149,077	\$ 3,243,859	\$ (99,755,211)	(100,664)	(99,855,875)
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					97,509,698		97,509,698
Federal and State Aid Not Restricted					1,346,151		1,346,151
Investment Earnings					59,993	242	60,235
Miscellaneous Income					394,300		394,300
Cancellation of Accounts Payable						107,215	107,215
Transfers					(115,000)	115,000	
Total General Revenues , Special Items & Transfers					99,195,142	222,457	99,417,599
Change in Net Position					(560,069)	121,793	(438,276)
Net Position - Beginning					81,627,256	432,263	82,059,519
Net Position - Ending					\$ 81,067,187	\$ 554,056	\$ 81,621,243

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

FUND FINANCIAL STATEMENTS

Exhibit B-1

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash and Cash Equivalents	\$ 13,260,324	\$ 409,301	\$ 20,628	\$ 13,690,253
Interfund Receivable	801,000			801,000
Receivables From Federal Government		884,251		884,251
Receivables From State Government	863,641	1,779		865,420
Accounts Receivable- Other	429,515		2,180,774	2,610,289
Restricted Cash and Cash Equivalents	3,553,639			3,553,639
Total Assets	<u>\$ 18,908,119</u>	<u>\$ 1,295,331</u>	<u>\$ 2,201,402</u>	<u>\$ 22,404,852</u>
LIABILITIES AND FUND BALANCES:				
Liabilities:				
Accounts Payable	3,924,037	276,426		4,200,463
Accrued Liability for Health Claims	2,605,366			2,605,366
Interfund Payable	150,271	800,000		950,271
Unearned Revenue		144,307		144,307
Payable to Federal Government		11,623		11,623
Payable to State Government		62,975		62,975
Total Liabilities	<u>6,679,674</u>	<u>1,295,331</u>		<u>7,975,005</u>
Fund Balances:				
Restricted:				
Capital Reserve Account	2,803,639			2,803,639
Maintenance Reserve	750,000			750,000
Excess Surplus	2,259,622			2,259,622
Excess Surplus - For Subsequent Year's Expenditures	3,255,578			3,255,578
Capital Projects Fund			2,201,402	2,201,402
Assigned:				
Year End Encumbrances	55,798			55,798
For Subsequent Year's Expenditures	1,531,506			1,531,506
Unassigned	1,572,302			1,572,302
Total Fund Balances	<u>12,228,445</u>		<u>2,201,402</u>	<u>14,429,847</u>
Total Liabilities and Fund Balances	<u>\$ 18,908,119</u>	<u>\$ 1,295,331</u>	<u>\$ 2,201,402</u>	<u>22,404,852</u>

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

Capital assets used in Governmental Activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$92,438,604 and the accumulated depreciation is \$23,832,236	68,606,368
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.	(1,969,028)
Net Position of Governmental Activities	<u>\$ 81,067,187</u>

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
REVENUE:				
Local Sources:				
Local Tax Levy	\$ 97,509,698			\$ 97,509,698
Interest Earned on Capital Reserve Funds	3,639			3,639
Miscellaneous	933,947	\$ 192,550	\$ 3,243,859	4,370,356
Total - Local Sources	98,447,284	192,550	3,243,859	101,883,693
State Sources	18,216,278	452,464		18,668,742
Federal Sources	95,769	2,195,819		2,291,588
Total Revenue	116,759,331	2,840,833	3,243,859	122,844,023
EXPENDITURES:				
Current:				
Regular Instruction	36,824,911	1,116,085		37,940,996
Special Education Instruction	9,025,136	1,424,748		10,449,884
Other Special Instruction	1,832,553			1,832,553
School Sponsored Instruction	1,410,772			1,410,772
Support Services and Undistributed Costs:				
Tuition	4,799,446	300,000		5,099,446
Student Services	15,345,908			15,345,908
Instruction Services	2,000,221			2,000,221
General Administration Services	1,917,706			1,917,706
School Administration Services	4,310,048			4,310,048
Central Services	1,250,862			1,250,862
Administration Information Technology	268,544			268,544
Plant Operations and Maintenance	7,858,131			7,858,131
Pupil Transportation	4,587,314			4,587,314
Unallocated Benefits	25,808,190			25,808,190

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
EXPENDITURES:				
Capital Outlay	\$ 85,938		\$ 2,756,019	2,841,957
Special Schools	477,788			477,788
Total Expenditures	<u>117,803,468</u>	<u>\$ 2,840,833</u>	<u>2,756,019</u>	<u>123,400,320</u>
Excess/(Deficiency) of Revenue over Expenditures	(1,044,137)		487,840	(556,297)
OTHER FINANCING SOURCES/(USES):				
Transfers Out	(115,000)			(115,000)
Total Other Financing Sources/(Uses)	<u>(115,000)</u>			<u>(115,000)</u>
Net Change in Fund Balances	(1,159,137)		487,840	(671,297)
Fund Balance—July 1	<u>13,387,582</u>		<u>1,713,562</u>	<u>15,101,144</u>
Fund Balance—June 30	<u>\$ 12,228,445</u>	<u>\$ -0-</u>	<u>\$ 2,201,402</u>	<u>\$ 14,429,847</u>

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Total Net Change in Fund Balances - Governmental Funds (from Exhibit B-2) \$ (671,297)

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

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

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

	Depreciation expense	\$ (2,815,226)	
	Capital outlays	<u>2,756,019</u>	(59,207)

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

170,436

Total Change in Net Position - Governmental Activities (Exhibit A-2) \$ (560,068)

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

Exhibit B-4

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2013

	Food Service Program	Special Programs	Total Business-Type Activities - Enterprise
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	\$ 36,293	\$ 228,320	\$ 264,613
Intergovernmental Accounts Receivable:			
State	2,447		2,447
Federal	94,248		94,248
Accounts Receivable- Other	85,486		85,486
Interfund Receivable	150,176		150,176
Inventories	18,372		18,372
Total Current Assets	<u>387,022</u>	<u>228,320</u>	<u>615,342</u>
Non-Current Assets:			
Capital Assets	509,243		509,243
Less: Accumulated Depreciation	<u>(339,379)</u>		<u>(339,379)</u>
Total Non-Current Assets	<u>169,864</u>		<u>169,864</u>
Total Assets	<u>556,886</u>	<u>228,320</u>	<u>785,206</u>
LIABILITIES:			
Current Liabilities:			
Unearned Revenue	22,955		22,955
Accounts Payable - Vendors	<u>203,520</u>	<u>4,675</u>	<u>208,195</u>
Total Liabilities	<u>226,475</u>	<u>4,675</u>	<u>231,150</u>
NET POSITION:			
Net Investment in Capital Assets	169,864		169,864
Unrestricted	<u>160,547</u>	<u>223,645</u>	<u>384,192</u>
Total Net Position	<u>\$ 330,411</u>	<u>\$ 223,645</u>	<u>\$ 554,056</u>

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

Exhibit B-5

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Major Program</u> <u>Food Service</u> <u>Program</u>	<u>Non-Major</u> <u>Programs</u>	<u>Total</u> <u>Business-Type</u> <u>Activities -</u> <u>Enterprise Funds</u>
Operating Revenue:			
Local Sources:			
Daily Sales - Reimbursable Programs	\$ 376,258		\$ 376,258
Daily Sales - Non-Reimbursable Programs	48,009		48,009
Special Functions	39,297		39,297
Mentor Fees		\$ 72,517	72,517
Tuition		13,909	13,909
Total Operating Revenue	<u>463,564</u>	<u>86,426</u>	<u>549,990</u>
Operating Expenses:			
Cost of Sales	447,205		447,205
Salaries, Benefits & Payroll Taxes	616,299	96,825	713,124
Administrative Expenses	64,311		64,311
Supplies and Materials	40,007	3,476	43,483
Depreciation Expense	24,879		24,879
Total Operating Expenses	<u>1,192,701</u>	<u>100,301</u>	<u>1,293,002</u>
Operating (Loss)	(729,137)	(13,875)	(743,012)
Non-Operating Revenue:			
Local Sources:			
Interest Income	242		242
Board Contribution	115,000		115,000
State Sources:			
State School Lunch Program	13,333		13,333
Federal Sources:			
National School Breakfast Program	71,470		71,470
National School Lunch Program	482,374		482,374
Food Distribution Program	75,171		75,171
Total Non-Operating Revenue	<u>757,590</u>		<u>757,590</u>
Change in Net Position before Other Items	28,453	(13,875)	14,578
Cancellation of Prior Year Accounts Payable	<u>107,215</u>		<u>107,215</u>
Change in Net Position After Other Items	135,668	(13,875)	121,793
Net Position - Beginning of Year	<u>194,743</u>	<u>237,520</u>	<u>432,263</u>
Net Position - End of Year	<u>\$ 330,411</u>	<u>\$ 223,645</u>	<u>\$ 554,056</u>

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

Exhibit B-6

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Major Program</u>		<u>Total</u>
	<u>Food Service</u>	<u>Non-Major</u>	<u>Business-Type</u>
	<u>Program</u>	<u>Programs</u>	<u>Activities -</u>
			<u>Enterprise</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 387,340	\$ 86,426	\$ 473,766
Payments to Employees	(504,731)	(99,290)	(604,021)
Payments to Food Service Vendor	(668,569)		(668,569)
Payments to Suppliers	(1,500)	(10,976)	(12,476)
Net Cash Used for Operating Activities	<u>(787,460)</u>	<u>(23,840)</u>	<u>(811,300)</u>
Cash Flows from Investing Activities:			
Local Sources:			
Interest Income	242		242
Net Cash Provided by Investing Activities	<u>242</u>		<u>242</u>
Cash Flows from Noncapital Financing Activities:			
Cash Received from the Cancellation of Accounts Payable	107,215		107,215
Cash Received from State and Federal Reimbursements	562,869		562,869
Cash Received from Operating Transfers - Board Contribution	136,053		136,053
Net Cash Provided by Noncapital Financing Activities	<u>806,137</u>		<u>806,137</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	18,919	(23,840)	(4,921)
Cash and Cash Equivalents, July 1	<u>17,374</u>	<u>252,160</u>	<u>269,534</u>
Cash and Cash Equivalents, June 30	<u>\$ 36,293</u>	<u>\$ 228,320</u>	<u>\$ 264,613</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:			
Operating (Loss)	\$ (729,137)	\$ (13,875)	\$ (743,012)
Adjustment to Reconcile Operating (Loss)			
to Cash Used for Operating Activities:			
Depreciation	24,879		24,879
Food Distribution Program	75,171		75,171
Changes in Assets and Liabilities:			
(Increase)/Decrease in Accounts Receivable	(76,224)		(76,224)
Increase/(Decrease) in Deferred Revenue	(10,973)		(10,973)
(Increase)/Decrease in Inventory	(9,246)		(9,246)
Increase/(Decrease) in Accounts Payable	(61,930)	(9,965)	(71,895)
Net Cash Used for Operating Activities	<u>\$ (787,460)</u>	<u>\$ (23,840)</u>	<u>\$ (811,300)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$75,171 for the fiscal year ended June 30, 2013.

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

Exhibit B-7

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>
ASSETS:		
Cash and Cash Equivalents	\$ 1,048,650	\$ 474,082
Interfund Receivable	95	
Total Assets	<u>1,048,745</u>	<u>474,082</u>
LIABILITIES:		
Interfund Payable	1,000	
Due to Student Groups	436,564	
Payroll Deductions and Withholdings	611,181	
Total Liabilities	<u>1,048,745</u>	
NET POSITION:		
Held in Trust for:		
Unemployment Compensation Claims		474,082
Total Net Position	<u>\$ -0-</u>	<u>\$ 474,082</u>

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

Exhibit B-8

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Unemployment Compensation Trust</u>
Additions:	
Contributions:	
Employee Contributions	\$ 184,179
Total Contributions	<u>184,179</u>
Investment Earnings:	
Interest	<u>898</u>
Net Investment Earnings	<u>898</u>
Total Additions	<u>185,077</u>
Deductions	
Unemployment Compensation Claims	81,670
Transfers to Agency	<u>129,157</u>
Total Deductions	<u>210,827</u>
Change in Net Position	(25,750)
Net Position - Beginning of the Year	<u>499,832</u>
Net Position - End of the Year	<u>\$ 474,082</u>

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation

District-Wide Financial Statements:

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

B. Basis of Presentation (Cont'd)

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

The District reports the following governmental funds:

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

As required by NJDOE, the District includes budgeted capital outlay in this fund. GAAP, as it pertains to governmental entities, states that general fund resources may be used to directly finance capital outlays for long-lived improvements as long as the resources in such cases are derived exclusively from unrestricted revenue. Resources for budgeted capital outlay purposes are normally derived from State of New Jersey Aid, district taxes and appropriated fund balance. Expenditures are those that result in the acquisition of or additions to fixed assets for land, existing buildings, improvements of grounds, construction of buildings, additions to or remodeling of buildings and the purchase of built-in equipment. These resources can be transferred from and to current expenses by board resolution.

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

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

B. Basis of Presentation (Cont'd)

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Fund accounts for all revenue and expenses pertaining to the District's Enterprise Funds. The District operates several Enterprise Funds. The District's Enterprise Funds are comprised of the Food Service, Provisional Teacher, Saturday Music and Summer Programs. These Enterprise Funds are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students or to the public on a continuing basis is financed or recovered primarily through user charges. None of the District's individual Enterprise Funds except for the Food Service Fund is a major fund.

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ended June 30, 2013 was submitted to the County office by the Board of School Estimate and was approved by a vote of the Board of School Estimate. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue"		
from the Budgetary Comparison Schedule	\$ 116,874,393	\$ 2,840,833
Differences - Budget to GAAP:		
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	521,853	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(636,915)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 116,759,331	\$ 2,840,833

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 117,803,468	\$ 2,840,833
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 117,803,468	\$ 2,840,833
		Capital Projects Fund
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule - Township of Montclair Township of Montclair Unexpended balances of Ordinances		\$ 1,944,177 1,299,682
Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		\$ 3,243,859
		Capital Projects Fund
Restricted		\$ 15,105,966
Reconciliation to Governmental Funds Statements (GAAP):		
Township Receivable not Recognized on GAAP Basis		(12,904,564)
Fund Balance per Governmental Funds (GAAP)		\$ 2,201,402

E. Cash and Cash Equivalents

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

New Jersey school districts are limited as to type of investments and types of financial institutions they may invest in. New Jersey Statute 18A:20-37 provides a list of permissible investments that may be purchased by New Jersey school districts. Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

E. Cash and Cash Equivalents (Cont'd)

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

F. Interfund Transactions

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

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

G. Allowance for Uncollectible Accounts

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

H. Encumbrances

Under encumbrance accounting purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as restricted, committed and/or assigned fund balances at the fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services.

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

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

I. Short-term Interfund Receivables/Payables

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

J. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2013.

K. Capital Assets

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

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

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

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

L. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but not undisbursed amounts be retained in a separate bank account. As of June 30, 2013, the amount earned by these employees but not disbursed was \$2,399,830.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

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

M. Long Term Liabilities

In the District-wide and enterprise fund statements of net position, long-term debt and other long-term obligations are reported as liabilities in the applicable government activities, business-type activities, or enterprise funds. Bond issuance costs, as well as applicable bond premium and discounts, are reported as deferred charges and amortized over the term of the related debt using the straight-line method of amortization. In the fund financial statements, governmental fund types recognize bond issuance costs, as expenditures in the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

N. Compensated Absences

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by Governmental Accounting Standards Board Statement No. 16 (GASB 16), *Accounting for Compensated Absences*. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

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

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

O. Unearned Revenue

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

P. Fund Balance Appropriated

General Fund: Of the \$12,228,445 General Fund fund balance at June 30, 2013, \$55,798 is assigned for encumbrances; \$1,531,506 is assigned as designated for subsequent year's expenditures; \$2,803,639 is restricted in the capital reserve account; \$750,000 is restricted in the maintenance reserve; \$2,259,622 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) and will be appropriated and included as anticipated revenue for the year ending June 30, 2015; \$3,255,578 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the year ending June 30, 2014, and \$1,572,302 is unassigned which is \$636,915 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which were not recognized on the GAAP basis.

Capital Projects Fund: The Capital Projects Fund has \$2,201,402 of restricted fund balance at June 30, 2013.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

P. Fund Balance Appropriated (Cont'd)

Calculation of Excess Surplus: The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2013 is \$2,259,622, detailed on the prior page.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$636,915 as reported in the fund financial statements (modified accrual basis). P.L. 2004, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Net Position

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District did not have any deferred inflows or outflows of resources at June 30, 2013.

