

**SCHOOL DISTRICT
OF THE
TOWNSHIP OF MONTCLAIR**

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

**Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2015**

**Comprehensive Annual
Financial Report**

of the

Township of Montclair School District

Montclair, New Jersey

For the Fiscal Year Ended June 30, 2015

Prepared by

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

Finance Department

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2015

INTRODUCTORY SECTION (Unaudited)

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

FINANCIAL SECTION 7

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

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

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

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

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

| | |
|-----------------------------------|----|
| A-2 Statement of Activities | 24 |
|-----------------------------------|----|

| | |
|------------------------------------|----|
| B. Fund Financial Statements | 26 |
|------------------------------------|----|

| | |
|---|----|
| B-1 Balance Sheet – Governmental Funds..... | 27 |
|---|----|

| | |
|--|----|
| B-2 Statement of Revenue, Expenditures and Changes in Fund Balance – Governmental Funds | 28 |
|--|----|

| | |
|--|----|
| B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities..... | 30 |
|--|----|

| | |
|---|----|
| B-4 Statement of Net Position – Proprietary Funds | 31 |
|---|----|

| | |
|---|----|
| B-5 Statement of Revenue, Expenses and Changes in Fund Net Position – Proprietary Funds | 32 |
|---|----|

| | |
|---|----|
| B-6 Statement of Cash Flows – Proprietary Funds | 33 |
|---|----|

| | |
|--|----|
| B-7 Statement of Fiduciary Net Position – Fiduciary Funds..... | 34 |
|--|----|

| | |
|---|----|
| B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds..... | 35 |
|---|----|

| | |
|---|----|
| Notes to the Basic Financial Statements | 36 |
|---|----|

Required Supplementary Information (Unaudited)

| | |
|--|----|
| L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited)..... | 71 |
|--|----|

| | |
|---|----|
| L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System | 71 |
|---|----|

| | |
|--|----|
| L-2 Schedule of District Contributions – Public Employees Retirement System..... | 72 |
|--|----|

| | |
|---|----|
| L-3 Schedule of District's Proportionate Share of the Net Pension Liability – Teachers' Pension and Annuity Fund | 73 |
|---|----|

| | |
|---|----|
| L-4 Schedule of District's Proportionate Share of the Net Pension Liability – Board of Education Employees' Pension Fund of Essex County | 74 |
|---|----|

| | |
|---|----|
| L-5 Schedule of District Contributions – Board of Education Employees' Pension Fund of Essex County..... | 75 |
|---|----|

| | |
|--|----|
| Notes to Required Supplementary Information..... | 76 |
|--|----|

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

FINANCIAL SECTION (Cont'd)

| | | |
|-----|--|----|
| C. | Budgetary Comparison Schedules | 77 |
| C-1 | Budgetary Comparison Schedule – Budgetary Basis – General Fund (Unaudited)..... | 78 |
| C-2 | Budgetary Comparison Schedule – Budgetary Basis – Special Revenue Fund (Unaudited)..... | 92 |
| C-3 | Budgetary Comparison Schedule – Note to Required Supplementary Information (Unaudited) | 94 |

Other Supplementary Schedules (D.-I.)

| | | |
|------|---|-----|
| D. | School Level Schedules (Not Applicable) | 96 |
| E. | Special Revenue Fund..... | 97 |
| E-1 | Combining Schedule of Revenue and Expenditures Special Revenue Fund – Budgetary Basis | 98 |
| E-2 | Pre-School Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable) ... | 101 |
| F. | Capital Projects Fund | 102 |
| F-1 | Summary Schedule of Revenue Expenditures, and Changes in Fund Balance – Budgetary Basis | 103 |
| F-1a | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2003-30..... | 104 |
| F-1b | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2004-20..... | 105 |
| F-1c | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2004-21..... | 106 |
| F-1d | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2006-30..... | 107 |
| F-1e | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2007-26..... | 108 |
| F-1f | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2008-14..... | 109 |
| F-1g | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2009-20..... | 110 |
| F-1h | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2010-28..... | 111 |
| F-1i | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2011-41..... | 112 |
| F-1j | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2012-32..... | 113 |
| F-1k | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Various Projects- Township Ordinance #2013-17..... | 114 |
| F-1l | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – District Wide School Renovations..... | 115 |
| F-1m | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – High School Cafeteria Renovations..... | 116 |
| F-1n | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – High School Elevator Replacements/Upgrades | 117 |
| F-1o | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – Montclair High School/Hillside Elementary School – Various Floor Replacements | 118 |
| F-1p | Schedule of Project Revenue, Expenditures, Project Balances, and Project Status – Budgetary Basis – District Wide Technology Upgrades..... | 119 |

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

FINANCIAL SECTION (Cont'd)

| | |
|---|-----|
| G. Proprietary Funds | 120 |
| Enterprise Fund: | |
| G-1 Combining Statement of Net Position | 121 |
| G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position | 123 |
| G-3 Combining Statement of Cash Flows | 125 |
| H. Fiduciary Funds..... | 127 |
| H-1 Combining Statement of Fiduciary Net Position..... | 128 |
| H-2 Statement of Changes in Fiduciary Net Position..... | 129 |
| H-3 Student Activity Agency Fund Schedule of Receipts and Disbursements | 130 |
| H-4 Student Activity Agency Fund Statement of Activity..... | 131 |
| H-5 Payroll Agency Fund Schedule of Receipts and Disbursements..... | 132 |
| I. Long-Term Debt (Not Applicable)..... | 133 |
| I-2 Statement of Obligations Under Capital Leases..... | 134 |
| J. Statistical Section (Unaudited) | 135 |
| J-1 Net Position by Component..... | 136 |
| J-2 Changes in Net Position | 137 |
| J-3 Fund Balances - Governmental Funds | 140 |
| J-4 Changes in Fund Balance – Governmental Funds..... | 141 |
| J-5 General Fund Other Local Revenue by Source..... | 142 |
| J-6 Assessed Value and Actual Value of Taxable Property | 143 |
| J-7 Direct and Overlapping Property Tax Rates..... | 144 |
| J-8 Principal Property Tax Payers | 145 |
| J-9 Property Tax Levies and Collections | 146 |
| J-10 Ratios of Outstanding Debt by Type (Not Applicable)..... | 147 |
| J-11 Ratios of Net General Bonded Debt Outstanding (Not Applicable) | 148 |
| J-12 Ratios of Overlapping Governmental Activities Debt | 149 |
| J-13 Legal Debt Margin Information | 150 |
| J-14 Demographic and Economic Statistics..... | 151 |
| J-15 Principal Employers | 152 |
| J-16 Full-Time Equivalent District Employees by Function/Program..... | 153 |
| J-17 Operating Statistics..... | 154 |
| J-18 School Building Information..... | 155 |
| J-19 Schedule of Required Maintenance for School Facilities | 157 |
| J-20 Insurance Schedule | 158 |
| K. Single Audit Section | 159 |
| K-1 Independent Auditors’ Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed In Accordance With <i>Government Auditing Standards</i> | 160 |
| K-2 Independent Auditors’ Report on Compliance For Each Major Federal and State Program; Report on Internal Control over Compliance required by OMB Circular A-133 and New Jersey’s OMB Circulars 04-04 and 15-08 | 162 |

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2015
(Continued)

FINANCIAL SECTION (Cont'd)

K. Single Audit Section (Cont'd)

| | |
|---|-----|
| Schedule of Expenditures of Federal Awards | 164 |
| Schedule of Expenditures of State Awards | 166 |
| Notes to the Schedules of Expenditures of Federal and State Awards..... | 168 |
| Schedule of Findings and Questioned Costs | 170 |
| Summary Schedule of Prior Audit Findings | 172 |

INTRODUCTORY SECTION



MONTCLAIR PUBLIC SCHOOLS

BUSINESS OFFICE

22 VALLEY ROAD ~ MONTCLAIR, NEW JERSEY 07042

WWW.MONTCLAIR.K12.NJ.US

November 30, 2015

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

Dear Board Members:

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

The Comprehensive Annual Financial Report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart, a roster of officials and a list of principal consultants and advisors. The financial section includes the Independent Auditors' Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected economic and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on the internal control and compliance with applicable laws, regulations, contracts and grants along with findings and questioned costs, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre K through 12. The educational services provided include regular and vocational programs as well as special education for handicapped children. The District completed the 2014-2015 fiscal year with an enrollment of 6,685 students, which is a decrease of 51 students from the previous year's enrollment.

The Honorable President and Members of
 the Board of Education
 Montclair School District
 Page 2
 November 30, 2015

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

Several years ago, the Township completed a revaluation of all property. Since then, many tax appeals have resulted in a decrease in the net valuation taxable from \$7.335 billion in 2008 to \$5.775 billion in 2012. The Township has completed another revaluation of property which resulted in decreased property values for the 2012 tax year. As state and federal aid to education declines, the local tax levy has assumed a larger percentage of the school budget- from 70% in 1986 to 92.6% in 2014-2015.

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

3) MAJOR INITIATIVES: In 2014-2015, the district implemented year two of a two-year Strategic Operating Plan for the district, which was approved by the Board in June 2013. The Strategic Operating Plan included seven broad goals with specific objectives and strategies for attaining those goals. The seven goals are: (1) High Expectations and Achievement for All; (2) Consistent and Rigorous Instruction Across All Classrooms; (3) Highly Effective Central Services Support to Schools; (4) Effective Internal and External Communications and Parent Engagement; (5) Effective and Accountable Leadership at the School and District Levels; (6) Equitable Resources/School Offerings, and (7) Focus/Attention on Montclair High School.

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

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

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

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

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

The Honorable President and Members of
the Board of Education
Montclair School District
Page 3
November 30, 2015

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

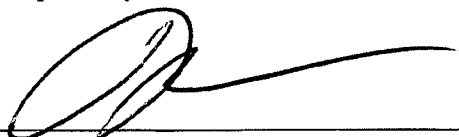
7) CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements", Note 3. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under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

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

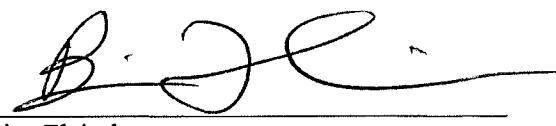
9) OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board's audit committee. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act Amendments of 1996 and the related Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditors' report on the basic financial statements and required supplementary information is included in the financial section of this report. The auditors' reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

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

Respectfully submitted,



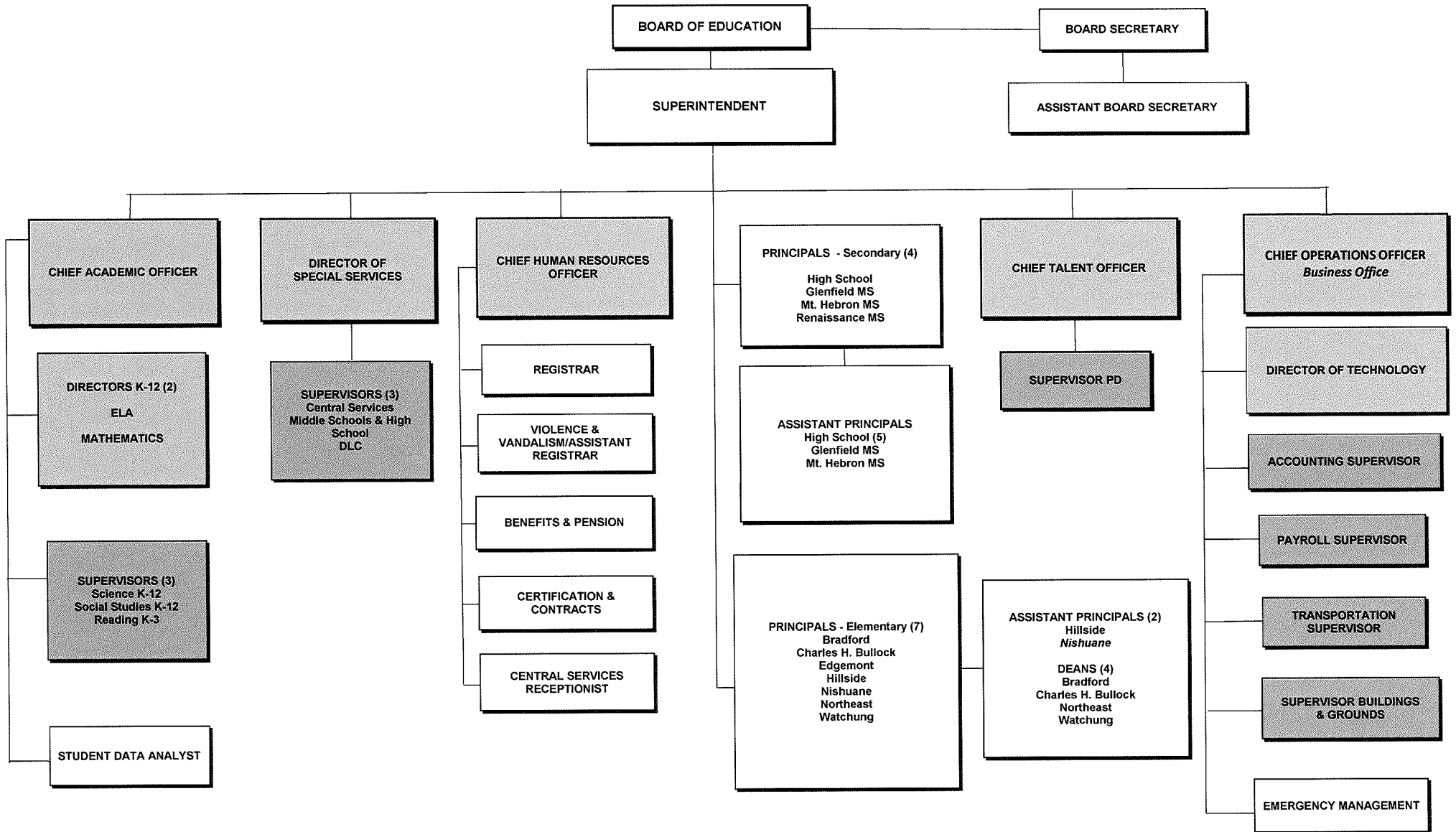
Ronald Bolandi
Superintendent (Interim)