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

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

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

R. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has no committed resources at June 30, 2013.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for fiscal year-end encumbrances and for amounts designated for subsequent fiscal year's expenditures in the General Fund at June 30, 2013.

S. Revenue - Exchange and Non-exchange Transactions

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

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

T. Operating Revenue and Expenses

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

U. Management Estimates

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Deposits:

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

Deposits: (Cont'd)

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;
- (3) Any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligation bears a fixed rate of interest not dependent on any index or other external factor;
- (4) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, approved by the Division of Investment of the Department of the Treasury for investment by local units;
- (5) Local government investment pools;
- (6) Deposits with the State of New Jersey Cash Management Fund; or
- (7) Agreements for the repurchase of fully collateralized securities if:
 - (a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) above;
 - (b) the custody of collateral is transferred to a third party;
 - (c) the maturity of the agreement is not more than 30 days;
 - (d) the underlying securities are purchased through a public depository as defined in statute; and
 - (e) a master repurchase agreement providing for the custody and security of collateral is executed.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

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

As of June 30, 2013, cash and cash equivalents and investments of the District consisted of the following:

	<u>Cash and Cash Equivalents</u>	<u>Capital Reserve Account</u>	<u>Maintenance Reserve Account</u>	<u>Total</u>
Checking and Savings Accounts	<u>\$ 15,477,598</u>	<u>\$ 2,803,639</u>	<u>\$ 750,000</u>	<u>\$ 19,031,237</u>

During the period ended June 30, 2013, the District did not hold any investments. The carrying amount of the Board's cash and cash equivalents at June 30, 2013, was \$19,031,237 and the bank balance was \$22,633,883.

NOTE 4. CAPITAL RESERVE ACCOUNT

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

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

The activity of the capital reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Balance July 1, 2012	\$ 1,500,001
Interest Earnings	3,638
Budgeted Increase	950,000
Increased by Board Resolution June 17, 2013	<u>350,000</u>
Balance June 30, 2013	<u>\$ 2,803,639</u>

The balance in the capital reserve at June 30, 2013 did not exceed the balance of the local support costs of uncompleted capital projects in the District's approved LRFP.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

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

The activity of the maintenance reserve for the July 1, 2012 to June 30, 2013 fiscal year is as follows:

Balance July 1, 2012	\$	500,000
Increased by Board Resolution June 17, 2013		250,000
Balance June 30, 2013	\$	750,000

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2013, there were no transfers to the capital outlay accounts.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 7. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2013 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 5,187,355			\$ 5,187,355
Total Capital Assets Not Being Depreciated	<u>5,187,355</u>			<u>5,187,355</u>
Capital Assets Being Depreciated:				
Site Improvements		\$ 310,681		310,681
Buildings and Building Improvements	76,912,244	2,193,625		79,105,869
Machinery and Equipment	7,582,986	251,713		7,834,699
Total Capital Assets Being Depreciated	<u>84,495,230</u>	<u>2,756,019</u>		<u>87,251,249</u>
Governmental Activities Capital Assets	<u>89,682,585</u>	<u>2,756,019</u>		<u>92,438,604</u>
Less Accumulated Depreciation for:				
Site Improvements		(273,524)		(273,524)
Buildings and Building Improvements	(16,076,745)	(1,922,612)		(17,999,357)
Machinery and Equipment	(4,940,265)	(619,090)		(5,559,355)
	<u>(21,017,010)</u>	<u>(2,815,226)</u>		<u>(23,832,236)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 68,665,575</u>	<u>\$ (59,207)</u>	<u>\$ -0-</u>	<u>\$ 68,606,368</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Furniture and Equipment	\$ 509,243			\$ 509,243
Less Accumulated Depreciation	(314,500)	(24,879)		(339,379)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 194,743</u>	<u>\$ (24,879)</u>	<u>\$ -0-</u>	<u>\$ 169,864</u>

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 156,369
Support/Administration	102,013
Transportation	5,124
Maintenance/Custodial	8,102
Unallocated	2,543,619
	<u>\$ 2,815,227</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2013, the following changes occurred in liabilities reported in the district-wide financial statements:

	<u>Balance</u> <u>6/30/2012</u>	<u>Accrued</u>	<u>Retired</u>	<u>Balance</u> <u>6/30/2013</u>
Compensated Absences Payable	<u>\$ 2,139,464</u>	<u>\$ 110,516</u>	<u>\$ 280,952</u>	<u>\$ 1,969,028</u>

A. Bonds and Loans Payable:

The Montclair Township School District is a Type I School District and the members of the Board of Education are appointed by the Mayor. A Board of School Estimate approves the school district tax levy after the final budget is determined by the Board of Education. The members of the Board of School Estimate include the Mayor, two members of the local school board and two members of the governing body. School debt, authorized by the Board of School Estimate, are obligations of the Township of Montclair's balance sheet of the General Capital Fund and are detailed as follows as of December 31, 2012. This debt does include the 2011 refunding bonds of \$2,750,000 for school purposes.

The District had Type I School Series Bonds outstanding as of December 31, 2012 as follows:

Type I School Serial Bonds

\$16,715,000, 2006 Bonds due in annual installments of \$450,000 to \$1,050,000 through January 2028, interest at 4.250% to 4.500%.	\$ 15,165,000
\$14,600,000, 2008 Bonds due in annual installments of \$190,000 to \$847,000 through June 2030, interest at 2.000% to 4.000%.	13,700,000
\$9,662,000, 2010 Bonds due in annual installments of \$725,000 to \$1,450,000 through June 2030, interest at 2.000% to 4.000%.	9,447,000
\$21,660,000, 2011 Bonds due in annual installments of \$725,000 to \$1,450,000 through March 2031, interest at 2.750% to 4.625%.	20,935,000
\$2,750,000, 2011 Refunding Bonds due in annual installments of \$485,000 to \$595,000 through February 2017.	2,750,000
	<u>\$ 61,997,000</u>

Principal and interest due on Type I School Serial Bonds outstanding are as follows:

<u>Year</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2013	\$ 2,730,000	\$ 2,463,171	\$ 5,193,171
2014	2,905,000	2,358,481	5,263,481
2015	2,965,000	2,253,183	5,218,183
2016	3,235,000	2,142,148	5,377,148
2017	3,400,000	2,016,695	5,416,695
2018-2021	13,365,000	6,730,746	20,095,746
2022-2026	18,790,000	5,168,822	23,958,822
2027-2031	14,607,000	1,251,241	15,858,241
	<u>\$ 61,997,000</u>	<u>\$ 24,384,487</u>	<u>\$ 86,381,487</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)

B. Temporary Notes:

Outstanding Temporary Notes for school purposes are summarized as follows:

<u>Notes</u>	<u>Interest Rate</u>	<u>Amount</u>
General Capital Fund	1.00%	\$ 9,336,000
General Capital Fund	1.25%	1,450,000
General Capital Fund	1.50%	15,500,000
		<u>\$ 26,286,000</u>

C. Bonds Authorized But Not Issued:

There were Bonds and Notes Authorized but not Issued for school purposes as follows:

<u>Type I Bonds Authorized Not Issued</u>	<u>Amount</u>
General Capital Fund	<u>\$ 4,579,080</u>

D. Capital Leases Payable:

The District had no capital leases payable as of June 30, 2013.

E. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. There is no current portion of the compensated absences balance of the governmental funds in the current year; therefore, the entire \$1,969,028 represents the long-term liability balance of compensated absences and will be liquidated through the General Fund.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2013, no liability existed for compensated absences in the Enterprise Funds.

NOTE 9. PENSION PLANS

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contributing employers. Plan member and employer contributions may be amended by State of New Jersey regulation. Effective July 1, 2012, the employee contributions for PERS and TPAF increased from 6.5% to 6.64% of employees' annual compensation, as defined. Subsequent increases are being phased in over 7 years effective each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018. Employers are required to contribute at an actuarially determined rate in the PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits, and post-retirement medical premiums. Under current statute, the District is a noncontributing employer of the TPAF. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions of 5.5% of employees' annual compensation for DCRP are matched by a 3% employer contribution.

District Contributions to PERS amounted to \$1,441,154, \$1,528,896, and \$1,546,949 for the fiscal years ended June 30, 2013, 2012, and 2011 respectively.

During the fiscal years ended June 30, 2013, 2012, and 2011 the State of New Jersey contributed \$3,434,678, \$1,737,010, and \$-0-, respectively, to the TPAF for pension benefits on-behalf of the District.

Employee and employer contributions for the DCRP for the years ended June 30, 2013, 2012 and 2011 were \$80,237, \$50,108 and \$7,328, respectively.

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Laws 2007 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2012, there were 97,661 retirees eligible for post-retirement medical benefits. The cost of these benefits is funded through contributions by the State in accordance with Chapter 62, of Public Laws 1994. Funding of post-retirement medical premiums 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 Chapter 126 of Public Laws 1992, which provides free health benefits to members of PERS, TPAF and the Alternate Benefit Program who retired from a Board of Education or County College with 25 years of service. The State paid \$146.6 million toward Chapter 126 benefits for 16,618 eligible retired members in Fiscal Year 2012.

The State's on behalf Post-Retirement Medical Contributions for TPAF for the District amount to \$3,883,755, \$3,491,842 and \$3,504,294, for 2013, 2012, and 2011, respectively.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtains its health and dental coverages through Horizon Blue Cross Blue Shield and Delta Dental, respectively.

Property and Liability

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

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

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

The June 30, 2013 audit report for the fund is not available as of the date of this report. Selected, summarized financial information for the Group as of June 30, 2012 is as follows:

	<u>New Jersey School Boards Association Insurance Group</u>
Total Assets	\$ 267,924,509
Net Position	\$ 64,143,384
Total Revenue	\$ 85,639,095
Total Expenses	\$ 84,297,968
Change in Net Position	\$ 1,341,127
Member Dividends	\$ -0-

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2012-2013		\$ 898	\$ 184,179	\$ 210,827	\$ 474,082
2011-2012	\$ 500,000	834	168,721	520,526	499,832
2010-2011	700,000	242	206,096	613,135	350,803

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 650,824	\$ 95
Special Revenue Fund		800,000
Proprietary Funds	150,176	
Fiduciary Funds	95	1,000
	<u>\$ 801,095</u>	<u>\$ 801,095</u>

The interfund between the General Fund and the Special Revenue fund represents cash advanced to the Special Revenue Fund awaiting the receipt of federal grant awards. The interfund between the General Fund and the Proprietary Funds represents the balance of the Board Contribution.

NOTE 13. DEFERRED COMPENSATION

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

Lincoln National Life Insurance Company
Valic
MetLife Investors

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 14. ECONOMIC DEPENDENCY

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

NOTE 15. TAX CALENDAR

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

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

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2013, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>General Fund</u>	<u>Total Governmental Funds</u>
\$ 55,798	\$ 55,798

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

NOTE 16. ACCOUNTS PAYABLE

At June 30, 2013, there were accounts payable as detailed below in the governmental funds and proprietary funds.

	<u>Governmental Funds</u>	<u>Business-Type Activities</u>
	<u>General Fund</u>	<u>Enterprise Funds</u>
Salaries and Wages	\$ 2,399,830	
Vendors	<u>1,800,633</u>	<u>\$ 208,195</u>
	<u>\$ 4,200,463</u>	<u>\$ 208,195</u>

BUDGETARY COMPARISON SCHEDULES

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 97,509,698		\$ 97,509,698	\$ 97,509,698	
Tuition - From Individuals	50,000		50,000	67,944	\$ 17,944
Interest Earned on Capital Reserve				3,639	3,639
Miscellaneous	766,547		766,547	866,003	99,456
Total - Local Sources	98,326,245		98,326,245	98,447,284	121,039
State Sources:					
Transportation Aid	1,122,139		1,122,139	1,122,139	
Special Education Categorical Aid	4,154,588		4,154,588	4,154,588	
Equalization Aid	580,989		580,989	580,989	
Security Aid	728,935		728,935	728,935	
Extraordinary Aid	600,000		600,000	619,638	19,638
Nonpublic Transportation Aid				54,912	54,912
On-Behalf TPAF Pension Contribution (Non-Budgeted)				3,434,678	3,434,678
On-Behalf TPAF Post Retirement Benefit Contributions (Non-Budgeted)				3,883,755	3,883,755
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				3,751,706	3,751,706
Total State Sources	7,186,651		7,186,651	18,331,340	11,144,689
Federal Sources:					
Medicaid Reimbursement	80,853		80,853	95,769	14,916
Total Federal Sources	80,853		80,853	95,769	14,916
TOTAL REVENUES	105,593,749		105,593,749	116,874,393	11,280,644

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 1,544,815	\$ 22,385	\$ 1,567,200	\$ 1,567,199	\$ 1
Grades 1-5 - Salaries of Teachers	12,134,207	454,691	12,588,898	12,588,890	8
Grades 6-8 - Salaries of Teachers	9,242,755	285,982	9,528,737	9,528,730	7
Grades 9-12 - Salaries of Teachers	9,815,252	(134,026)	9,681,226	9,647,002	34,224
Regular Programs - Home Instruction:					
Salaries of Teachers	199,013	124,514	323,527	323,527	
Purchased Professional-Educational Services	99,662	(33,392)	66,270	66,269	1
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	1,636,799	(18,735)	1,618,064	1,599,164	18,900
Purchased Professional-Educational Services	290,344	(27,581)	262,763	262,759	4
General Supplies	1,160,210	(52,757)	1,107,453	905,828	201,625
Textbooks	691,894	(200,054)	491,840	335,543	156,297
Total Regular Programs - Instruction	36,814,951	421,027	37,235,978	36,824,911	411,067
Special Education - Instruction					
Cognitive Mild:					
Salaries of Teachers	177,044	(27,363)	149,681	149,680	1
Other Salaries for Instruction	113,470	(63,110)	50,360	50,359	1
Total Cognitive Mild	290,514	(90,473)	200,041	200,039	2
Learning and/or Language Disabilities:					
Salaries of Teachers	844,918	(170,712)	674,206	674,205	1
Other Salaries for Instruction	106,639	44,080	150,719	150,719	
Total Learning and/or Language Disabilities	951,557	(126,632)	824,925	824,924	1
Behavioral Disabilities:					
Salaries of Teachers	275,670	(49,325)	226,345	226,344	1
Other Salaries for Instruction	90,018	(3,962)	86,056	86,055	1
General Supplies	20,000	(8,600)	11,400	10,937	463
Total Behavioral Disabilities	385,688	(61,887)	323,801	323,336	465

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Multiple Disabilities:					
Salaries of Teachers	\$ 167,633	\$ 44,083	\$ 211,716	\$ 211,716	
Other Salaries for Instruction	27,600	18,969	46,569	46,568	\$ 1
General Supplies	1,830	7,575	9,405	9,404	1
Total Multiple Disabilities	<u>197,063</u>	<u>70,627</u>	<u>267,690</u>	<u>267,688</u>	<u>2</u>
Resource Room/Resource Center:					
Salaries of Teachers	6,129,585	291,876	6,421,461	6,421,460	1
Other Salaries for Instruction	177,797	25,584	203,381	203,380	1
General Supplies	51,558	(5,749)	45,809	30,961	14,848
Total Resource Room/Resource Center	<u>6,358,940</u>	<u>311,711</u>	<u>6,670,651</u>	<u>6,655,801</u>	<u>14,850</u>
Autism:					
Salaries of Teachers	458,766	(117,240)	341,526	312,018	29,508
General Supplies	14,000	(340)	13,660	11,855	1,805
Total Autism	<u>472,766</u>	<u>(117,580)</u>	<u>355,186</u>	<u>323,873</u>	<u>31,313</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	221,910	8,711	230,621	230,621	
Other Salaries for Instruction	119,286	(43,734)	75,552	75,552	
Total Preschool Disabilities - Part-Time	<u>341,196</u>	<u>(35,023)</u>	<u>306,173</u>	<u>306,173</u>	
Preschool Disabilities - Full-Time:					
Salaries of Teachers		123,302	123,302	123,302	
Total Preschool Disabilities - Full-Time		<u>123,302</u>	<u>123,302</u>	<u>123,302</u>	
Total Special Education Instruction	<u>8,997,724</u>	<u>74,045</u>	<u>9,071,769</u>	<u>9,025,136</u>	<u>46,633</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	\$ 687,935	\$ 298,406	\$ 986,341	\$ 986,339	\$ 2
Total Basic Skills/Remedial - Instruction	687,935	298,406	986,341	986,339	2
Bilingual Education - Instruction:					
Salaries of Teachers	181,476	6,035	187,511	187,510	1
General Supplies	700		700	499	201
Total Bilingual Education - Instruction	182,176	6,035	188,211	188,009	202
Vocational Programs - Local - Instruction:					
Salaries of Teachers	219,296	20,421	239,717	239,717	
Other Salaries for Instruction	27,988	(20,421)	7,567		7,567
Total Vocational Programs - Local - Instruction	247,284		247,284	239,717	7,567
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	250,000		250,000	234,835	15,165
Purchased Services (300-500 series)	20,500		20,500	13,472	7,028
Supplies and Materials	8,000	1,793	9,793	9,792	1
Total School-Sponsored Cocurricular Activities - Instruction	278,500	1,793	280,293	258,099	22,194
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	799,194	21,067	820,261	803,721	16,540
Purchased Services (300-500 series)	158,577	(82,055)	76,522	76,521	1
Supplies and Materials	198,681	35,501	234,182	220,902	13,280
Other Objects	31,461	395	31,856	31,656	200
Rental of Fields/Facilities		19,873	19,873	19,873	
Total School-Sponsored Cocurricular Athletics - Instruction	1,187,913	(5,219)	1,182,694	1,152,673	30,021