Brian Fleischer
School Business Administrator/Board Secretary



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



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

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT

Consultants and Advisors

Architect

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

Attorney

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

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

Audit Firm

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

Official Depositories

Valley National Bank
1460 Valley Road
Wayne, New Jersey 07470

Investors Savings Bank
505 Bloomfield Avenue
Montclair, New Jersey 07042

TD Bank
233 Bloomfield Avenue
Montclair, New Jersey 07042

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

Bank of America
605 Valley Road
Montclair, New Jersey 07042

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

FINANCIAL SECTION



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

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

Independent Auditors' Report

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

Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

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

Opinions

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

Emphasis of Matter

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

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District’s basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedules of expenditures of federal and state awards, as required by the U. S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*; and New Jersey’s OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, are also presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

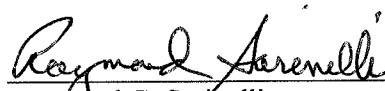
The accompanying other information such as the introductory and statistical sections has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

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

November 30, 2015
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

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

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

This section of the Montclair Township School District's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the district's financial statements, which immediately follow this section.

Financial Highlights

- Total net position has increased by \$4,855,083 or 67.28%.
- Overall revenue was \$141,133,195.
- Overall expenditures were \$143,494,156.

Overview of the Financial Statements

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

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

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

Figure A-1

Organization of Montclair Township School District's Financial Report

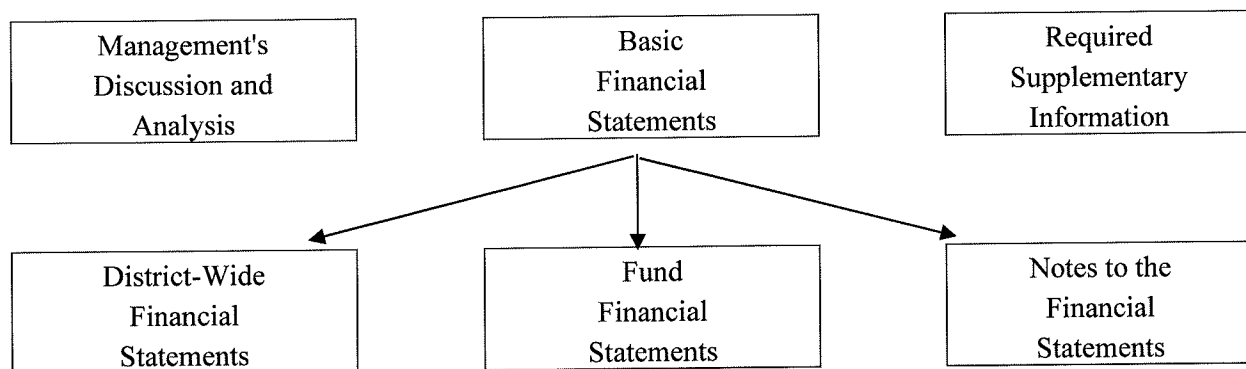


Figure A-2 summarizes the major features of the district's financial statements, including the portion of the district's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

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

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The district has three kinds of funds:

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

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

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

Financial Analysis of the District as a Whole

Net Position. The District's *combined* net position was \$35,568,023 on June 30, 2015, \$4,855,083 or 67.28% more than it was the fiscal year before. (See Figure A-3).

Figure A-3

Condensed Statement of Net Position

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

* Restated

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

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

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

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

Revenue Sources. The District's total revenue for the 2014-2015 school year was \$141,133,195. (See Figure A-4). Property taxes accounted for most of the District's revenue with local taxes accounting for \$101,492,086 of the total, or 71.91%. (See Figure A-5). Another 25.18% came from state formula aid and federal and state categorical grants and the remainder from miscellaneous sources. Montclair Township School District basically conducts its operations from the revenues it receives from its local taxpayers.

**Figure A-5
Sources of School District Revenue - Fiscal Year 2015**

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

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

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

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

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

Governmental Activities

Net position from the district's governmental activities decreased by \$2,436,805 in 2014-2015. A majority of all revenue for the Montclair Township School District is collected through property taxes. Each fiscal year, the District must seek Board of School Estimate approval for its operations. Property taxes made up 71.91% of revenues for governmental activities.

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

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

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

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

Business-Type Activities

- Net position from the district's business-type activity increased \$75,844. (Refer to Figure A-4).

General Fund Budgetary Highlights

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

Capital Asset and Debt Administration

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

| | Government Activities | | Business-Type Activities | | Total School District | | Percentage Change |
|-------------------------------------|-----------------------|----------------------|--------------------------|-------------------|-----------------------|---------------------|-------------------|
| | 2014/2015 | 2013/2014 | 2014/2015 | 2013/2014 | 2014/2015 | 2013/2014 | |
| Land | \$ 5,187,355 | \$ 5,187,355 | | | \$ 5,187,355 | \$ 5,187,355 | 0.00% |
| Site Improvements | 2,983,266 | 3,251,793 | | | 2,983,266 | 3,251,793 | -8.26% |
| Buildings and Building Improvements | 58,765,814 | 58,224,458 | | | 58,765,814 | 58,224,458 | 0.93% |
| Machinery and Equipment | 1,552,923 | 1,348,972 | \$ 261,002 | \$ 174,782 | 1,813,925 | 1,523,754 | 19.04% |
| Total Capital Assets, Net | \$ 68,489,358 | \$ 68,012,578 | \$ 261,002 | \$ 174,782 | \$ 68,750,360 | \$68,187,360 | 0.83% |

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

Long-term Debt

At fiscal year-end, the District had \$2,888,626 in Compensated Absences Payable outstanding – a decrease of \$249,954 from the prior fiscal year (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.)

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

| | Total School District | | Percentage Change |
|------------------------------|-----------------------|----------------------|-------------------|
| | 2014/2015 | 2013/2014* | |
| Compensated Absences Payable | \$ 2,888,626 | \$ 3,138,580 | -7.96% |
| Net Pension Liability | 34,346,509 | 34,894,463 | -1.57% |
| | \$ 37,235,135 | \$ 38,033,043 | -1.57% |

*Restated

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

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

The Audit for Fiscal Year 2015 reflects a strong financial position for the Montclair School District, which is supporting the current fiscal year (2015-2016) budget through limited use of fund balance and an increased tax levy base. Prior year contributions to the Capital Reserve account, as well as new capital projects financed with bond ordinances approved by the Board of School Estimate for issuance by the Township, are being utilized in the current year to protect the district's infrastructure and support the district's technology needs.

As the district prepares for the development of the 2015-2016 budget it will face the ongoing challenges of the State mandated 2% Cap on the Tax Levy while recurring expenses in the areas of special education costs, utilities and employee health benefits are expected to increase in excess of the cap. As the district's fund balance has returned to a level more consistent with previous norms for the district, following an historic spike in June 2011 and 2012 and four years of negative or flat tax levy, the ability to generate consistent revenue to cover annual expenses will continue to require a creative approach to budgeting for the foreseeable future.

Contacting the District's Financial Management

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

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

Exhibit A-1
1 of 2

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

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

Exhibit A-1
2 of 2

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

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

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

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

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

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

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

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

FUND FINANCIAL STATEMENTS

Exhibit B-1

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2015

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

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

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

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

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

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

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

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

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

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

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

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

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

This is the amount by which capital outlays differ from depreciation and disposals of assets.

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

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

249,954

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

(251,561)

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

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

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

\$ (2,436,805)

Exhibit B-4

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

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

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

Exhibit B-5

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

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

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

Exhibit B-6

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

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

Noncash Investing and Financing Activities:

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

Exhibit B-7

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

| | <u>Agency</u> | <u>Unemployment Compensation Trust</u> |
|-------------------------------------|----------------|--|
| ASSETS: | | |
| Cash and Cash Equivalents | \$ 648,215 | \$ 472,328 |
| Total Assets | <u>648,215</u> | <u>472,328</u> |
| LIABILITIES: | | |
| Interfund Payable | 1,000 | |
| Due to Student Groups | 448,073 | |
| Payroll Deductions and Withholdings | <u>199,142</u> | |
| Total Liabilities | <u>648,215</u> | |
| NET POSITION: | | |
| Held in Trust for: | | |
| Unemployment Compensation Claims | | <u>472,328</u> |
| Total Net Position | <u>\$ -0-</u> | <u>\$ 472,328</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, 2015

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

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

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation

District-Wide Financial Statements:

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

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

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

(Continued)

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

B. Basis of Presentation (Cont'd)

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

The District reports the following governmental funds:

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

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

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

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

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

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

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

B. Basis of Presentation (Cont'd)

The District reports the following proprietary fund:

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

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

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

(Continued)

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

D. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General and Special Revenue Funds. The budget for the fiscal year ended June 30, 2015 was submitted to the County office by the Board of School Estimate and was approved by a vote of the Board of School Estimate. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. All budget amendments/transfers must be made by School Board resolution. All budgeting amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budget during the year).

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

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

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

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

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

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

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

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

D. Budgets/Budgetary Control (Cont'd)

| | General Fund | Special Revenue Fund |
|---|-----------------|-----------------------------|
| Uses/Outflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule | \$ 124,134,205 | \$ 3,418,045 |
| Differences - Budget to GAAP | | |
| Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes. | | 15,788 |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | \$ 124,134,205 | \$ 3,433,833 |
| | | Capital Projects Fund |
| Actual Amounts (Budgetary Basis) "Revenue and Other Financing Sources" from the Summary Schedule of Revenues, Expenditures and Changes in Fund Balance Township of Montclair Ordinances and SDA Grants recognized on GAAP Basis | | \$ 921,935 809,609 |
| Total Revenues as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | | \$ 1,731,544 |
| | | Capital Projects Fund |
| Fund Balance | | \$ 5,768,186 |
| Reconciliation to Governmental Funds Statements (GAAP): | | |
| Township and SDA Grant Receivables not Recognized on GAAP Basis | | (4,603,215) |
| Fund Balance per Governmental Funds (GAAP) | | \$ 1,164,971 |

E. Cash and Cash Equivalents

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

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

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

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

E. Cash and Cash Equivalents (Cont'd)

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

F. Interfund Transactions

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

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

G. Allowance for Uncollectible Accounts

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

H. Encumbrances

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

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

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

I. Short-term Interfund Receivables/Payables

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

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

(Continued)

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

J. Inventories and Prepaid Expenses

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

Enterprise fund inventories are valued at cost, which approximates market, using the first-in, first-out (FIFO) method. Prepaid expenses in the enterprise fund represent payments made to vendors for services that will benefit periods beyond June 30, 2015.