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Other Instructional Programs - Instruction:					
Salaries	\$ 106,348	\$ 11,991	\$ 118,339	\$ 108,919	\$ 9,420
Purchased Services (300-500 series)	24,250	(10,130)	14,120	12,620	1,500
Purchased Professional-Educational Services		13,250	13,250	10,150	3,100
Supplies and Materials	53,671	12,828	66,499	35,995	30,504
Total Other Instructional Programs - Instruction	<u>184,269</u>	<u>27,939</u>	<u>212,208</u>	<u>167,684</u>	<u>44,524</u>
After School Program - Instruction:					
Salaries of Teachers	10,000		10,000	1,269	8,731
Purchased Professional and Technical Services	7,000		7,000	3,230	3,770
Supplies and Materials	2,300		2,300	210	2,090
Total After School Program - Instruction	<u>19,300</u>		<u>19,300</u>	<u>4,709</u>	<u>14,591</u>
Summer Programs - Instruction:					
Salaries of Teachers	76,700		76,700	75,670	1,030
Other Salaries for Instruction	7,000		7,000	5,854	1,146
General Supplies	1,750		1,750	1,652	98
Total Summer Programs - Instruction	<u>85,450</u>		<u>85,450</u>	<u>83,176</u>	<u>2,274</u>
Other Supplemental/At-Risk Programs - Instruction:					
Salaries of Teachers	54,500	(54,500)			
Other Salaries for Instruction	25,000	59,500	84,500	64,223	20,277
Salaries of Reading Specialists	75,000	(75,000)			
Purchased Professional and Technical Services	19,000		19,000	15,000	4,000
Other Purchased Services (400-500)	2,500	1,500	4,000	3,860	140
Conference/Travel		2,500	2,500	1,805	695
General Supplies	10,574	9,044	19,618	9,129	10,489
Total Other Supplemental/At-Risk Programs - Instruction	<u>186,574</u>	<u>(56,956)</u>	<u>129,618</u>	<u>94,017</u>	<u>35,601</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Community Service Programs - Operations - Instruction:					
Salaries of Teachers	\$ 108,711		\$ 108,711	\$ 67,682	\$ 41,029
Supplies and Materials	1,500		1,500	1,220	280
Total Community Service Programs - Operations - Instruction	110,211		110,211	68,902	41,309
Total Instruction	48,982,287	767,070	49,749,357	49,093,372	655,985
Undistributed Expenditures:					
Instruction:					
Tuition to Other LEAs Within the State - Regular	80,000	2,000	82,000	66,759	15,241
Tuition to Other LEAs Within the State - Special	122,478	(17,648)	104,830	104,819	11
Tuition to County Vocational School District - Regular	33,700	(18,922)	14,778	14,186	592
Tuition to County Vocational School District - Special	132,321	(80,626)	51,695	36,100	15,595
Tuition to CSSD and Regional Day Schools	387,791	(269,347)	118,444	118,444	
Tuition to Private Schools for the Handicapped - Within State	4,458,889	30,120	4,489,009	4,405,308	83,701
Tuition to Private Schools for the Handicapped - Out of State	151,543	(118,478)	33,065	22,465	10,600
Tuition - State Facilities	31,365		31,365	31,365	
Total Undistributed Expenditures - Instruction	5,398,087	(472,901)	4,925,186	4,799,446	125,740
Attendance and Social Work:					
Salaries	40,165	(17,521)	22,644	22,644	
Purchased Professional and Technical Services	108,612	(3,961)	104,651	102,184	2,467
Total Attendance and Social Work	148,777	(21,482)	127,295	124,828	2,467
Health Services:					
Salaries	999,747	33,043	1,032,790	1,032,368	422
Purchased Professional and Technical Services	166,500	173,239	339,739	264,324	75,415
Supplies and Materials	68,000	(5,000)	63,000	41,303	21,697
Total Health Services	1,234,247	201,282	1,435,529	1,337,995	97,534

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Other Support Services - Speech, OT, PT & Related Services:					
Salaries	\$ 1,863,420	\$ 1,014	\$ 1,864,434	\$ 1,864,431	\$ 3
Purchased Professional - Educational Services	155,945	181,293	337,238	337,238	
Supplies and Materials	24,100	(4,459)	19,641	17,945	1,696
Total Other Support Services - Students - Related Services	2,043,465	177,848	2,221,313	2,219,614	1,699
Other Support Services - Students - Extra Services:					
Salaries	4,431,712	448,730	4,880,442	4,880,435	7
Total Other Support Services - Students - Extra Services	4,431,712	448,730	4,880,442	4,880,435	7
Other Support Services - Students - Guidance:					
Salaries of Other Professional Staff	2,158,274	(10,142)	2,148,132	2,148,130	2
Salaries of Secretarial and Clerical Assistants	233,895	5,280	239,175	239,174	1
Purchased Professional and Technical Services	3,200		3,200	2,996	204
Supplies and Materials	72,100	(9,307)	62,793	59,434	3,359
Total Other Support Services - Students - Guidance	2,467,469	(14,169)	2,453,300	2,449,734	3,566
Other Support Services - Students - Child Study Team:					
Salaries of Other Professional Staff	3,328,570	(66,305)	3,262,265	3,262,259	6
Salaries of Secretarial and Clerical Assistants	167,283	(2,583)	164,700	164,700	
Purchased Professional - Educational Services	306,730	181,976	488,706	470,896	17,810
Miscellaneous Purchased Services (400-500 Series other than Residential)	6,240	1,639	7,879	7,577	302
Supplies and Materials	33,915	30,855	64,770	53,632	11,138
Total Other Support Services - Students - Child Study Team	3,842,738	145,582	3,988,320	3,959,064	29,256

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	\$ 880,416	\$ 88,112	\$ 968,528	\$ 968,527	\$ 1
Salaries of Other Professional Staff	133,025	385,755	518,780	518,778	2
Salaries of Secretarial and Clerical Assistants	175,724	17,582	193,306	193,306	
Purchased Professional - Educational Services	17,264	199,970	217,234	217,233	1
Other Purchased Professional and Technical Services	40,000	(37,567)	2,433	2,432	1
Other Purchased Services (400-500)	32,500	(30,625)	1,875	1,875	
Conference/Travel	1,275	11,415	12,690	12,688	2
Supplies and Materials	67,500	(44,811)	22,689	22,673	16
Total Improvement of Instructional Services	<u>1,347,704</u>	<u>589,831</u>	<u>1,937,535</u>	<u>1,937,512</u>	<u>23</u>
Educational Media Services/School Library:					
Salaries	222,994	77,542	300,536	300,535	1
Purchased Professional and Technical Services	41,049	(4,226)	36,823	36,822	1
Supplies and Materials	46,687	(4,031)	42,656	36,881	5,775
Total Educational Media Services/School Library	<u>310,730</u>	<u>69,285</u>	<u>380,015</u>	<u>374,238</u>	<u>5,777</u>
Instructional Staff Training Services:					
Salaries of Other Professional Staff	13,500		13,500	4,900	8,600
Purchased Professional - Educational Services	26,500	(2,074)	24,426	23,291	1,135
Other Purchased Services (400-500)	36,581	6,970	43,551	33,306	10,245
Supplies and Materials	3,500	(500)	3,000	1,212	1,788
Total Instructional Staff Training Services	<u>80,081</u>	<u>4,396</u>	<u>84,477</u>	<u>62,709</u>	<u>21,768</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - General Administration:					
Salaries	\$ 650,110	\$ (75,884)	\$ 574,226	\$ 573,793	\$ 433
Legal Services	169,793	175,538	345,331	345,331	
Purchased Professional and Technical Services	68,980	119,569	188,549	188,548	1
Communications/Telephone	120,000	(45,399)	74,601	74,601	
BOE Other Purchased Services	4,735	1,047	5,782	5,023	759
Misc Purchased Services (400-500 series) (Other than 530 & 585)	10,930	(7,851)	3,079	2,848	231
General Supplies	66,941	(10,054)	56,887	52,068	4,819
Judgments Against the School District	248,030	381,517	629,547	629,547	
Miscellaneous Expenditures	73,952	(28,004)	45,948	45,947	1
Total Support Services - General Administration	1,413,471	510,479	1,923,950	1,917,706	6,244
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	2,846,308	(79,501)	2,766,807	2,766,807	
Salaries of Other Professional Staff	147,928	(17,704)	130,224	130,224	
Salaries of Secretarial and Clerical Assistants	1,325,912	63,417	1,389,329	1,389,329	
Purchased Professional and Technical Services	22,500		22,500	20,507	1,993
Other Purchased Services (400-500)	11,600	(3,600)	8,000	3,181	4,819
Total Support Services - School Administration	4,354,248	(37,388)	4,316,860	4,310,048	6,812
Support Services - Central Services:					
Salaries	1,123,576	(395)	1,123,181	1,113,246	9,935
Misc Purchased Services (400-500 series) (Other than 594)	33,471	144	33,615	33,615	
Supplies and Materials	100,091	18,293	118,384	104,001	14,383
Interest on Lease Purchase Agreements	159	(159)			
Total Support Services - Central Services	1,257,297	17,883	1,275,180	1,250,862	24,318

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Support Services - Administration Information Technology:					
Salaries	\$ 83,803		\$ 83,803	\$ 81,946	\$ 1,857
Purchased Technical Services	132,471	\$ 27,002	159,473	153,779	5,694
Supplies and Materials	26,336	12,500	38,836	32,819	6,017
Total Support Services - Administration Information Technology	242,610	39,502	282,112	268,544	13,568
Required Maintenance of School Facilities:					
Salaries	308,049	9,183	317,232	317,231	1
Cleaning, Repair and Maintenance Services	467,675	114,105	581,780	484,824	96,956
General Supplies	187,167	(63,110)	124,057	107,010	17,047
Total Required Maintenance of School Facilities	962,891	60,178	1,023,069	909,065	114,004
Custodial Services:					
Salaries	2,824,428	(43,426)	2,781,002	2,780,999	3
Purchased Professional and Technical Services	50,236	3,100	53,336	53,336	
Cleaning, Repair and Maintenance Services	912,759	(24,284)	888,475	850,544	37,931
Rental of Land and Building Other Than Lease Purchase Agreement	89,000	(61,117)	27,883	27,883	
Other Purchased Property Services	114,000	(4,953)	109,047	107,927	1,120
Insurance	633,682	(12,084)	621,598	619,509	2,089
General Supplies	201,651	1,760	203,411	193,382	10,029
Energy (Electricity)	1,206,562	(150,000)	1,056,562	1,019,768	36,794
Energy (Natural Gas)	350,300	(29,843)	320,457	298,240	22,217
Energy (Oil)	548,339	(389,695)	158,644	132,197	26,447
Total Custodial Services	6,930,957	(710,542)	6,220,415	6,083,785	136,630
Care and Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	81,860	(16,763)	65,097	50,922	14,175
General Supplies	14,675	4,271	18,946	18,832	114
Total Care and Upkeep of Grounds	96,535	(12,492)	84,043	69,754	14,289

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Security:					
Salaries	\$ 711,085	\$ 81,587	\$ 792,672	\$ 792,671	\$ 1
General Supplies	5,000	(2,143)	2,857	2,856	1
Total Security	<u>716,085</u>	<u>79,444</u>	<u>795,529</u>	<u>795,527</u>	<u>2</u>
Student Transportation Services:					
Salaries for Transportation - Between Home & School - Regular	142,117	(5,356)	136,761	136,761	
Salaries for Transportation - Other Than Between Home & School	50,470	23,040	73,510	73,509	1
Management Fee - ESC & CTSA Transportation Programs	91,521	(40,577)	50,944	50,944	
Other Purchased Professional and Technical Services	9,997	(2,376)	7,621	7,620	1
Cleaning, Repair and Maintenance Services	1,886	4,363	6,249	6,249	
Lease Purchase Payments - School Buses	15,916		15,916	15,915	1
Contracted Services:					
Between Home and School - Vendors	1,851,206	(83,320)	1,767,886	1,767,885	1
Other than Between Home and School - Vendors	182,823	9,438	192,261	191,193	1,068
Special Education Students - Vendors	577,689	(10,304)	567,385	567,384	1
Special Education Students - ESCs & CTSA's	1,428,039	40,706	1,468,745	1,468,744	1
Aid in Lieu of Payments - Nonpublic Students	245,752	54,908	300,660	300,660	
Supplies and Materials	3,645	(3,195)	450	450	
Total Student Transportation Services	<u>4,601,061</u>	<u>(12,673)</u>	<u>4,588,388</u>	<u>4,587,314</u>	<u>1,074</u>
Unallocated Benefits:					
Social Security Contributions	1,502,548	104,000	1,606,548	1,602,883	3,665
Other Retirement Contributions - PERS	1,546,949	(116,287)	1,430,662	1,424,017	6,645
Other Retirement Contributions - Regular	124,230	40,403	164,633	160,467	4,166
Unemployment Contribution	640,000	(495,109)	144,891		144,891
Workmen's Compensation	220,000		220,000	220,000	

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CURRENT EXPENSE					
Unallocated Benefits (Cont'd):					
Health Benefits	\$ 14,248,267	\$ (1,072,060)	\$ 13,176,207	\$ 11,039,192	\$ 2,137,015
Tuition Reimbursement	142,090		142,090	104,922	37,168
Other Employee Benefits	248,716	(8,810)	239,906	186,570	53,336
Total Unallocated Benefits	<u>18,672,800</u>	<u>(1,547,863)</u>	<u>17,124,937</u>	<u>14,738,051</u>	<u>2,386,886</u>
On-Behalf Contributions:					
On-Behalf TPAF Pension Contribution (non-budgeted)				3,434,678	(3,434,678)
On-Behalf TPAF Post Retirement Benefit Contributions (non-budgeted)				3,883,755	(3,883,755)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)				3,751,706	(3,751,706)
Total On-Behalf Contributions				<u>11,070,139</u>	<u>(11,070,139)</u>
Total Personal Services - Employee Benefits	<u>18,672,800</u>	<u>(1,547,863)</u>	<u>17,124,937</u>	<u>25,808,190</u>	<u>(8,683,253)</u>
Total Undistributed Expenses	<u>60,552,965</u>	<u>(485,070)</u>	<u>60,067,895</u>	<u>68,146,370</u>	<u>(8,078,475)</u>
TOTAL CURRENT EXPENSE	<u>109,535,252</u>	<u>282,000</u>	<u>109,817,252</u>	<u>117,239,742</u>	<u>(7,422,490)</u>
CAPITAL OUTLAY:					
Facilities Acquisition and Construction Services:					
Construction Services	230,000		230,000		230,000
Other Objects - Debt Service Assessment	85,938		85,938	85,938	
Total Facilities Acquisition and Construction Services	<u>315,938</u>		<u>315,938</u>	<u>85,938</u>	<u>230,000</u>
TOTAL CAPITAL OUTLAY	<u>315,938</u>		<u>315,938</u>	<u>85,938</u>	<u>230,000</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
SPECIAL SCHOOLS					
Adult Education - Local:					
Instruction:					
Salaries of Teachers	\$ 128,822	\$ 8,400	\$ 137,222	\$ 137,139	\$ 83
Purchased Professional and Technical Services	428,732	(8,400)	420,332	340,649	79,683
Total Instruction	<u>557,554</u>		<u>557,554</u>	<u>477,788</u>	<u>79,766</u>
Total Adult Education - Local	<u>557,554</u>		<u>557,554</u>	<u>477,788</u>	<u>79,766</u>
TOTAL SPECIAL SCHOOLS	<u>557,554</u>		<u>557,554</u>	<u>477,788</u>	<u>79,766</u>
Transfer of Funds to Charter Schools	<u>21,153</u>	<u>(2,000)</u>	<u>19,153</u>		<u>19,153</u>
TOTAL EXPENDITURES	<u>110,429,897</u>	<u>280,000</u>	<u>110,709,897</u>	<u>117,803,468</u>	<u>(7,093,571)</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>(4,836,148)</u>	<u>(280,000)</u>	<u>(5,116,148)</u>	<u>(929,075)</u>	<u>4,187,073</u>
Other Financing Sources/(Uses):					
Transfer to Food Service Fund	<u>(25,000)</u>	<u>(90,000)</u>	<u>(115,000)</u>	<u>(115,000)</u>	
Total Other Financing Sources/(Uses)	<u>(25,000)</u>	<u>(90,000)</u>	<u>(115,000)</u>	<u>(115,000)</u>	
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing (Uses)	<u>(4,861,148)</u>	<u>(370,000)</u>	<u>(5,231,148)</u>	<u>(1,044,075)</u>	<u>\$ 4,187,073</u>
Fund Balance, July 1	<u>13,909,435</u>		<u>13,909,435</u>	<u>13,909,435</u>	
Fund Balance, June 30	<u>\$ 9,048,287</u>	<u>\$ (370,000)</u>	<u>\$ 8,678,287</u>	<u>\$ 12,865,360</u>	<u>\$ 4,187,073</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(UNAUDITED)