K. Capital Assets

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

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

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

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

L. Accrued Salaries and Wages

Certain District employees, who provide services to the District over the ten-month academic year, have the option to have their salaries evenly disbursed during the entire twelve-month year. New Jersey statutes require that these earned but not undisbursed amounts be retained in a separate bank account. As of June 30, 2015, the amount earned by these employees but not disbursed was \$215,061 which is recorded as an accounts payable in the General Fund.

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

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

M. Long Term Liabilities

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

N. Compensated Absences

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

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

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

O. Unearned Revenue

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

P. Fund Balance Appropriated

General Fund: Of the \$4,512,201 General Fund fund balance at June 30, 2015, \$424,878 is assigned for encumbrances; \$300,000 is assigned as designated for subsequent year's expenditures; \$499,800 is restricted in the capital reserve account; \$250,000 is restricted in the maintenance reserve; \$1,271,271 is restricted as excess surplus in accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, c.73 (S1701) and will be appropriated and included as anticipated revenue for the year ending June 30, 2017; and \$1,766,252 is unassigned which is \$657,178 less on the GAAP basis than the calculated maximum unassigned fund balance (budgetary basis) due to the June state aid payments which were not recognized on the GAAP basis.

Capital Projects Fund: The Capital Projects Fund has \$56,803 of restricted fund balance and \$1,108,168 of Committed fund balance at June 30, 2015.

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

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

P. Fund Balance Appropriated (Cont'd)

Calculation of Excess Surplus: The designation for Restricted Fund Balance – Excess Surplus is a required calculation pursuant to N.J.S.A. 18A:7F-7, as amended. New Jersey school districts are required to restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess surplus at June 30, 2015 is \$1,271,271.

The District's unassigned fund balance in the General Fund is less on a GAAP basis than the budgetary basis by \$657,178 as reported in the fund financial statements (modified accrual basis). P.L. 2004, c.97 provides that in the event a state school aid payment is not made until the following school budget year, districts must record the last state aid payment as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize the last two state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the final state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments.

Q. Net Position

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District has deferred outflow of resources for the changes in assumptions in pensions and changes in proportion in pensions at June 30, 2015. The District had deferred inflows of resources at June 30, 2015 for the net difference between projected and actual investment earnings on pension plan investments.

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

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

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

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

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

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

R. Deficit Net Position/ Fund Balance:

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District has committed resources in the Capital Projects Fund at June 30, 2015.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has assigned resources for fiscal year-end encumbrances and for amounts designated for subsequent fiscal year's expenditures in the General Fund at June 30, 2015.

T. Revenue - Exchange and Non-exchange Transactions

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

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

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

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

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

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

U. Operating Revenue and Expenses

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

V. Management Estimates

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

W. Pensions

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

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Deposits:

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

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

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

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

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

Investments:

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

- (1) Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America;
- (2) Government money market mutual funds;

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

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

Investments: (Cont'd)

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

As of June 30, 2015, cash and cash equivalents of the District consisted of the following:

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

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

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

(Continued)

NOTE 4. CAPITAL RESERVE ACCOUNT

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

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

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

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

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

NOTE 5. MAINTENANCE RESERVE ACCOUNT

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

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

(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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

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

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

NOTE 6: TRANSFERS TO CAPITAL OUTLAY

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

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

NOTE 7. CAPITAL ASSETS

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

| | <u>Beginning Balance</u> | <u>Increases</u> | <u>Adjustments/ Decreases</u> | <u>Ending Balance</u> |
|---|------------------------------|--------------------|-----------------------------------|---------------------------|
| Governmental Activities: | | | | |
| Capital Assets not Being Depreciated: | | | | |
| Sites (Land) | \$ 5,187,355 | | | \$ 5,187,355 |
| Total Capital Assets Not Being Depreciated | <u>5,187,355</u> | | | <u>5,187,355</u> |
| Capital Assets Being Depreciated: | | | | |
| Site Improvements | 6,677,283 | \$ 33 | | 6,677,316 |
| Buildings and Building Improvements | 75,245,431 | 2,458,793 | | 77,704,224 |
| Machinery and Equipment | 6,868,962 | 575,139 | \$ (598,363) | 6,845,738 |
| Total Capital Assets Being Depreciated | <u>88,791,676</u> | <u>3,033,965</u> | <u>(598,363)</u> | <u>91,227,278</u> |
| Governmental Activities Capital Assets | <u>93,979,031</u> | <u>3,033,965</u> | <u>(598,363)</u> | <u>96,414,633</u> |
| Less Accumulated Depreciation for: | | | | |
| Site Improvements | (3,425,490) | (268,560) | | (3,694,050) |
| Buildings and Building Improvements | (17,020,973) | (1,917,437) | | (18,938,410) |
| Machinery and Equipment | (5,519,991) | (370,906) | 598,082 | (5,292,815) |
| | <u>(25,966,454)</u> | <u>(2,556,903)</u> | <u>598,082</u> | <u>(27,925,275)</u> |
| Governmental Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 68,012,577</u> | <u>\$ 477,062</u> | <u>\$ (281)</u> | <u>\$ 68,489,358</u> |
| Business Type Activities: | | | | |
| Capital Assets Being Depreciated: | | | | |
| Furniture and Equipment | \$ 717,422 | \$ 105,164 | | \$ 822,586 |
| Less Accumulated Depreciation | <u>(542,639)</u> | <u>(18,945)</u> | | <u>(561,584)</u> |
| Business Type Activities Capital Assets, Net of Accumulated Depreciation | <u>\$ 174,783</u> | <u>\$ 86,219</u> | <u>\$ -0-</u> | <u>\$ 261,002</u> |

Depreciation expense was charged to governmental functions as follows:

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

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

NOTE 8. LONG-TERM LIABILITIES

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

| | Restated Balance 6/30/2014 | Accrued | Retired | Balance 6/30/2015 |
|------------------------------|----------------------------------|-------------------|-------------------|----------------------|
| Compensated Absences Payable | \$ 3,138,580 | \$ 73,146 | \$ 323,100 | \$ 2,888,626 |
| Net Pension Liability | 35,893,667 | | 623,703 | 35,269,964 |
| Capital Leases Payable | | 301,432 | 49,871 | 251,561 |
| | <u>\$39,032,247</u> | <u>\$ 374,578</u> | <u>\$ 996,674</u> | <u>\$38,410,151</u> |

A. Bonds and Loans Payable:

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

B. Capital Leases Payable:

The District has a commitment to lease computer equipment under a capital lease which will expire in 2017. Future minimum lease payments are as follows:

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

C. Compensated Absences Payable:

The liability for compensated absences of the governmental fund types is recorded in the current and long-term liabilities. There is no current portion of the compensated absences balance of the governmental funds in the current year; therefore, the entire \$2,888,626 represents the long-term liability balance of compensated absences and will be liquidated through the General Fund.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2015, no liability existed for compensated absences in the Enterprise Funds.

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

NOTE 8. LONG TERM LIABILITIES (Cont'd)

D. Net Pension Liability

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

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

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP).

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

NOTE 9. PENSION PLANS (Cont'd)

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

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

Contributions

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

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

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

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

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

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

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

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

Actuarial Assumptions

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

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

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

(Continued)

NOTE 9. PENSION PLANS (Cont'd).

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

Actuarial Assumptions (Cont'd)

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

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

Long Term Expected Rate of Return

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

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

Discount Rate

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

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

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

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

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

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

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

The employee contribution rate was 6.92% effective July 1, 2014. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

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

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

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

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

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

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

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

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

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Actuarial Assumptions

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

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

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

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

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

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

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

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

NOTE 9. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

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

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

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

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

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

Prudential Financial jointly administers the DCRP investments with the NJ Division of Pensions and Benefits. If an employee is ineligible to enroll in the PERS or TPAF, the employee may be eligible to enroll in the DCRP. DCRP provides eligible members with a tax-sheltered, defined contribution retirement benefit, along with life insurance and disability coverage. Vesting is immediate upon enrollment for members of the DCRP.

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

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

NOTE 9. PENSION PLANS (Cont'd)

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

Employers are required to contribute at an actuarially determined rate. Employee contributions are based on percentages of 5.50% for DCRP of employees' annual compensation, as defined. The DCRP was established July 1, 2007, under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2007 and expanded under the provisions of Chapter 89, P.L. 2008. Employee contributions for DCRP are matched by a 3% employer contribution.

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

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

Plan Description

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

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

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

Benefits Provided

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

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

Contributions

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

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

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

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

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

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

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

Actuarial Assumptions

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

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

NOTE 9. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

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

Long Term Expected Rate of Return

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

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

* - Net of 2.6% inflation assumption

Discount Rate

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

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

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

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

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Pension Plan Fiduciary Net Position

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

NOTE 10. POST-RETIREMENT BENEFITS

Chapter 384 of Public Laws 1987 and Chapter 6 of Public Laws 1990 required TPAF and PERS, respectively, to fund post-retirement medical benefits for those State employees who retire after accumulating 25 years of credited service or on a disability retirement. Chapter 103 of Public Laws 2007 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired State employees and retired educational employees. As of June 30, 2014, there were 103,432 retirees receiving post-retirement medical benefits, and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62. Funding of post-retirement medical premiums changed from a prefunding basis to a pay-as-you-go basis beginning in fiscal year 1994.

The State is also responsible for the cost attributable to P.L. 1992 c. 126, which provides employer paid benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

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

NOTE 11. RISK MANAGEMENT

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

Property and Liability

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

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

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability (Cont'd)

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

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

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

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

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

New Jersey Unemployment Compensation Insurance

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

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

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

NOTE 12. INTERFUND RECEIVABLES AND PAYABLES

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

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

NOTE 13. DEFERRED COMPENSATION

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

Lincoln National Life Insurance Company
Valic
MetLife Investors

NOTE 14. ECONOMIC DEPENDENCY

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

NOTE 15. TAX CALENDAR

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

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

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

NOTE 16. COMMITMENTS AND CONTINGENCIES

Grant Programs

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

Litigation

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

Encumbrances

At June 30, 2015, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

| <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Capital Projects Fund</u> | <u>Total Governmental Funds</u> |
|---------------------|-----------------------------|------------------------------|---------------------------------|
| \$ 424,878 | \$ 128,263 | \$ 2,014,576 | \$ 2,567,717 |

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

NOTE 17. ACCOUNTS PAYABLE

At June 30, 2015, there were accounts payable as detailed below in the governmental funds and proprietary funds.

| | <u>Governmental Funds</u> | | <u>Total</u> | <u>Business-Type</u> |
|--------------------|---------------------------|-----------------------------|---------------------------|-------------------------|
| | <u>General Fund</u> | <u>Special Revenue Fund</u> | <u>Governmental Funds</u> | <u>Enterprise Funds</u> |
| Salaries and Wages | \$ 215,061 | | \$ 215,061 | |
| Vendors | 1,677,986 | \$ 285,883 | 1,963,869 | \$ 92,987 |
| | <u>\$ 1,893,047</u> | <u>\$ 285,883</u> | <u>\$ 2,178,930</u> | <u>\$ 92,987</u> |

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

NOTE 18. PRIOR PERIOD ADJUSTMENTS

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

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

SCHEDULES OF REQUIRED
SUPPLEMENTARY INFORMATION

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

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

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

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

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

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

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

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

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

L-4

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

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

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

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

L-5

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

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

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

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

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

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

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

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

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

Benefit Changes

There were none.

Changes of Assumptions

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

BUDGETARY COMPARISON SCHEDULES

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

| | <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 | \$ 101,492,086 | | \$ 101,492,086 | \$ 101,492,086 | |
| Tuition - From Individuals | 101,000 | | 101,000 | 58,083 | \$ (42,917) |
| Interest Earned on Capital Reserve | | | | 5,944 | 5,944 |
| Rents and Royalties | 85,000 | | 85,000 | 125,326 | 40,326 |
| Unrestricted Miscellaneous Revenue | 114,103 | | 114,103 | 2,145,328 | 2,031,225 |
| Other Restricted Miscellaneous Revenue | 554,666 | | 554,666 | 108,719 | (445,947) |
| Total - Local Sources | <u>102,346,855</u> | | <u>102,346,855</u> | <u>103,935,486</u> | <u>1,588,631</u> |
| State Sources: | | | | | |
| Transportation Aid | 1,164,526 | | 1,164,526 | 1,164,526 | |
| Special Education Categorical Aid | 4,171,264 | | 4,171,264 | 4,171,264 | |
| Adjustment Aid | 322,539 | \$ 180,765 | 503,304 | 503,304 | |
| Security Aid | 747,557 | | 747,557 | 747,557 | |
| Extraordinary Aid | 400,000 | | 400,000 | 469,850 | 69,850 |
| Other State Aid | 316,805 | (180,765) | 136,040 | 136,040 | |
| Nonpublic Transportation Aid | | | | 53,070 | 53,070 |
| On-Behalf TPAF Pension Contribution (Non-Budgeted) | | | | 2,769,148 | 2,769,148 |
| On-Behalf TPAF Post Retirement Benefit Contributions (Non-Budgeted) | | | | 4,396,024 | 4,396,024 |
| Reimbursed TPAF Social Security Contributions (Non-Budgeted) | | | | 4,026,825 | 4,026,825 |
| Total State Sources | <u>7,122,691</u> | | <u>7,122,691</u> | <u>18,437,608</u> | <u>11,314,917</u> |
| Federal Sources: | | | | | |
| Medicaid Reimbursement | 85,733 | | 85,733 | 103,516 | 17,783 |
| Total Federal Sources | <u>85,733</u> | | <u>85,733</u> | <u>103,516</u> | <u>17,783</u> |
| TOTAL REVENUES | <u>109,555,279</u> | | <u>109,555,279</u> | <u>122,476,610</u> | <u>12,921,331</u> |