Recapitulation:

Assigned for Year-End Encumbrances	\$ 55,798
Restricted:	
Excess Surplus - Designated for Subsequent Year's Expenditures	3,255,578
Excess Surplus	2,259,622
Capital Reserve	2,803,639
Maintenance Reserve	750,000
Assigned - Designated for Subsequent Year's Expenditures	1,531,506
Unassigned Fund Balance	<u>2,209,217</u>
	12,865,360
Reconciliation to Governmental Funds Statements (GAAP):	
Last State Aid Payments not Recognized on GAAP Basis	<u>(636,915)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 12,228,445</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		\$ 333,938	\$ 333,938	\$ 192,550	\$ (141,388)
State Sources	\$ 486,539	29,999	516,538	452,464	(64,074)
Federal Sources	2,426,583	798,413	3,224,996	2,195,819	(1,029,177)
Total Revenues	2,913,122	1,162,350	4,075,472	2,840,833	(1,234,639)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	576,920	(299,762)	277,158	122,115	155,043
Other Salaries for Instruction	55,000	102,491	157,491	134,845	22,646
Purchased Professional and Technical Services	81,196	(69,458)	11,738	11,509	229
Tuition	515,000	(115,000)	400,000	300,000	100,000
General Supplies	88,861	877,942	966,803	716,635	250,168
Textbooks	82,909	5,281	88,190	83,549	4,641
Other Objects	8,951	(3,951)	5,000		5,000
Total Instruction	1,408,837	497,543	1,906,380	1,368,653	537,727
Support Services:					
Salaries of Supervisors of Instruction	123,000	95,913	218,913	152,071	66,842
Salaries of Other Professional Staff	534,991	212,967	747,958	473,217	274,741
Salaries of Secretarial and Clerical Assistants	84,400	14,041	98,441	81,733	16,708
Personal Services - Employee Benefits	164,895	(51,096)	113,799	66,200	47,599
Purchased Professional and Technical Services	120,449	162,383	282,832	244,995	37,837
Purchased Professional - Educational Services	412,486	147,402	559,888	379,452	180,436
Other Purchased Services	23,332	49,321	72,653	40,903	31,750
Supplies and Materials	40,732	33,876	74,608	33,609	40,999
Total Support Services	1,504,285	664,807	2,169,092	1,472,180	696,912
Total Expenditures	\$ 2,913,122	\$ 1,162,350	\$ 4,075,472	\$ 2,840,833	\$ 1,234,639

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
UNAUDITED

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 116,874,393	\$ 2,840,833
Differences - Budget to GAAP:		
Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements	521,853	
State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(636,915)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 116,759,331	\$ 2,840,833
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 117,803,468	\$ 2,840,833
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 117,803,468	\$ 2,840,833

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budget for the fiscal year ended June 30, 2013 was submitted to the County office and was approved by a vote of the Board of School Estimate. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C.6:20-2A.2(m)l. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds, there are no substantial differences between the budgetary basis of accounting and generally accepted accounting principles, with the exception of the special revenue fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

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

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	No Child Left Behind				
	Title I	Title I Carryover	Title IIA	Title IIA Carryover	Title III
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 538,600	\$ 5,871	\$ 35,809	\$ 2,011	\$ 2,362
Total Revenue	<u>538,600</u>	<u>5,871</u>	<u>35,809</u>	<u>2,011</u>	<u>2,362</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	18,687			1,128	
Other Salaries for Instruction					
Purchased Professional & Technical Services	6,737	4,772			
Tuition					
General Supplies	454,998				2,333
Textbooks					
Other Objects					
Total Instruction	<u>480,422</u>	<u>4,772</u>		<u>1,128</u>	<u>2,333</u>
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff	51,278	1,000			
Salaries of Secretarial and Clerical Assistants					
Personal Services - Employee Benefits		99		86	
Purchased Professional and Technical Services			7,610	797	
Purchased Professional - Educational Services	6,900		8,118		
Other Purchased Services			18,750		
Supplies and Materials			1,331		29
Total Support Services	<u>58,178</u>	<u>1,099</u>	<u>35,809</u>	<u>883</u>	<u>29</u>
Total Expenditures	<u>\$ 538,600</u>	<u>\$ 5,871</u>	<u>\$ 35,809</u>	<u>\$ 2,011</u>	<u>\$ 2,362</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	NCLB Title III Carryover	I.D.E.A. Grant			Race to the Top
		Basic	Basic Carryover	Preschool Carryover	
REVENUE:					
Local Sources					
State Sources					
Federal Sources	\$ 1,556	\$ 1,160,911	\$ 364,477	\$ 57,802	\$ 12,420
Total Revenue	1,556	1,160,911	364,477	57,802	12,420
EXPENDITURES:					
Instruction:					
Salaries of Teachers		15,267	69,724	17,309	
Other Salaries for Instruction		98,663	7,736	7,883	
Purchased Professional & Technical Services					
Tuition		300,000			
General Supplies	1,556	45,045	6,795		
Textbooks					
Other Objects					
Total Instruction	1,556	458,975	84,255	25,192	
Support Services:					
Salaries of Supervisors of Instruction		103,074	20,495	28,502	
Salaries of Other Professional Staff		94,454	133,156		
Salaries of Secretarial and Clerical Assistants		67,670	14,063		
Personal Services - Employee Benefits		45,795	16,112	4,108	
Purchased Professional and Technical Services		26,820	87,364		
Purchased Professional - Educational Services		355,091			
Other Purchased Services					
Supplies and Materials		9,032	9,032		12,420
Total Support Services		701,936	280,222	32,610	12,420
Total Expenditures	\$ 1,556	\$ 1,160,911	\$ 364,477	\$ 57,802	\$ 12,420

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Job Training Partnership Act	Technology	Nonpublic Nursing	Textbook	Anti-Bullying Carryover
REVENUE:					
Local Sources					
State Sources		\$ 31,029	\$ 122,404	\$ 83,549	\$ 3,000
Federal Sources	\$ 14,000				
Total Revenue	<u>14,000</u>	<u>31,029</u>	<u>122,404</u>	<u>83,549</u>	<u>3,000</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Other Salaries for Instruction	13,208				
Purchased Professional & Technical Services					
Tuition					
General Supplies		31,029			
Textbooks				83,549	
Other Objects					
Total Instruction	<u>13,208</u>	<u>31,029</u>	<u></u>	<u>83,549</u>	<u></u>
Support Services:					
Salaries of Supervisors of Instruction					
Salaries of Other Professional Staff					3,000
Salaries of Secretarial and Clerical Assistants					
Personal Services - Employee Benefits					
Purchased Professional and Technical Services			122,404		
Purchased Professional - Educational Services					
Other Purchased Services					
Supplies and Materials	792				
Total Support Services	<u>792</u>	<u></u>	<u>122,404</u>	<u></u>	<u>3,000</u>
Total Expenditures	<u>\$ 14,000</u>	<u>\$ 31,029</u>	<u>\$ 122,404</u>	<u>\$ 83,549</u>	<u>\$ 3,000</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Non-Public Auxiliary (Ch 192)			
	ESL	Compensatory Transportation	Compensatory Education	Home Instruction
REVENUE:				
Local Sources				
State Sources	\$ 2,132	\$ 22,153	\$ 58,860	\$ 1,779
Federal Sources				
Total Revenue	<u>2,132</u>	<u>22,153</u>	<u>58,860</u>	<u>1,779</u>
EXPENDITURES:				
Instruction:				
Salaries of Teachers				
Other Salaries for Instruction				
Purchased Professional & Technical Services				
Tuition				
General Supplies				
Textbooks				
Other Objects				
Total Instruction				
Support Services:				
Salaries of Supervisors of Instruction				
Salaries of Other Professional Staff	2,132		58,860	1,779
Salaries of Secretarial and Clerical Assistants				
Personal Services - Employee Benefits				
Purchased Professional and Technical Services				
Purchased Professional - Educational Services				
Other Purchased Services		22,153		
Supplies and Materials				
Total Support Services	<u>2,132</u>	<u>22,153</u>	<u>58,860</u>	<u>1,779</u>
Total Expenditures	<u>\$ 2,132</u>	<u>\$ 22,153</u>	<u>\$ 58,860</u>	<u>\$ 1,779</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Non-Public Handicapped (Ch 193)			Local Grants	Total
	Examination & Classification	Corrective Speech	Supplemental Instruction		
REVENUE:					
Local Sources				\$ 192,550	\$ 192,550
State Sources	\$ 63,203	\$ 33,826	\$ 30,529		452,464
Federal Sources					2,195,819
Total Revenue	<u>63,203</u>	<u>33,826</u>	<u>30,529</u>	<u>192,550</u>	<u>2,840,833</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					122,115
Other Salaries for Instruction				7,355	134,845
Purchased Professional & Technical Services					11,509
Tuition					300,000
General Supplies				174,879	716,635
Textbooks					83,549
Total Instruction				<u>182,234</u>	<u>1,368,653</u>
Support Services:					
Salaries of Supervisors of Instruction					152,071
Salaries of Other Professional Staff	63,203	33,826	30,529		473,217
Salaries of Secretarial and Clerical Assistants					81,733
Personal Services - Employee Benefits					66,200
Purchased Professional and Technical Services					244,995
Purchased Professional - Educational Services				9,343	379,452
Other Purchased Services					40,903
Supplies and Materials				973	33,609
Total Support Services	<u>63,203</u>	<u>33,826</u>	<u>30,529</u>	<u>10,316</u>	<u>1,472,180</u>
Total Expenditures	<u>\$ 63,203</u>	<u>\$ 33,826</u>	<u>\$ 30,529</u>	<u>\$ 192,550</u>	<u>\$ 2,840,833</u>

CAPITAL PROJECTS FUND

Exhibit F-1

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Revenue and Other Financing Sources:	
Due from Township of Montclair	\$ 1,944,177
Total Revenues and Other Financing Sources	<u>1,944,177</u>
Expenditures:	
Facilities Acquisition and Construction Services	<u>2,756,019</u>
Total Expenditures	<u>2,756,019</u>
Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures	(811,842)
Fund Balance - Beginning Balance	<u>15,917,808</u>
Fund Balance - Ending Balance	<u>\$ 15,105,966</u>
<u>Recapitulation:</u>	
Restricted Fund Balance	\$ 15,105,966
Reconciliation to Governmental Funds Statements (GAAP):	
Township Receivable not Recognized on GAAP Basis	<u>(12,904,564)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 2,201,402</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #1998-31
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 6,500,000	\$ (236,227)	\$ 6,263,773	\$ 6,263,773
Total Revenues and Other Financing Sources	<u>6,500,000</u>	<u>(236,227)</u>	<u>6,263,773</u>	<u>6,263,773</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	6,263,773		6,263,773	6,263,773
Total Expenditures	<u>6,263,773</u>		<u>6,263,773</u>	<u>6,263,773</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 236,227</u>	<u>\$ (236,227)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #1999-12
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 2,930,751	\$ (199,366)	\$ 2,731,385	\$ 2,731,385
Total Revenues	<u>2,930,751</u>	<u>(199,366)</u>	<u>2,731,385</u>	<u>2,731,385</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	2,731,385		2,731,385	2,731,385
Total Expenditures	<u>2,731,385</u>		<u>2,731,385</u>	<u>2,731,385</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ 199,366</u>	<u>\$ (199,366)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2000-16
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 2,020,408	\$ (70,451)	\$ 1,949,957	\$ 1,949,957
Total Revenues	<u>2,020,408</u>	<u>(70,451)</u>	<u>1,949,957</u>	<u>1,949,957</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	1,949,957		1,949,957	1,949,957
Total Expenditures	<u>1,949,957</u>		<u>1,949,957</u>	<u>1,949,957</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ 70,451</u>	<u>\$ (70,451)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS -TOWNSHIP ORDINANCE #2001-25
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 340,600	\$ (5,600)	\$ 335,000	\$ 335,000
Total Revenues	340,600	(5,600)	335,000	335,000
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	335,000		335,000	335,000
Total Expenditures	335,000		335,000	335,000
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	\$ 5,600	\$ (5,600)	\$ -0-	\$ -0-

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2001-36
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 603,200	\$ (15,700)	\$ 587,500	\$ 587,500
Total Revenues	<u>603,200</u>	<u>(15,700)</u>	<u>587,500</u>	<u>587,500</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	587,500		587,500	587,500
Total Expenditures	<u>587,500</u>		<u>587,500</u>	<u>587,500</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ 15,700</u>	<u>\$ (15,700)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2001-40
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 3,271,515	\$ (134,954)	\$ 3,136,561	\$ 3,136,561
Total Revenues	<u>3,271,515</u>	<u>(134,954)</u>	<u>3,136,561</u>	<u>3,136,561</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	3,136,561		3,136,561	3,136,561
Total Expenditures	<u>3,136,561</u>		<u>3,136,561</u>	<u>3,136,561</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ 134,954</u>	<u>\$ (134,954)</u>	<u>\$ -0-</u>	<u>\$ -0-</u>

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2002-09
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 7,733,482	\$ (293,525)	\$ 7,439,957	\$ 7,439,957
Total Revenues	7,733,482	(293,525)	7,439,957	7,439,957
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	7,439,957		7,439,957	7,439,957
Total Expenditures	7,439,957		7,439,957	7,439,957
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	\$ 293,525	\$ (293,525)	\$ -0-	\$ -0-

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2003-30
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 16,140,823		\$ 16,140,823	\$ 16,140,823
Total Revenues	16,140,823		16,140,823	16,140,823
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	15,158,810	\$ 15,029	15,173,839	16,140,823
Total Expenditures	15,158,810	15,029	15,173,839	16,140,823
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	\$ 982,013	\$ (15,029)	\$ 966,984	\$ -0-

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2004-20
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 36,692,256		\$ 36,692,256	\$ 36,692,256
Total Revenues	36,692,256		36,692,256	36,692,256
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	30,922,352	\$ 109,713	31,032,065	36,692,256
Total Expenditures	30,922,352	109,713	31,032,065	36,692,256
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	\$ 5,769,904	\$ (109,713)	\$ 5,660,191	\$ -0-

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2004-21
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2005-24
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

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

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2006-30
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 4,649,840		\$ 4,649,840	\$ 4,649,840
Total Revenues	<u>4,649,840</u>		<u>4,649,840</u>	<u>4,649,840</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	4,096,211	\$ 27,799	4,124,010	4,649,840
Total Expenditures	<u>4,096,211</u>	<u>27,799</u>	<u>4,124,010</u>	<u>4,649,840</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ 553,629</u>	<u>\$ (27,799)</u>	<u>\$ 525,830</u>	<u>\$ -0-</u>

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2007-26
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 4,381,520		\$ 4,381,520	\$ 4,381,520
Total Revenues	<u>4,381,520</u>		<u>4,381,520</u>	<u>4,381,520</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	3,798,730	\$ 11,402	3,810,132	4,381,520
Total Expenditures	<u>3,798,730</u>	<u>11,402</u>	<u>3,810,132</u>	<u>4,381,520</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ 582,790</u>	<u>\$ (11,402)</u>	<u>\$ 571,388</u>	<u>\$ -0-</u>

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2008-14
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 1,820,028		\$ 1,820,028	\$ 1,820,028
Due from Township of Montclair	3,526,820		3,526,820	3,526,820
Total Revenues and Other Financing Sources	<u>5,346,848</u>		<u>5,346,848</u>	<u>5,346,848</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	4,614,730	\$ 401,471	5,016,201	5,346,848
Total Expenditures	<u>4,614,730</u>	<u>401,471</u>	<u>5,016,201</u>	<u>5,346,848</u>
Excess/(Deficiency) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 732,118</u>	<u>\$ (401,471)</u>	<u>\$ 330,647</u>	<u>\$ -0-</u>

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2009-20
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 1,152,690		\$ 1,152,690	\$ 1,152,690
Due from Township of Montclair	2,700,510		2,700,510	2,700,510
Total Revenues	<u>3,853,200</u>		<u>3,853,200</u>	<u>3,853,200</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	3,366,462	\$ 186,342	3,552,804	3,853,200
Total Expenditures	<u>3,366,462</u>	<u>186,342</u>	<u>3,552,804</u>	<u>3,853,200</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ 486,738</u>	<u>\$ (186,342)</u>	<u>\$ 300,396</u>	<u>\$ -0-</u>

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2010-28
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	Prior Periods	Current Year	Total	Revised Authorized Cost
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 2,986,360		\$ 2,986,360	\$ 2,986,360
Total Revenues	<u>2,986,360</u>		<u>2,986,360</u>	<u>2,986,360</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	1,861,841	\$ 191,641	2,053,482	2,986,360
Total Expenditures	<u>1,861,841</u>	<u>191,641</u>	<u>2,053,482</u>	<u>2,986,360</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ 1,124,519</u>	<u>\$ (191,641)</u>	<u>\$ 932,878</u>	<u>\$ -0-</u>

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2011-41
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 1,686,360		\$ 1,686,360	\$ 1,686,360
Total Revenues	<u>1,686,360</u>		<u>1,686,360</u>	<u>1,686,360</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	471,247	\$ 770,792	1,242,039	1,686,360
Total Expenditures	<u>471,247</u>	<u>770,792</u>	<u>1,242,039</u>	<u>1,686,360</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ 1,215,113</u>	<u>\$ (770,792)</u>	<u>\$ 444,321</u>	<u>\$ -0-</u>

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2012-32
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Due from Township of Montclair	\$ 3,053,440		\$ 3,053,440	\$ 3,053,440
Total Revenues	<u>3,053,440</u>		<u>3,053,440</u>	<u>3,053,440</u>
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services	25,398	1,022,399	1,047,797	3,053,440
Total Expenditures	<u>25,398</u>	<u>1,022,399</u>	<u>1,047,797</u>	<u>3,053,440</u>
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	<u>\$ 3,028,042</u>	<u>\$ (1,022,399)</u>	<u>\$ 2,005,643</u>	<u>\$ -0-</u>

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MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS- TOWNSHIP ORDINANCE. 13-17
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Total</u>	<u>Revised Authorized Cost</u>
Revenue and Other Financing Sources:				
Due from Township of Montclair		\$ 2,900,000	\$ 2,900,000	\$ 2,900,000
Total Revenues		2,900,000	2,900,000	2,900,000
Expenditures and Other Financing Uses:				
Facilities Acquisition and Construction Services		19,431	19,431	2,900,000
Total Expenditures		19,431	19,431	2,900,000
Excess/(Deficiency) of Revenue Over/(Under) Expenditures	\$ -0-	\$ 2,880,569	\$ 2,880,569	\$ -0-

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

PROPRIETARY FUNDS

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Major Program</u>	<u>Non-Major Programs</u>			<u>Totals</u>
	<u>Food Service Program</u>	<u>Provisional Teacher</u>	<u>Saturday Music</u>	<u>Summer Program</u>	
<u>ASSETS:</u>					
Current Assets:					
Cash and Cash Equivalents	\$ 36,293	\$ 46,095	\$ 895	\$ 181,330	\$ 264,613
Intergovernmental Receivable:					
State	2,447				2,447
Federal	94,248				94,248
Accounts Receivable - Other	85,486				85,486
Interfund Receivable	150,176				150,176
Inventories	18,372				18,372
Total Current Assets	387,022	46,095	895	181,330	615,342
Non-Current Assets:					
Capital Assets	509,243				509,243
Less: Accumulated Depreciation	(339,379)				(339,379)
Total Non-Current Assets	169,864				169,864
Total Assets	556,886	46,095	895	181,330	785,206

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Major Program</u>	<u>Non-Major Programs</u>			<u>Totals</u>
	<u>Food Service Program</u>	<u>Provisional Teacher</u>	<u>Saturday Music</u>	<u>Summer Program</u>	
<u>LIABILITIES:</u>					
Unearned Revenue	\$ 22,955				\$ 22,955
Accounts Payable - Vendors	203,520	\$ 3,780	\$ 895		208,195
Total Liabilities	226,475	3,780	895		231,150
<u>NET POSITION:</u>					
Net Investment in Capital Assets	169,864				169,864
Unrestricted	160,547	42,315		\$ 181,330	384,192
Total Net Position	\$ 330,411	\$ 42,315	\$ -0-	\$ 181,330	\$ 554,056

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Major Program</u>	<u>Non-Major Programs</u>			<u>Totals</u>
	<u>Food Service Program</u>	<u>Provisional Teacher</u>	<u>Saturday Music</u>	<u>Summer Program</u>	
Operating Revenue:					
Local Sources:					
Daily Sales - Reimbursable Programs	\$ 376,258				376,258
Daily Sales - Non-Reimbursable Programs	48,009				48,009
Special Functions	39,297				39,297
Mentor Fees		\$ 72,517			72,517
Tuition			\$ 13,909		13,909
Total Operating Revenue	463,564	72,517	13,909		549,990
Operating Expenses:					
Cost of Sales	447,205				447,205
Salaries, Benefits & Payroll Taxes	616,299	78,070	18,755		713,124
Administrative Expenses	64,311				64,311
Supplies and Materials	40,007	1,971	1,505		43,483
Depreciation	24,879				24,879
Total Operating Expenses	1,192,701	80,041	20,260		1,293,002
Operating (Loss)	(729,137)	(7,524)	(6,351)		(743,012)

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF REVENUE, EXPENSES
AND CHANGES IN FUND NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Major Program</u>	<u>Non-Major Programs</u>			<u>Totals</u>
	<u>Food Service Program</u>	<u>Provisional Teacher</u>	<u>Saturday Music</u>	<u>Summer Program</u>	
Non-Operating Revenue:					
Local Sources:					
Interest Income	\$ 242				\$ 242
Board Contribution	115,000				115,000
State Sources:					
State School Lunch Program	13,333				13,333
Federal Sources:					
National School Breakfast Program	71,470				71,470
National School Lunch Program	482,374				482,374
Food Distribution Program	75,171				75,171
Total Non-Operating Revenue	757,590				757,590
Net Income Before Operating Transfers	28,453	\$ (7,524)	\$ (6,351)		14,578
Other Items:					
Transfers between Enterprise Funds			4,674	\$ (4,674)	
Cancellation of Prior Year Accounts Payable	107,215				107,215
Change in Net Position	135,668	(7,524)	(1,677)	(4,674)	121,793
Net Position - Beginning of Year	194,743	49,839	1,677	186,004	432,263
Net Position - End of Year	<u>\$ 330,411</u>	<u>\$ 42,315</u>	<u>\$ -0-</u>	<u>\$ 181,330</u>	<u>\$ 554,056</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Major Program</u>	<u>Non-Major Programs</u>			<u>Totals</u>
	<u>Food Service Program</u>	<u>Provisional Teacher</u>	<u>Saturday Music</u>	<u>Summer Program</u>	
Cash Flows from Operating Activities:					
Receipts from Customers	\$ 387,340	\$ 72,517	\$ 13,909		\$ 473,766
Payments to Employees	(504,731)	(80,950)	(18,340)		(604,021)
Payments to Food Service Provider	(668,569)				(668,569)
Payments to Suppliers	(1,500)	(9,471)	(1,505)		(12,476)
Net Cash Provided by /(Used for) Operating Activities	<u>(787,460)</u>	<u>(17,904)</u>	<u>(5,936)</u>		<u>(811,300)</u>
Cash Flows from Investing Activities:					
Local Sources:					
Interest Income	242				242
Net Cash Provided by Investing Activities	<u>242</u>				<u>242</u>
Cash Flows from Noncapital Financing Activities:					
Cash Received from the Cancellation of Accounts Payable	107,215				
Cash Received from State and Federal Reimbursements	562,869				562,869
Cash Received from Operating Transfers	21,053		4,674	\$ (4,674)	21,053
Net Cash Provided by Noncapital Financing Activities	<u>691,137</u>		<u>4,674</u>	<u>(4,674)</u>	<u>583,922</u>
Net Decrease in Cash and Cash Equivalents	(96,081)	(17,904)	(1,262)	(4,674)	(227,136)
Cash and Cash Equivalents, July 1	<u>17,374</u>	<u>63,999</u>	<u>2,157</u>	<u>186,004</u>	<u>269,534</u>
Cash and Cash Equivalents, June 30	<u>\$ (78,707)</u>	<u>\$ 46,095</u>	<u>\$ 895</u>	<u>\$ 181,330</u>	<u>\$ 42,398</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

	<u>Major Program</u>	<u>Non-Major Programs</u>			<u>Totals</u>
	<u>Food Service Program</u>	<u>Provisional Teacher</u>	<u>Saturday Music</u>	<u>Summer Program</u>	
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:					
Operating Income/(Loss)	\$ (729,137)	\$ (7,524)	\$ (6,351)	\$ -0-	\$ (743,012)
Adjustment to Reconcile Operating Income/(Loss) to Cash Provided by/(Used for) Operating Activities:					
Depreciation	24,879				24,879
Food Distribution Program	75,171				75,171
Changes in Assets and Liabilities:					
(Increase)/Decrease in Accounts Receivable	(76,224)				(76,224)
Increase/(Decrease) in Deferred Revenue	(10,973)				(10,973)
(Increase)/Decrease in Inventory	(9,246)				(9,246)
Increase/(Decrease) in Accounts Payable	(61,930)	(10,380)	415		(71,895)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ (787,460)</u>	<u>\$ (17,904)</u>	<u>\$ (5,936)</u>	<u>\$ -0-</u>	<u>\$ (811,300)</u>

Noncash Investing and Financing Activities:

The Food Service Enterprise Fund received and utilized commodities from the Federal Food Distribution Program valued at \$75,171 for the fiscal year ended June 30, 2013.

FIDUCIARY FUNDS

Exhibit H-1

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2013

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
ASSETS:			
Cash and Cash Equivalents	\$ 1,048,650	\$ 474,082	\$ 1,522,732
Interfund Receivable	95		95
Total Assets	<u>1,048,745</u>	<u>474,082</u>	<u>1,522,827</u>
LIABILITIES:			
Interfund Payable	1,000		1,000
Due to Student Groups	436,564		436,564
Payroll Deductions and Withholdings	611,181		611,181
Total Liabilities	<u>1,048,745</u>		<u>1,048,745</u>
NET POSITION:			
Held in Trust for:			
Unemployment Compensation Claims		474,082	474,082
Total Net Position	<u>\$ -0-</u>	<u>\$ 474,082</u>	<u>\$ 474,082</u>

Exhibit H-2

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN NET POSITION
JUNE 30, 2013

	<u>Unemployment Compensation Trust</u>	<u>Totals</u>
Additions:		
Contributions:		
Employee Share	\$ 184,179	\$ 184,179
Total Contributions	<u>184,179</u>	<u>184,179</u>
Investment Earnings:		
Interest	<u>898</u>	<u>898</u>
Net Investment Earnings	<u>898</u>	<u>898</u>
Total Additions	<u>185,077</u>	<u>185,077</u>
Deductions:		
Unemployment Compensation Claims	81,670	81,670
Transfers to Agency	<u>129,157</u>	<u>129,157</u>
Total Deductions	<u>210,827</u>	<u>210,827</u>
Change in Net Assets	(25,750)	(25,750)
Net Position - Beginning of the Year	<u>499,832</u>	<u>499,832</u>
Net Position - End of the Year	<u>\$ 474,082</u>	<u>\$ 474,082</u>

Exhibit H-3

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS:				
Cash and Cash Equivalents	\$ 348,357	\$ 1,224,171	\$ 1,136,059	\$ 436,469
Interfund Receivable		95		95
Total Assets	<u>\$ 348,357</u>	<u>\$ 1,224,266</u>	<u>\$ 1,136,059</u>	<u>\$ 436,564</u>
LIABILITIES:				
Due to Student Groups	<u>\$ 348,357</u>	<u>\$ 1,224,266</u>	<u>\$ 1,136,059</u>	<u>\$ 436,564</u>
Total Liabilities	<u>\$ 348,357</u>	<u>\$ 1,224,266</u>	<u>\$ 1,136,059</u>	<u>\$ 436,564</u>

Exhibit H-4

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2013</u>
Elementary Schools:				
Bradford	\$ 3,419	\$ 6,807	\$ 4,384	\$ 5,842
Charles H. Bullock	9,340	18,102	15,758	11,684
Edgemont	9,456	7,770	8,293	8,933
Hillside	38,933	95,521	97,015	37,439
Nishuane	5,756	7,335	9,963	3,128
Northeast	19,840	13,865	14,370	19,335
Watchung	17,230	21,879	23,035	16,074
	<u>103,974</u>	<u>171,279</u>	<u>172,818</u>	<u>102,435</u>
Total Elementary Schools				
Middle Schools:				
Glenfield	40,463	355,751	338,024	58,190
Mt. Hebron	46,615	161,081	153,196	54,500
Renaissance	1,810	108,221	67,719	42,312
	<u>88,888</u>	<u>625,053</u>	<u>558,939</u>	<u>155,002</u>
Total Middle Schools				
High Schools:				
Montclair High School	146,195	332,002	299,070	179,127
Athletic Account	9,300	95,932	105,232	
	<u>155,495</u>	<u>427,934</u>	<u>404,302</u>	<u>179,127</u>
Total High Schools				
Total All Schools	<u>\$ 348,357</u>	<u>\$ 1,224,266</u>	<u>\$ 1,136,059</u>	<u>\$ 436,564</u>

Exhibit H-5

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
JUNE 30, 2013

	<u>Balance</u> <u>July 1, 2012</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2013</u>
ASSETS:				
Cash and Cash Equivalents	<u>\$ 568,674</u>	<u>\$117,537,034</u>	<u>\$ 117,493,527</u>	<u>\$ 612,181</u>
Total Assets	<u>\$ 568,674</u>	<u>\$117,537,034</u>	<u>\$ 117,493,527</u>	<u>\$ 612,181</u>
 LIABILITIES:				
Payroll Deductions and Withholdings	<u>\$ 567,674</u>	<u>\$117,537,034</u>	<u>\$ 117,493,527</u>	<u>\$ 611,181</u>
Interfund Payable to General Fund	<u>1,000</u>			<u>1,000</u>
Total Liabilities	<u>\$ 568,674</u>	<u>\$117,537,034</u>	<u>\$ 117,493,527</u>	<u>\$ 612,181</u>

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

STATISTICAL SECTION
(UNAUDITED)

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

Contents

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

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year. The School implemented Statement 34 in a previous fiscal year. Schedules presenting government-wide information include information beginning in the fiscal year ended June 30, 2005.