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

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

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

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

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

| | <u>Original Budget</u> | <u>Budget Transfers</u> | <u>Final Budget</u> | <u>Actual</u> | <u>Variance Final to Actual</u> |
|--|----------------------------|-----------------------------|-------------------------|---------------|-------------------------------------|
| EXPENDITURES: | | | | | |
| CURRENT EXPENSE | | | | | |
| Home Instruction | | | | | |
| Purchased Professional-Educational Services | | \$ 63,248 | \$ 63,248 | \$ 53,043 | \$ 10,205 |
| Total Special Education Instruction | | 63,248 | 63,248 | 53,043 | 10,205 |
| Total Special Education Instruction | \$ 10,046,549 | (1,200,454) | 8,846,095 | 8,814,084 | 32,011 |
| Basic Skills/Remedial - Instruction: | | | | | |
| Salaries of Teachers | 1,014,993 | 371,694 | 1,386,687 | 1,297,018 | 89,669 |
| General Supplies | 8,000 | | 8,000 | 5,055 | 2,945 |
| Total Basic Skills/Remedial - Instruction | 1,022,993 | 371,694 | 1,394,687 | 1,302,073 | 92,614 |
| Bilingual Education - Instruction: | | | | | |
| Salaries of Teachers | 175,989 | 80,252 | 256,241 | 190,622 | 65,619 |
| General Supplies | 600 | (100) | 500 | 433 | 67 |
| Total Bilingual Education - Instruction | 176,589 | 80,152 | 256,741 | 191,055 | 65,686 |
| Vocational Programs - Local - Instruction: | | | | | |
| Salaries of Teachers | 203,421 | 82,722 | 286,143 | 286,143 | |
| Total Vocational Programs - Local - Instruction | 203,421 | 82,722 | 286,143 | 286,143 | |
| School-Sponsored Cocurricular Activities - Instruction: | | | | | |
| Salaries | 266,170 | (24,733) | 241,437 | 241,436 | 1 |
| Purchased Services (300-500 series) | 11,438 | 78 | 11,516 | 11,515 | 1 |
| Total School-Sponsored Cocurricular Activities - Instruction | 277,608 | (24,655) | 252,953 | 252,951 | 2 |

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015
UNAUDITED

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

| | <u>General Fund</u> | <u>Special Revenue Fund</u> |
|--|-------------------------|---------------------------------|
| Sources/Inflows of Resources | | |
| Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule | \$ 122,476,610 | \$ 3,418,045 |
| Differences - Budget to GAAP: | | |
| Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis recognizes Encumbrances as Revenue and Expenditures, whereas the GAAP Basis does not | | 15,788 |
| Prior Year State Aid Payments Not Recognized for Budgetary Purposes, Recognized for GAAP Statements | 643,143 | |
| State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements | <u>(657,178)</u> | |
| Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds | <u>\$ 122,462,575</u> | <u>\$ 3,433,833</u> |
| Uses/Outflows of Resources: | | |
| Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule | \$ 124,134,205 | \$ 3,418,045 |
| Differences - Budget to GAAP | | |
| Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes. | | <u>15,788</u> |
| Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds | <u>\$ 124,134,205</u> | <u>\$ 3,433,833</u> |

Annual appropriated budgets are prepared in the spring of each year for the General, and Special Revenue. The budget for the fiscal year ended June 30, 2015 was submitted to the County office and was approved by a vote of the Board of School Estimate. Budgets are prepared using the modified accrual basis of accounting. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C.6:20-2A.2(m)l. Transfers of appropriations may be made by school board resolution at any time during the fiscal year. All budgetary amounts presented in the accompanying supplementary information reflect the original budget and the amended budget (which have been adjusted for legally authorized revisions of the annual budgets during the year).

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

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

**SCHOOL LEVEL SCHEDULES
(NOT APPLICABLE)**

SPECIAL REVENUE FUND

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

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

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

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

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

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

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

NOT APPLICABLE

CAPITAL PROJECTS FUND

Exhibit F-1

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2003-30
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Prior Periods | Current Year | Total | Revised Authorized Cost |
|---|------------------|-----------------|---------------|-------------------------------|
| Revenue and Other Financing Sources: | | | | |
| Due from Township of Montclair-Bond Ordinance Proceeds | \$ 16,140,823 | \$ (884,498) | \$ 15,256,325 | \$ 15,256,325 |
| Total Revenues and Other Financing Sources | 16,140,823 | (884,498) | 15,256,325 | 15,256,325 |
| Expenditures: | | | | |
| Facilities Acquisition and Construction Services | 15,246,279 | | 15,246,279 | 15,246,279 |
| Total Expenditures | 15,246,279 | | 15,246,279 | 15,246,279 |
| Excess/(Deficiency) of Revenues and Other Financing Sources | | | | |
| Over/(Under) Expenditures | \$ 894,544 | \$ (884,498) | \$ 10,046 | \$ 10,046 |