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Governmental Activities:										
Net Investment in Capital Assets	\$ 26,701,632	\$ 33,390,709	\$ 28,461,236	\$ 31,490,517	\$ 34,094,750	\$ 47,600,079	\$ 63,669,828	\$ 67,336,003	\$ 68,665,576	\$ 68,606,368
Restricted	11,811,933	6,672,150	47,330,666	45,624,848	48,897,976	38,446,163	25,022,577	13,503,526	11,718,456	11,270,241
Unrestricted/(Deficit)	(575,720)	218,393	764,495	840,930	(698,480)	(705,013)	(847,610)	137,941	1,243,224	1,190,578
Total Governmental Activities Net Position	\$ 37,937,845	\$ 40,281,252	\$ 76,556,397	\$ 77,956,295	\$ 82,294,246	\$ 85,341,229	\$ 87,844,795	\$ 80,977,470	\$ 81,627,256	\$ 81,067,187
Business-Type Activities										
Net Investment in Capital Assets	\$ 46,507	\$ 41,163	\$ 49,802	\$ 43,502	\$ 37,202	\$ 32,097	\$ 26,992	\$ 21,887	\$ 194,743	\$ 169,864
Unrestricted	178,291	187,993	175,326	208,034	223,265	293,225	356,246	334,035	237,520	384,192
Total Business-Type Activities Net Position	\$ 224,798	\$ 229,156	\$ 225,128	\$ 251,536	\$ 260,467	\$ 325,322	\$ 383,238	\$ 355,922	\$ 432,263	\$ 554,056
District-Wide:										
Net Investment in Capital Assets	\$ 26,748,139	\$ 33,431,872	\$ 28,511,038	\$ 31,534,019	\$ 34,131,952	\$ 47,632,176	\$ 63,696,820	\$ 67,357,890	\$ 68,860,319	\$ 68,776,232
Restricted	11,811,933	6,672,150	47,330,666	45,624,848	48,897,976	38,446,163	25,022,577	13,503,526	11,718,456	11,270,241
Unrestricted/(Deficit)	(397,429)	406,386	939,821	1,048,964	(475,215)	(411,788)	(491,364)	471,976	1,480,744	1,574,770
Total District Net Position	\$ 38,162,643	\$ 40,510,408	\$ 76,781,525	\$ 78,207,831	\$ 82,554,713	\$ 85,666,551	\$ 88,228,033	\$ 81,333,392	\$ 82,059,519	\$ 81,621,243

Source: School District Financial Reports

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 38,936,414	\$ 41,335,447	\$ 43,732,731	\$ 47,854,538	\$ 49,096,515	\$ 49,319,766	\$ 50,686,622	\$ 50,727,177	\$ 48,878,543	\$ 50,419,530
Special Education	7,502,258	8,069,917	8,960,412	10,519,028	11,051,387	10,778,838	10,950,096	11,432,967	13,240,517	13,673,747
Other Special Instruction	863,516	1,022,646	1,216,331	1,461,026	1,155,413	1,081,994	1,397,703	1,355,741	2,043,269	2,448,400
School-Sponsored Instruction	2,898,971	3,739,403	3,465,281	3,567,362	3,024,250	2,893,988	3,012,233	2,232,289	1,809,677	1,778,949
Support Services:										
Tuition	3,252,391	3,253,313	3,726,870	3,715,887	4,468,012	4,947,698	5,436,746	4,243,051	4,783,313	5,099,446
Student & Instruction Related Services	14,271,712	15,138,030	16,917,836	18,174,017	20,169,046	20,865,133	22,262,622	20,892,795	19,907,216	23,111,451
School Administrative Services	4,322,162	6,062,033	5,020,879	5,747,403	5,900,632	5,697,569	6,453,978	5,926,334	5,687,924	5,797,230
General and Business Administrative Services	3,212,457	1,719,585	3,196,648	3,674,710	3,315,804	1,758,321	1,745,216	1,540,450	1,874,286	2,064,650
Central Services						1,833,063	1,853,971	1,928,764	1,655,412	1,645,518
Administrative Information Technology									301,037	297,595
Plant Operations And Maintenance	6,964,358	7,611,277	8,230,813	9,054,432	9,559,185	9,371,020	9,587,936	9,458,409	9,275,074	9,178,249
Pupil Transportation	3,363,456	3,667,740	3,971,775	4,475,153	4,255,570	4,436,644	4,422,775	4,198,807	4,327,092	4,666,981
Capital Outlay									76,167	85,938
Special Schools	441,849	501,132	461,253	482,003	511,203	517,699	534,724	462,743	503,306	477,788
Transfer to Charter School								19,292	21,582	
State Administrative Fee								63,146		
Unallocated Depreciation	494,109	635,536	617,724	835,917	1,020,608	1,390,663	1,953,020	2,451,596	2,482,194	2,543,619
Total Governmental Activities Expenses	\$ 86,523,653	\$ 92,756,059	\$ 99,518,553	\$ 109,561,476	\$ 113,527,625	\$ 114,892,396	\$ 120,297,642	\$ 116,933,561	\$ 116,866,609	\$ 123,289,091

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Business-Type activities:										
Food Service	\$ 1,255,669	\$ 1,349,350	\$ 1,588,402	\$ 1,568,688	\$ 1,484,812	\$ 1,368,552	\$ 1,443,652	\$ 1,395,102	\$ 1,453,543	\$ 1,192,701
Provisional Teacher	270,661	230,323	244,708	189,345	152,665	153,096	68,740	101,688	137,029	80,041
Saturday Music	19,534	25,794	23,534	19,579	23,166	20,255	20,891	18,494		20,260
Summer Programs	373,629	377,012	410,502	554,055	557,433	536,855				
Adventure Education		1,083								
Total Business-Type Activities Expense	1,919,493	1,983,562	2,267,146	2,331,667	2,218,076	2,078,758	1,533,283	1,515,284	1,590,572	1,293,002
Total District Expenses	\$ 88,443,146	\$ 94,739,621	\$ 101,785,699	\$ 111,893,143	\$ 115,745,701	\$ 116,971,154	\$ 121,830,925	\$ 118,448,845	\$ 118,457,181	\$ 124,582,093
Program Revenues:										
Governmental Activities:										
Charges For Services:										
Tuition									\$ 64,983	\$ 367,944
Special Schools									458,805	415,348
Operating Grants and Contributions	\$ 8,413,827	\$ 9,201,430	\$ 10,206,107	\$ 13,637,813	\$ 14,560,570	\$ 10,346,419	\$ 11,427,039	\$ 11,478,828	18,801,996	19,506,729
Capital Grants and Contributions									25,399	3,243,859
Total Governmental Activities Program Revenues	\$ 8,413,827	\$ 9,201,430	\$ 10,206,107	\$ 13,637,813	\$ 14,560,570	\$ 10,346,419	\$ 11,427,039	\$ 11,478,828	\$ 19,351,183	\$ 23,533,880
Business-Type Activities:										
Charges for services										
Food Service	\$ 1,936,835	\$ 1,986,736	\$ 2,196,706	\$ 2,342,952	\$ 2,106,195	\$ 2,092,906	\$ 919,865	\$ 858,972	\$ 595,702	\$ 463,564
Special Programs									86,086	86,426
Operating Grants and Contributions							571,073	578,679	590,331	642,348
Total Business Type Activities Program Revenues	1,936,835	1,986,736	2,196,706	2,342,952	2,106,195	2,092,906	1,490,938	1,437,651	1,272,119	1,192,338
Total District Program Revenues	\$ 10,350,662	\$ 11,188,166	\$ 12,402,813	\$ 15,980,765	\$ 16,666,765	\$ 12,439,325	\$ 12,917,977	\$ 12,916,479	\$ 20,623,302	\$ 24,726,218
Net (Expense)/Revenue Governmental Activities	\$ (78,109,826)	\$ (83,554,629)	\$ (89,312,446)	\$ (95,923,663)	\$ (98,967,055)	\$ (104,545,977)	\$ (108,870,603)	\$ (105,454,733)	\$ (97,515,426)	\$ (99,755,211)
Business-Type Activities	17,342	3,174	(70,440)	11,285	(111,881)	14,148	(42,345)	(77,633)	(318,453)	(100,664)
Total District-Wide Net Expense	\$ (78,092,484)	\$ (83,551,455)	\$ (89,382,886)	\$ (95,912,378)	\$ (99,078,936)	\$ (104,531,829)	\$ (108,912,948)	\$ (105,532,366)	\$ (97,833,879)	\$ (99,855,875)

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net Township of Montclair- Type I School District	\$ 69,898,197	\$ 74,663,202	\$ 79,319,100	\$ 84,222,443	\$ 88,163,461	\$ 93,005,952	\$ 96,869,014	\$ 101,103,844	\$ 97,509,698	\$ 97,509,698
Current and Prior Years Assets Funded by Township			34,089,843	(5,338,227)						
Federal and State Aid Restricted	1,495,474	854,678	1,732,212	36,450	13,605	178,473	171,103	1,334,974		
Federal and State Aid not Restricted	8,109,760	9,320,988	9,389,593	8,850,460	8,094,837	9,317,956	8,424,962	5,509,318	763,527	1,346,151
Tuition		174,024	105,353	73,332	58,892	92,089	99,691	74,609		
Miscellaneous Income	1,270,857	875,144	951,490	5,109,583	1,745,115	1,195,290	2,923,039	1,257,199	286,554	454,293
Transfers	(37,750)			(12,000)	(117,750)	(50,000)	(100,000)	(50,000)	(394,567)	(115,000)
Total Governmental Activities	80,736,538	85,888,036	125,587,591	97,323,561	103,305,008	107,592,960	111,374,169	109,763,614	98,165,212	99,195,142
Business-Type Activities:										
Investment Earnings									227	242
Miscellaneous	228	1,184	66,412	3,123	3,062	707	262	317		
Prior Year Accounts Payable Cancelled										107,215
Transfers	37,750			12,000	117,750	50,000	100,000	50,000	394,567	115,000
Total Business-Type Activities	37,978	1,184	66,412	15,123	120,812	50,707	100,262	50,317	394,794	222,457
Total District-Wide	\$ 80,774,516	\$ 85,889,220	\$ 125,654,003	\$ 97,338,684	\$ 103,425,820	\$ 107,643,667	\$ 111,474,431	\$ 109,813,931	\$ 98,560,006	\$ 99,417,599
Change in Net Position:										
Governmental Activities	\$ 2,626,712	\$ 2,333,407	\$ 36,275,145	\$ 1,399,898	\$ 4,337,953	\$ 3,046,983	\$ 2,503,566	\$ 4,308,881	\$ 649,786	\$ (560,069)
Business-Type Activities	55,320	4,358	(4,028)	26,408	8,931	64,855	57,917	(27,316)	76,341	121,793
Total District	\$ 2,682,032	\$ 2,337,765	\$ 36,271,117	\$ 1,426,306	\$ 4,346,884	\$ 3,111,838	\$ 2,561,483	\$ 4,281,565	\$ 726,127	\$ (438,276)

Source: School District Financial Reports

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

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Fund:										
Reserved/Restricted	\$ 1,056,212	\$ 2,316,892	\$ 2,876,164	\$ 2,391,583	\$ 3,709,782	\$ 4,254,554	\$ 4,069,255	\$ 7,119,798	\$ 10,004,894	\$ 9,068,839
Assigned								42,233	1,093,339	1,587,304
Unassigned								959,014	2,289,349	1,572,302
Unreserved	<u>1,663,959</u>	<u>2,153,546</u>	<u>3,038,194</u>	<u>3,355,755</u>	<u>1,932,723</u>	<u>2,051,191</u>	<u>2,044,532</u>	<u>2,641,752</u>		
Total General Fund	<u>\$ 2,720,171</u>	<u>\$ 4,470,438</u>	<u>\$ 5,914,358</u>	<u>\$ 5,747,338</u>	<u>\$ 5,642,505</u>	<u>\$ 6,305,745</u>	<u>\$ 6,113,787</u>	<u>\$ 10,762,797</u>	<u>\$ 13,387,582</u>	<u>\$ 12,228,445</u>
All Other Governmental Funds:										
Reserved/Restricted	\$ 46,114,228	\$ 45,858,328	\$ 44,454,502	\$ 43,233,265	\$ 45,188,194	\$ 34,191,609	\$ 20,953,322	\$ 5,345,706	\$ 1,713,562	\$ 2,201,402
Unreserved, Reported In:										
Special Revenue Fund/(Deficit)	<u>(1,307)</u>	<u>(50,613)</u>	<u>(50,613)</u>	<u>(50,613)</u>	<u>(65,013)</u>					
Total All Other Governmental Funds	<u>\$ 46,112,921</u>	<u>\$ 45,807,715</u>	<u>\$ 44,403,889</u>	<u>\$ 43,182,652</u>	<u>\$ 45,123,181</u>	<u>\$ 34,191,609</u>	<u>\$ 20,953,322</u>	<u>\$ 5,345,706</u>	<u>\$ 1,713,562</u>	<u>\$ 2,201,402</u>
Total All Funds	<u>\$ 48,833,092</u>	<u>\$ 50,278,153</u>	<u>\$ 50,318,247</u>	<u>\$ 48,929,990</u>	<u>\$ 50,765,686</u>	<u>\$ 40,497,354</u>	<u>\$ 27,067,109</u>	<u>\$ 16,108,503</u>	<u>\$ 15,101,144</u>	<u>\$ 14,429,847</u>

Source: School District Financial Reports

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

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Revenues:										
Tax Levy	\$ 69,898,197	\$ 74,663,202	\$ 79,319,100	\$ 84,222,443	\$ 88,163,461	\$ 93,005,952	\$ 96,869,014	\$ 101,103,844	\$ 97,509,698	\$ 97,509,698
Miscellaneous	1,229,757	1,062,177	1,091,053	5,182,915	1,804,007	1,287,379	1,232,188	1,331,808	1,071,246	4,373,995
State Sources	14,850,869	17,410,953	19,093,361	20,419,641	20,398,827	17,211,871	16,203,619	14,519,845	16,138,462	18,668,742
Federal Sources	1,779,420	1,953,134	2,200,341	2,105,082	2,270,185	2,630,977	3,819,485	3,803,276	3,191,557	2,291,588
Total Revenue	87,758,243	95,089,466	101,703,855	111,930,081	112,636,480	114,136,179	118,124,306	120,758,773	117,910,963	122,844,023
Expenditures:										
Instruction:										
Regular Instruction	29,439,863	33,206,541	34,160,157	36,220,355	37,065,767	38,165,378	38,747,421	37,773,061	36,968,473	37,940,996
Special Education Instruction	5,956,514	6,399,104	6,923,613	7,837,702	8,207,685	8,234,960	8,418,340	8,522,680	10,230,542	10,449,884
Other Instruction	684,411	809,557	920,748	1,086,708	856,984	825,533	1,045,867	989,830	1,539,649	1,832,553
School-Sponsored Instruction	2,296,909	3,092,096	2,952,308	3,105,195	2,417,179	2,368,460	2,426,083	1,766,670	1,434,414	1,410,772
Support Services:										
Tuition	3,252,391	3,253,313	3,726,870	3,715,887	4,468,012	4,947,698	5,436,746	4,243,051	4,783,313	5,099,446
Student and Instruction Related Services	11,396,361	12,331,971	13,501,491	14,011,907	15,387,037	16,303,998	17,363,672	15,793,369	15,027,478	17,346,129
Central Services									1,257,133	1,250,862
Administrative Information Technology			1,290,189	1,406,141	1,413,583	1,472,998	1,459,796	1,487,707	272,669	268,544
General Administrative Services	2,825,149	1,574,677	1,448,079	1,685,832	1,307,863	1,525,255	1,493,039	1,319,028	1,627,834	1,917,706
School Administrative Services	3,436,715	4,862,395	3,878,625	4,280,609	4,381,834	4,352,858	4,832,265	4,329,703	4,188,259	4,310,048
Plant Operations And Maintenance	6,151,833	6,795,304	7,252,424	7,816,735	8,257,975	8,160,387	8,265,274	8,054,912	7,898,069	7,858,131
Pupil Transportation	3,329,280	3,634,137	3,921,993	4,411,698	4,190,513	4,375,929	4,355,617	4,121,369	4,245,329	4,587,314
Unallocated Benefits	14,327,196	15,877,373	18,165,025	22,471,817	23,990,064	22,102,949	23,878,661	25,960,512	24,358,225	25,808,190
Community Services	163,052	165,930								
Special Schools	468,561	473,264	420,761	433,847	460,545	475,316	485,903	462,743	503,306	477,788
Transfer to Charter Schools								19,292	21,582	
Capital Outlay	25,745	7,324,613	6,071,026	9,203,425	3,624,841	14,895,992	18,022,769	6,180,917	4,167,480	2,841,957
Total Expenditures	83,753,980	99,800,275	104,633,309	117,687,858	116,029,882	128,207,711	136,231,453	121,024,844	118,523,755	123,400,320
Excess/(Deficiency) Of Revenues										
Over/(Under) Expenditures	4,004,263	(4,710,809)	(2,929,454)	(5,757,777)	(3,393,402)	(14,071,532)	(18,107,147)	(266,071)	(612,792)	(556,297)
Other Financing Sources/(Uses):										
Type I School Debt Authorization		6,155,870	2,969,548	4,381,520	5,346,848	3,853,200	2,986,360	533,670		
Prior Year Accounts Payable Cancelled							1,790,542			
Transfers Out				(12,000)	(117,750)	(50,000)	(100,000)	(50,000)	(394,567)	(115,000)
Total Other Financing Sources/(Uses)		6,155,870	2,969,548	4,369,520	5,229,098	3,803,200	4,676,902	483,670	(394,567)	(115,000)
Net Change In Fund Balances	\$ 4,004,263	\$ 1,445,061	\$ 40,094	\$ (1,388,257)	\$ 1,835,696	\$ (10,268,332)	\$ (13,430,245)	\$ 217,599	\$ (1,007,359)	\$ (671,297)
Debt Service As A Percentage										
of Noncapital Expenditures	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

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

Fiscal Year Ended June 30,	Interest on Investments	Tuition	Rentals- Use of Facilities	Prior Year Refunds	Other	Total
2004	\$ 24,951	\$ 232,376	\$ 103,428	\$ 5,438	\$ 838,356	\$ 1,204,549
2005	75,625	174,024	129,884	32,181	637,454	1,049,168
2006	366,445	105,353	107,689	7,175	470,182	1,056,844
2007	665,168	73,332	94,000	54,648	635,469	1,522,617
2008	632,360	58,892	144,255	8,973	641,860	1,486,340
2009	196,962	92,089	94,037	7,938	657,590	1,048,616
2010	60,553	99,691	107,163	13,317	645,830	926,554
2011	57,265	74,609	113,311	777	710,686	956,648
2012	60,563	64,983	95,093	45,826	543,877	810,342
2013	59,993	67,944	107,772	202,391	499,486	937,586

Source: Montclair Township School District records

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

Year Ended December 31,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities ^a	Net Valuation Taxable	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
2003	\$ 12,789,700	\$ 2,363,259,100	\$ 236,872,400	\$ 1,955,700	\$ 127,732,000	\$ 2,742,608,900	\$ 6,687,394	\$ 2,749,296,294	\$ 2.65	\$ 4,949,228,252
2004	11,707,300	2,378,300,800	239,389,400	1,955,700	132,560,500	2,763,913,700	5,309,145	2,769,222,845	2.81	5,547,321,404
2005	11,095,600	2,387,199,500	237,892,000	1,955,700	132,855,300	2,770,998,100	4,762,400	2,775,760,500	2.97	5,569,423,132
2006	11,377,000	2,395,985,200	231,870,100	1,955,700	132,385,100	2,773,573,100	3,951,186	2,777,524,286	3.17	6,160,834,306
2007	* 33,557,800	6,371,937,400	703,802,500	5,584,200	295,040,500	7,409,922,400	8,747,827	7,418,670,227	1.25	7,233,011,190
2008	29,798,800	6,307,313,300	692,664,300	5,137,000	289,648,900	7,324,562,300	10,545,776	7,335,108,076	1.33	7,391,201,056
2009	28,004,100	6,313,361,900	691,217,100	5,059,900	286,659,800	7,324,302,800	12,373,331	7,336,676,131	1.38	7,380,393,793
2010	27,591,400	6,303,710,350	692,606,250	5,059,900	282,541,400	7,311,509,300	12,443,626	7,323,952,926	1.44	7,391,363,685
2011	26,808,200	6,190,707,050	672,102,250	5,059,900	274,447,400	7,169,124,800	12,016,628	7,181,141,428	1.42	6,956,465,593
2012	16,130,300	4,900,422,400	590,234,900	4,539,500	252,992,300	5,764,319,400	11,362,189	5,775,681,589	1.79	6,881,985,278

*- The Township completed a revaluation in 2007.

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

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

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

Year Ended December 31,	Montclair Township School District					
	Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Montclair Township	Essex County	
2003	\$ 2.65		\$ 2.65	\$ 1.11	\$ 0.91	\$ 4.67
2004	2.81		2.81	1.16	0.94	4.91
2005	2.97		2.97	1.16	0.96	5.09
2006	3.17		3.17	1.22	0.97	5.36
2007	1.25 *	*	1.25 *	0.53 *	0.37 *	2.15
2008	1.33		1.33	0.59	0.38	2.30
2009	1.38		1.38	0.61	0.40	2.39
2010	1.44		1.44	0.67	0.41	2.52
2011	1.42		1.42	0.72	0.42	2.56
2012	1.79		1.79	0.92	0.54	3.25

*- The Township completed a revaluation in 2007.

Source: Municipal Tax Collector and School Business Administrator

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

a The district's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

b Rates for debt service are based on each year's requirements.

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

2012			2003		
Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value	Taxpayer	Taxable Assessed Value	% of Total District Net Assessed Value
Rockcliff Apartments	\$ 15,146,300	0.26 %			
Lackawanna Associates	15,000,000	0.26 %			
Hawthorne Towers	11,448,200	0.20 %			
Richard Grabowsky, LLC	10,985,400	0.19 %			
Princeton BK & Industry Constg. Group	12,236,500	0.19 %			
Bellclaire, LLC	8,500,000	0.18 %			
Orange Pavillion	9,260,100	0.16 %			
45 Church St. Associates	6,250,000	0.15 %			
Midland Realty Assoc	8,474,200	0.13 %			
Gordonhurst Assoc.	7,000,000	0.12 %			
Total	\$ 104,300,700	1.84 %			

Information Unavailable

Source: Municipal Tax Assessor

Exhibit J-9

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2003	\$ 63,805,205	\$ 63,805,205	100.00%	-0-
2004	69,898,197	69,898,197	100.00%	-0-
2005	74,663,202	74,663,202	100.00%	-0-
2006	79,319,100	79,319,100	100.00%	-0-
2007	84,222,443	84,222,443	100.00%	-0-
2008	88,163,461	88,163,461	100.00%	-0-
2009	93,005,952	93,005,952	100.00%	-0-
2010	96,869,014	96,869,014	100.00%	-0-
2011	101,103,844	101,103,844	100.00%	-0-
2012	97,509,698	97,509,698	100.00%	-0-
2013	97,509,698	97,509,698	100.00%	-0-

Source: Montclair Township School District records including the Certificate and Report of School Taxes (A4F Form)

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

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

NOT APPLICABLE

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

NOT APPLICABLE

Exhibit J-12

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2012
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes			
Township of Montclair	\$ 80,327,640	100.00%	\$ 80,327,640
Essex County General Obligation Debt	404,283,534	7.79%	<u>31,484,780</u>
Subtotal, Overlapping Debt			111,812,420
Montclair School District Direct Debt			<u>-0-</u>
Total Direct And Overlapping Debt			<u>\$ 111,812,420</u>

Sources: Assessed value data used to estimate applicable percentages provided by the Essex County Board of Taxation; debt outstanding data provided by each governmental unit.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of Montclair. This process recognizes that, when considering the District's ability to issue and repay long-term, the entire debt burden borne by the residents and businesses should be taken into account. However this does not imply that every taxpayer is a resident and therefore, responsible for repaying the debt, of each overlapping unit.

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

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

Legal Debt Margin Calculation for Fiscal Year 2013	
	Montclair Township
Equalized Valuation Basis	
2012	\$ 6,588,546,577
2011	6,839,462,698
2010	7,065,577,462
	\$ 20,493,586,737
Average Equalized Valuation of Taxable Property	\$ 6,831,195,579
Debt Limit ^a (4% of average equalization value)	\$ 273,247,823
Net Bonded School Debt as of June 30, 2013	-0-
Legal Debt Margin	\$ 273,247,823

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Debt Limit	\$ 170,748,247	\$ 196,052,877	\$ 221,454,692	\$ 246,954,925	\$ 269,455,955	\$ 286,061,678	\$ 293,078,040	\$ 290,962,228	\$ 283,899,181	\$ 273,247,823
Total Net Debt Applicable to Limit	51,188,925	84,486,797	82,915,782	91,836,362	94,166,366	96,673,800	98,199,040	98,951,394	78,553,510	80,327,640
Legal Debt Margin	\$ 119,559,322	\$ 111,566,080	\$ 138,538,910	\$ 155,118,563	\$ 175,289,589	\$ 189,387,878	\$ 194,879,000	\$ 192,010,834	\$ 205,345,671	\$ 192,920,183
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	29.98%	43.09%	37.44%	37.19%	34.95%	33.79%	33.51%	34.01%	27.67%	29.40%

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

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

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

Year	Population ^a	Personal Income ^b	Essex County Per Capita Personal Income ^c	Unemployment Rate ^d
2004	38,298	\$ 1,586,188,266	\$ 41,417	3.10%
2005	37,798	1,634,045,338	43,231	3.50%
2006	37,709	1,783,258,610	47,290	3.60%
2007	37,052	1,847,042,200	49,850	3.20%
2008	36,966	1,909,848,390	51,665	3.90%
2009	37,317	1,824,838,617	48,901	6.60%
2010	37,669	1,913,246,179	50,791	6.80%
2011	37,726	1,997,818,056	52,956	6.80%
2012	37,851	2,004,437,556	52,956 *	6.70%
2013	37,851 **	2,004,437,556	52,956 *	N/A

* - Latest Essex County per capita personal income available (2011) was used for calculation purposes.

** - Latest population data available (2012) was used for calculation purposes.

N/A - Information not available

Source: School District Reports

a Population information provided by the NJ Dept of Labor and Workforce Development

b Personal income has been estimated based upon the municipal population and per capita personal income presented

c Per capita personal income by municipality estimated based upon the 2010 Census published by the US Bureau of Economic Analysis.

d Unemployment data provided by the NJ Dept of Labor and Workforce Development

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

2012			2003		
Employer	Employees	Percentage of Total Employment	Employer	Employees	Percentage of Total Employment
INFORMATION IS NOT AVAILABLE					

Source: Various Agencies of the Township

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

<u>Function/Program</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Instruction:										
Regular	456.0	459.0	470.0	482.0	473.0	466.0	469.0	442.0	437.0	433.1
Special Education	102.0	103.0	113.0	125.0	110.0	110.0	112.0	112.0	114.0	147.9
Support Services:										
Student & Instruction Related Services	89.0	98.0	101.0	101.0	123.0	123.0	123.0	108.0	106.0	95.8
School Administrative Services	56.0	58.0	60.0	74.0	71.0	71.0	71.0	64.0	66.0	46.8
General and Business Administrative Services	6.0	6.0	6.0	6.0	6.0	6.0	6.0	5.0	6.0	5.7
Plant Operations and Maintenance	60.0	59.0	61.0	61.0	61.0	61.0	61.0	60.0	60.0	63.0
Pupil Transportation	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0	2.0
Business and Other Support Services	13.0	14.0	14.0	15.0	15.0	15.0	15.0	15.0	14.0	15.0
Total	<u>784.0</u>	<u>799.0</u>	<u>827.0</u>	<u>866.0</u>	<u>861.0</u>	<u>854.0</u>	<u>859.0</u>	<u>808.0</u>	<u>805.0</u>	<u>809.3</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^d	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^c	Average Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle	High				
2004	6,376	\$ 83,728,235	\$ 13,132	10.69 %	623	12.7:1	8.7:1	10.5:1	6,367	6,061	0.84 %	95.19 %
2005	6,583	92,475,662	14,048	6.97 %	636	12.7:1	9.1:1	10.7:1	6,576	6,232	3.28 %	94.77 %
2006	6,638	98,562,283	14,848	5.70 %	655	12.1:1	9.2:1	10.5:1	6,606	6,294	0.46 %	95.28 %
2007	6,621	108,484,433	16,385	10.35 %	685	12.1:1	9.2:1	10.5:1	6,590	6,307	-0.24 %	95.71 %
2008	6,561	112,405,041	17,132	4.56 %	680	11.7:1	8.9:1	10.6:1	6,555	6,237	-0.53 %	95.15 %
2009	6,636	113,311,719	17,075	-0.33 %	679	11.5:1	8.7:1	10.6:1	6,636	6,304	1.24 %	95.00 %
2010	6,673	118,208,684	17,714	3.74 %	676	11.5:1	8.7:1	10.6:1	6,662	6,350	0.39 %	95.32 %
2011	6,645	114,843,927	17,283	-2.44 %	640	10.9:1	8.6:1	10.3:1	6,635	6,339	-0.41 %	95.54 %
2012	6,638	114,356,275	17,228	-0.32 %	637	12.8:1	8.5:1	10.0:1	6,638	6,352	0.05 %	95.69 %
2013	6,667	120,558,363	18,083	4.96 %	699	12.7:1	9.1:1	11.5:1	6,667	6,464	0.44 %	96.96 %

Source: Montclair Township School District records

Note: Enrollment based on annual October district count.

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

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

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
<u>District Building</u>										
Montclair High School										
Square Feet	352,119	352,119	352,119	352,119	352,119	352,119	352,119	352,119	352,119	352,119
Capacity (students)	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631	1,631
Enrollment	1,944	1,958	1,978	1,958	1,981	1,981	1,962	1,972	1,952	1,966
Glenfield Middle School										
Square Feet	125,281	125,281	125,281	125,281	125,281	125,281	125,281	125,281	125,281	125,281
Capacity (students)	704	704	704	704	704	704	704	704	704	704
Enrollment	714	670	629	625	668	668	689	702	717	711
Mount Hebron Middle School										
Square Feet	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799
Capacity (students)	630	630	630	630	630	630	630	630	630	630
Enrollment	556	612	637	638	603	603	580	578	554	545
Renaissance Middle School										
Square Feet	38,722	38,722	38,722	38,722	38,722	38,722	38,722	38,722	38,722	38,722
Capacity (students)	245	245	245	245	245	245	245	345	345	345
Enrollment	217	237	239	237	242	242	251	243	253	262
Bradford Elementary School										
Square Feet	38,722	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129	58,129
Capacity (students)	345	345	345	345	345	345	345	345	345	345
Enrollment	361	414	443	444	474	474	484	471	451	450
Bullock Elementary School										
Square Feet	N/A	84,017	84,017	84,017						
Capacity (students)	N/A	550	550	550						
Enrollment	N/A	399	433	442						

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
<u>District Building</u>										
Edgemont Elementary School										
Square Feet	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638
Capacity (students)	312	312	312	312	312	312	312	312	312	312
Enrollment	304	306	308	305	297	297	299	289	305	296
Hillside Elementary School										
Square Feet	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799	125,799
Capacity (students)	680	680	680	680	680	680	680	680	680	680
Enrollment	614	597	618	615	623	623	629	620	650	626
Nishuane Elementary School										
Square Feet	87,440	87,440	87,440	87,440	87,440	87,440	87,440	87,440	87,440	87,440
Capacity (students)	663	663	663	663	663	663	663	663	663	663
Enrollment	607	586	570	567	521	521	521	479	479	469
Northeast Elementary School										
Square Feet	56,549	56,549	56,549	56,549	56,549	56,549	56,549	56,549	56,549	56,549
Capacity (students)	380	380	380	380	380	380	380	380	380	380
Enrollment	409	405	417	421	403	403	426	442	456	448
Rand Elementary School										
Square Feet	38,722	38,722	38,722	38,722	38,722	38,722	38,722	N/A	N/A	N/A
Capacity (students)	345	345	345	345	345	345	345	N/A	N/A	N/A
Enrollment	387	382	364	366	317	317	355	N/A	N/A	N/A
Watchung Elementary School										
Square Feet	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638	34,638
Capacity (students)	312	312	312	312	312	312	312	312	312	312
Enrollment	428	425	418	419	432	432	461	450	457	452

N/A- Not Applicable

Number of Schools at June 30, 2013

Elementary = 8

Middle School = 3

High School = 1

Note: Enrollment is based on October District count.

Source: Montclair Township School District Facilities Office

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

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

<u>School Facilities *</u>	<u>Projects #</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>
Bradford Elementary School	N/A	12,270	27,255	21,764	35,451	26,155
Bullock Elementary School	N/A					
Edgemont Elementary School	N/A	21,858	23,056	22,350	26,084	17,228
Glenfield Middle School	N/A	46,508	37,236	63,425	56,072	46,288
Hillside Elementary School	N/A	42,379	45,101	45,073	62,047	50,539
Montclair High School	N/A	136,929	127,118	166,754	172,954	145,059
Mount Hebron Middle School	N/A	35,980	48,385	61,748	59,123	39,006
Nishuane Elementary School	N/A	24,295	25,064	37,286	27,503	28,924
Northeast Elementary School	N/A	28,348	101,039	30,594	25,840	30,629
Rand Elementary School	N/A	11,699	36,177	34,468	19,680	45,954
Renaissance Middle School	N/A					
Watchung Elementary School	N/A	18,502	14,904	25,061	34,166	28,710
		<u>\$ 378,768</u>	<u>\$ 485,335</u>	<u>\$ 508,523</u>	<u>\$ 518,920</u>	<u>\$ 458,492</u>

<u>School Facilities *</u>	<u>Projects #</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
Bradford Elementary School	N/A	26,057	31,035	26,981	43,151	39,659
Bullock Elementary School	N/A			6,658	41,767	50,835
Edgemont Elementary School	N/A	19,472	23,866	19,498	24,522	28,724
Glenfield Middle School	N/A	14,205	80,054	71,614	132,436	95,360
Hillside Elementary School	N/A	40,561	40,557	51,563	116,235	88,680
Montclair High School	N/A	164,659	151,815	170,205	294,124	305,909
Mount Hebron Middle School	N/A	42,321	49,797	44,008	114,523	111,671
Nishuane Elementary School	N/A	29,289	26,891	38,097	64,539	55,792
Northeast Elementary School	N/A	25,692	20,972	46,597	46,998	58,313
Rand Elementary School	N/A	24,895	14,424			
Renaissance Middle School	N/A			27,319	58,794	39,390
Watchung Elementary School	N/A	25,025	30,828	36,402	40,292	34,732
		<u>\$ 412,176</u>	<u>\$ 470,239</u>	<u>\$ 538,942</u>	<u>\$ 977,381</u>	<u>\$ 909,065</u>

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

Source: Montclair Township School District records

Exhibit J-20

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2013
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - NJSBAIG		
Property - Blanket Building & Contents	\$ 240,411,429	\$ 10,000
Comprehensive General Liability	31,000,000	
Comprehensive Automobile Liability	31,000,000	
Boiler and Machinery - NJSBAIG		
Property Damage	100,000,000	10,000
School Leaders E&O - NJSBAIG	6,000,000	20,000
Umbrella Liability		
Umbrella Policy (limit included in GL & AL limits)		
Comprehensive General Liability - New Jersey School Boards Association	1,000,000	0
Excess Worker's Compensation - Midwest Employers Casualty		
Workers Compensation	Statutory	
Employers Liability	1,000,000	
Self Insured Retention		350,000
Public Employees' Faithful Performance Blanket		
Position Bond - New Jersey School Boards Association	1,000,000	1,000
Public Employees' Faithful Performance Bonds -		
Western Surety Company		
Michael Zazzarino - Treasurer	450,000	
Dana Sullivan - Business Administrator/Board Secretary	100,000	
Student Accident Coverage - Monumental Life Insurance		
Limit including all sports activities	5,000,000	
Flood		
High School Limit for Building & Contents each	500,000	2,000
Rand School Limit for Building & Contents each	500,000	1,000
Northeast School Limit for Building & Contents each	500,000	1,000

Source: Montclair Township School District records.

SINGLE AUDIT SECTION



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

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 11 Lawrence Road
 Newton, NJ 07860
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Report on Internal Control Over Financial Reporting and
 on Compliance and Other Matters Based on an Audit of Financial Statements
 Performed in Accordance with *Government Auditing Standards*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Board of Education of the Montclair Township School District, a component unit of the Township of Montclair in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 11, 2013.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

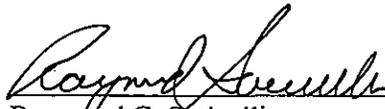
As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material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

Purpose of this Report

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

October 11, 2013
Mount Arlington, New Jersey

NISIVOCIA LLP


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



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

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

We have audited the Board of Education of the Montclair Township School District (the "District's"), a component unit of the Township of Montclair, compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* and the *New Jersey State Aid/ Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the fiscal year ended June 30, 2013. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations*, and New Jersey OMB's Circular NJOMB 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 04-04 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination of the District's compliance.

Opinion on Each Major Federal and State Program

In our opinion, the Board complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2013.

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's internal control over compliance.

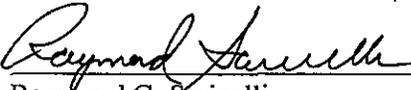
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results that the testing based on the requirements of OMB Circular A-133 or NJOMB 04-04. Accordingly, this report is not suitable for any other purpose.

October 11, 2013
Mount Arlington, New Jersey

NISIVOCIA LLP


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

**MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012				Cash Received	Budgetary Expenditures	Adjustments	Repayment of Prior Years' Balances	Balance at June 30, 2013		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Carryover/ (Walkover) Amount					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor
General Fund:															
U.S. Department of Health and Human Services Passed-through State Department of Education:															
Special Education Medicaid Initiative	93.778	N/A	7/1/11-6/30/12	\$ 98,004	\$ 41,196			\$ 41,196							
Special Education Medicaid Initiative	93.778	N/A	7/1/12-6/30/13	95,769				95,769	\$ (95,769)						
Total U.S. Department of Health and Human Services					41,196			136,965	(95,769)						
Total General Fund					41,196			136,965	(95,769)						
Special Revenue Fund:															
U.S. Department of Education Passed-through State Department of Education:															
No Child Left Behind Consolidated Grant:															
Title I	84.010A	NCLB331013	9/1/12-8/31/13	623,721				1,396	(538,600)			\$ 537,204			
Title I	84.010A	NCLB331012	9/1/11-8/31/12	537,774	133,916			133,916	(5,871)			5,871			
Title I - SIA Allocation	84.010A	NCLB331009	9/1/08-8/31/09	17,563			\$ 10,571							\$ 10,571	
Title I Subtotal					133,916		10,571	135,312	(544,471)			543,075		10,571	
Title II, Part A	84.367A	NCLB331013	9/1/12-8/31/13	149,492				727	(35,809)			35,082			
Title II, Part A	84.367A	NCLB331012	9/1/11-8/31/12	160,367	30,807			32,818	(2,011)						
Title II, Part A	84.367A	NCLB331011	9/1/10-8/31/12	184,944	6,154			6,154							
Title II, Part A	84.367A	NCLB331010	9/1/09-8/31/11	182,818	11,895			11,895							
Title IIA Subtotal					48,856			51,594	(37,820)			35,082			
Title III	84.365A	NCLB331012	9/1/11-8/31/13	18,546					(2,362)			2,362			
Title III	84.365A	NCLB331011	9/1/10-8/31/12	12,388	846			2,348	(1,556)			54			
Title III Subtotal					846			2,348	(3,918)			2,416			
Title V	84.298A	NCLB331009	9/1/08-8/31/09	8,631			1,052							1,052	
Special Education Cluster:															
I.D.E.A. Part B, Basic	84.027	IDEA331013	9/1/12-8/31/13	1,636,133				905,841	(1,160,911)			255,070			
I.D.E.A. Part B, Basic	84.027	IDEA331012	9/1/11-8/31/12	1,624,392	242,854			607,331	(364,477)						
I.D.E.A. Part B, Basic	84.027	IDEA331011	9/1/10-8/31/11	1,617,519	344,213			344,213							
I.D.E.A. Part B, Preschool	84.173	IDEA331012	9/1/11-8/31/12	57,803				57,802	(57,802)						
I.D.E.A. Part B, Preschool	84.173	IDEA331011	9/1/10-8/31/12	69,188	10,941			10,941							
Special Education Cluster Subtotal					598,008			1,926,128	(1,583,190)			255,070			
Special Revenue Fund:															
U.S. Department of Education Passed-through State Department of Education:															
Carl D. Perkins - Vocational Education	84.048	PERK331012	9/1/11-8/31/12	36,147	22,188							22,188			
Carl D. Perkins - Vocational Education	84.048	PERK331011	9/1/10-8/31/11	39,199	32,378			32,378							
Carl D. Perkins - Vocational Education Subtotal					54,566			32,378				22,188			
Foreign Languages Education	84.293C	N/A	9/1/11-8/31/12	290,000	289,881			289,881							
Foreign Languages Education	84.293C	N/A	9/1/10-8/31/11	253,000	10,303			10,303							
Foreign Languages Education Subtotal					300,184			300,184							
Total U.S. Department of Education					1,136,376		11,623	2,447,944	(2,169,399)			857,831		11,623	

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Federal Grantor/Pass Through Grantor Program Title/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012					Repayment of Prior Years' Balances	Balance at June 30, 2013						
					Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Carryover/ (Walkover) Amount	Cash Received		Budgetary Expenditures	Adjustments	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor		
U.S. Department of Labor Passed-through County of Essex:																	
Job Training Partnership Act	17.259	N/A	06/01/12-05/31/13	\$ 14,000						\$ (14,000)			\$ 14,000				
										(14,000)			14,000				
State Fiscal Stabilization Fund (SFSF):																	
ARRA- Race-to-the-Top	84.395	N/A	9/1/11-11/30/15	39,480						(12,420)			12,420				
										(12,420)			12,420				
Total Special Revenue Fund					\$ 1,136,376		\$ 11,623		\$ 2,447,944	(2,195,819)			884,251			\$ 11,623	
U.S. Department of Agriculture Passed-through State Department of Agriculture:																	
Child Nutrition Cluster:																	
School Breakfast Program	10.553	N/A	9/1/11-6/30/12	81,790	14,761				14,761								
School Breakfast Program	10.553	N/A	9/1/12-6/30/13	71,470					63,335	(71,470)			8,135				
National School Lunch Program	10.555	N/A	9/1/11-6/30/12	493,364	75,347				75,347								
National School Lunch Program	10.555	N/A	9/1/12-6/30/13	482,374					396,261	(482,374)			86,113				
U.S.D.A Commodities Program	10.555	N/A	7/1/12-6/30/13	75,171					75,171	(66,338)					8,833		
Total U.S. Department of Agriculture					90,108				549,704	(553,844)			94,248		8,833		
Total Federal Financial Awards					\$ 1,267,680	\$ -0-	\$ 11,623	\$ -0-	\$ 3,134,613	\$ (2,845,432)	\$ -0-	\$ -0-	\$ 978,499	\$ 8,833	\$ 11,623		

N/A - Not Available/Applicable

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

**MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2012			Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2013			MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					GAAP Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Budgetary Accounts Receivable	Cumulative Total Expenditures
New Jersey Department of Education															
General Fund:															
Transportation Aid	13-495-034-5120-014	7/1/12 - 6/30/13	\$ 1,122,139					\$ 1,013,863	\$ (1,122,139)				\$ 108,276	\$ 1,122,139	
Special Education Aid	13-495-034-5120-089	7/1/12 - 6/30/13	4,154,588					3,753,332	(4,154,588)				401,256	4,154,588	
Equalization Aid	13-495-034-5120-078	7/1/12 - 6/30/13	580,989					523,667	(580,989)				57,322	580,989	
Security Aid	13-495-034-5120-084	7/1/12 - 6/30/13	728,935					658,874	(728,935)				70,061	728,935	
Extraordinary Special Education Costs	13-495-034-5120-473	7/1/12 - 6/30/13	619,638						(619,638)	\$ 619,638			619,638	619,638	
Nonpublic Transportation Aid	13-495-034-5120-005	7/1/12 - 6/30/13	54,912						(54,912)	54,912			54,912	54,912	
Reimbursed TPAF Social Security Contributions	13-495-034-5095-002	7/1/12 - 6/30/13	3,751,706					3,562,615	(3,751,706)		189,091		189,091	3,751,706	
Transportation Aid	12-495-034-5120-014	7/1/11 - 6/30/12	1,098,259	\$ 99,152				99,152						1,098,259	
Special Education Aid	12-495-034-5120-089	7/1/11 - 6/30/12	3,916,173	354,860				354,860						3,916,173	
Security Aid	12-495-034-5120-084	7/1/11 - 6/30/12	733,364	67,841				67,841						733,364	
Extraordinary Special Education Costs	12-495-034-5120-473	7/1/11 - 6/30/12	1,134,805	1,134,805				1,134,805						1,134,805	
Nonpublic Transportation Aid	12-495-034-5120-005	7/1/11 - 6/30/12	52,896	52,896				52,896						52,896	
Reimbursed TPAF Social Security Contributions	12-495-034-5095-002	7/1/11 - 6/30/12	3,795,150	190,901				190,901						3,795,150	
Total General Fund State Aid				1,900,455				11,412,806	(11,012,907)		863,641		1,500,556	21,743,554	
Special Revenue Fund:															
Anti-Bullying Aid	N/A	9/1/11 - 6/30/12	4,099		\$ 4,099				(3,000)		\$ 1,099			3,000	
New Jersey Nonpublic Aid:															
Textbook Aid	12-100-034-5120-064	9/1/11 - 6/30/12	80,409			\$ 7,361				\$ 7,361					
Auxiliary Services:															
Compensatory Education	12-100-034-5120-067	9/1/11 - 6/30/12	123,418			70,246				70,246					
English as a Second Language	12-100-034-5120-067	9/1/11 - 6/30/12	1,724			1,724				1,724					
Home Instruction	12-100-034-5120-067	9/1/11 - 6/30/12	6,318	6,318				6,318							
Handicapped Services:															
Supplemental Instruction	12-100-034-5120-066	9/1/11 - 6/30/12	35,076			3,788				3,788					
Examination & Classification	12-100-034-5120-066	9/1/11 - 6/30/12	72,604			5,467				5,467					
Corrective Speech	12-100-034-5120-066	9/1/11 - 6/30/12	37,123			7,267				7,267					
New Jersey Nonpublic Aid:															
Textbook Aid	13-100-034-5120-064	9/1/12 - 6/30/13	88,190					88,190	(83,549)			\$ 4,641		83,549	
Nursing Services	13-100-034-5120-070	9/1/12 - 6/30/13	122,404					122,404	(122,404)					122,404	
Technology	13-100-034-5120-070	9/1/12 - 6/30/13	32,548					32,548	(31,029)			1,519		31,029	
Auxiliary Services:															
Compensatory Education	13-100-034-5120-067	9/1/12 - 6/30/13	96,149					96,149	(58,860)			37,289		58,860	
English as a Second Language	13-100-034-5120-067	9/1/12 - 6/30/13	5,116					5,116	(2,132)			2,984		2,132	
Transportation	13-100-034-5120-067	9/1/12 - 6/30/13	22,153					22,153	(22,153)					22,153	
Home Instruction	13-100-034-5120-067	9/1/12 - 6/30/13	1,779						(1,779)	1,779		1,779		1,779	
Handicapped Services:															
Supplemental Instruction	13-100-034-5120-066	9/1/12 - 6/30/13	36,744					36,774	(30,529)			6,245		30,529	
Examination & Classification	13-100-034-5120-066	9/1/12 - 6/30/13	70,219					70,219	(63,203)			7,016		63,203	
Corrective Speech	13-100-034-5120-066	9/1/12 - 6/30/13	37,107					37,107	(33,826)			3,281		33,826	
Total Special Revenue Fund				6,318	4,099	95,853		516,978	(452,464)	95,853	1,779	1,099	64,754	452,464	
Enterprise Fund															
State School Lunch Program	12-100-010-3350-023	9/1/11 - 6/30/12	15,177	2,279				2,279						15,177	
State School Lunch Program	13-100-010-3350-023	9/1/12 - 6/30/13	13,333					10,886	(13,333)		\$ 2,447		\$ 2,447	13,333	
Total Enterprise Fund				2,279				13,165	(13,333)		2,447		2,447	28,510	
Total State Financial Awards				\$ 1,909,052	\$ 4,099	\$ 95,853	\$ -0-	\$ 11,942,949	\$ (11,478,704)	\$ 95,853	\$ 867,867	\$ 1,099	\$ 64,754	\$ 1,503,003	\$ 22,224,528

N/A- Not Available

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Board of Education, Montclair Township School District under programs of the federal and state governments for the fiscal year ended June 30, 2013. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to P.L. 2004, c.97. For GAAP purposes these payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$115,062 for the General Fund and there is no adjustment for the special revenue fund. See Exhibit C-3 for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. The schedule of expenditures of state awards does not include the on-behalf TPAF Pension or Post Retirement Contributions revenue of \$3,434,678 and \$3,883,755 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 95,769	\$ 11,012,907	\$ 11,108,676
Special Revenue Fund	2,195,819	452,464	2,648,283
Food Service Fund	<u>553,844</u>	<u>13,333</u>	<u>567,177</u>
Total Financial Assistance	<u>\$ 2,845,432</u>	<u>\$ 11,478,704</u>	<u>\$ 14,324,136</u>

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
NOTES TO SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. FEDERAL AND STATE LOANS OUTSTANDING

Montclair Township School District had no loan balances outstanding at June 30, 2013.

NOTE 6. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the fiscal year ended June 30, 2013. Revenue and expenditures reported under the Federal Food Distribution Program represent current year value received and current year distributions, respectively.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Summary of Auditors' Results:

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

	Federal CFDA Number or State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
Federal:				
Special Education Cluster:				
IDEA Part B, Basic	84.027	9/1/12-8/31/13	\$ 1,636,133	\$ 1,160,911
IDEA Part B, Basic - Carryover	84.027	9/1/11-8/31/12	1,624,392	364,477
IDEA Part B, Preschool - Carryover	84.173	9/1/11-8/31/12	57,803	57,802
State:				
Special Education Aid	13-495-034-5120-089	7/1/12-6/30/13	4,154,588	4,154,588
Equalization Aid	13-495-034-5120-078	7/1/12-6/30/13	580,989	580,989
Security Aid	13-495-034-5120-084	7/1/12-6/30/13	728,935	728,935
Transportation Aid	13-495-034-5120-014	7/1/12-6/30/13	1,122,139	1,122,139

- The threshold used for distinguishing between Type A and Type B federal programs was \$300,000.
- The threshold used for distinguishing between Type A and Type B state programs was \$344,361.
- The District was determined to be a "low-risk" auditee for federal and state programs.

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013
(Continued)

Summary of Auditors' Results: (Cont'd)

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2013

Status of Prior Year Findings:

The District had no prior year audit findings.