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2004-20
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Total</u> | <u>Revised Authorized Cost</u> |
|---|--------------------------|-------------------------|-------------------|--|
| Revenue and Other Financing Sources: | | | | |
| Due from Township of Montclair-Bond Ordinance Proceeds | \$ 31,071,566 | \$ (39,501) | \$ 31,032,065 | \$ 31,032,065 |
| Total Revenues and Other Financing Sources | <u>31,071,566</u> | <u>(39,501)</u> | <u>31,032,065</u> | <u>31,032,065</u> |
| Expenditures: | | | | |
| Facilities Acquisition and Construction Services | 31,032,065 | | 31,032,065 | 31,032,065 |
| Total Expenditures | <u>31,032,065</u> | | <u>31,032,065</u> | <u>31,032,065</u> |
| Excess/(Deficiency) of Revenues and Other Financing Sources | | | | |
| Over/(Under) Expenditures | <u>\$ 39,501</u> | <u>\$ (39,501)</u> | <u>\$ -0-</u> | <u>\$ -0-</u> |

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2004-21
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2006-30
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Prior Periods | Current Year | Total | Revised Authorized Cost |
|---|------------------|-----------------|--------------|-------------------------------|
| Revenue and Other Financing Sources: | | | | |
| Due from Township of Montclair-Bond Ordinance Proceeds | \$ 4,649,840 | | \$ 4,649,840 | \$ 4,649,840 |
| Total Revenues and Other Financing Sources | 4,649,840 | | 4,649,840 | 4,649,840 |
| Expenditures: | | | | |
| Facilities Acquisition and Construction Services | 4,146,729 | \$ 141,318 | 4,288,047 | 4,649,793 |
| Equipment Purchases | 47 | | 47 | 47 |
| Total Expenditures | 4,146,776 | 141,318 | 4,288,094 | 4,649,840 |
| Excess/(Deficiency) of Revenues and Other Financing Sources | | | | |
| Over/(Under) Expenditures | \$ 503,064 | \$ (141,318) | \$ 361,746 | \$ -0- |

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2007-26
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Prior Periods | Current Year | Total | Revised Authorized Cost |
|--|------------------|-----------------|--------------|-------------------------------|
| Revenue and Other Financing Sources: | | | | |
| Due from Township of Montclair-Bond Ordinance Proceeds | \$ 4,381,520 | | \$ 4,381,520 | \$ 4,381,520 |
| Total Revenues and Other Financing Sources | 4,381,520 | | 4,381,520 | 4,381,520 |
| Expenditures: | | | | |
| Facilities Acquisition and Construction Services | 3,868,680 | \$ 104,009 | 3,972,689 | 4,381,495 |
| Equipment Purchases | 25 | | 25 | 25 |
| Total Expenditures | 3,868,705 | 104,009 | 3,972,714 | 4,381,520 |
| Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | \$ 512,815 | \$ (104,009) | \$ 408,806 | \$ -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 #2008-14
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Total</u> | <u>Revised Authorized Cost</u> |
|--|--------------------------|-------------------------|-------------------|--|
| Revenue and Other Financing Sources: | | | | |
| State Sources - SDA Grant | \$ 1,820,028 | | \$ 1,820,028 | \$ 1,820,028 |
| Due from Township of Montclair-Bond Ordinance Proceeds | 3,526,820 | | 3,526,820 | 3,526,820 |
| Total Revenues and Other Financing Sources | <u>5,346,848</u> | | <u>5,346,848</u> | <u>5,346,848</u> |
| Expenditures: | | | | |
| Facilities Acquisition and Construction Services | 5,022,125 | \$ 6,847 | 5,028,972 | 5,343,548 |
| Equipment Purchases | 3,300 | | 3,300 | 3,300 |
| Total Expenditures | <u>5,025,425</u> | <u>6,847</u> | <u>5,032,272</u> | <u>5,346,848</u> |
| Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | <u>\$ 321,423</u> | <u>\$ (6,847)</u> | <u>\$ 314,576</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, 2015

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Total</u> | <u>Revised Authorized Cost</u> |
|--|--------------------------|-------------------------|-------------------|--|
| Revenue and Other Financing Sources: | | | | |
| State Sources - SDA Grant | \$ 1,152,690 | | \$ 1,152,690 | \$ 1,152,690 |
| Due from Township of Montclair-Bond Ordinance Proceeds | 2,700,510 | | 2,700,510 | 2,700,510 |
| Total Revenues and Other Financing Sources | <u>3,853,200</u> | | <u>3,853,200</u> | <u>3,853,200</u> |
| Expenditures: | | | | |
| Facilities Acquisition and Construction Services | 3,619,895 | \$ 389 | 3,620,284 | 3,852,531 |
| Equipment Purchases | 669 | | 669 | 669 |
| Total Expenditures | <u>3,620,564</u> | <u>389</u> | <u>3,620,953</u> | <u>3,853,200</u> |
| Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | <u>\$ 232,636</u> | <u>\$ (389)</u> | <u>\$ 232,247</u> | <u>\$ -0-</u> |

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2010-28
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | Prior Periods | Current Year | Total | Revised Authorized Cost |
|--|-------------------|--------------------|-------------------|-------------------------------|
| Revenue and Other Financing Sources: | | | | |
| Due from Township of Montclair-Bond Ordinance Proceeds | \$ 2,986,360 | | \$ 2,986,360 | \$ 2,986,360 |
| Total Revenues and Other Financing Sources | <u>2,986,360</u> | | <u>2,986,360</u> | <u>2,986,360</u> |
| Expenditures: | | | | |
| Facilities Acquisition and Construction Services | 2,145,974 | \$ 19,026 | 2,165,000 | 2,980,033 |
| Equipment Purchases | <u>6,327</u> | <u>1,032</u> | <u>7,359</u> | <u>6,327</u> |
| Total Expenditures | <u>2,152,301</u> | <u>20,058</u> | <u>2,172,359</u> | <u>2,986,360</u> |
| Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | <u>\$ 834,059</u> | <u>\$ (20,058)</u> | <u>\$ 814,001</u> | <u>\$ -0-</u> |

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2011-41
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

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

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Total</u> | <u>Revised Authorized Cost</u> |
|--|--------------------------|-------------------------|-------------------|--|
| Revenue and Other Financing Sources: | | | | |
| Due from Township of Montclair-Bond Ordinance Proceeds | \$ 3,053,440 | | \$ 3,053,440 | \$ 3,053,440 |
| Total Revenues and Other Financing Sources | <u>3,053,440</u> | | <u>3,053,440</u> | <u>3,053,440</u> |
| Expenditures: | | | | |
| Facilities Acquisition and Construction Services | 2,250,528 | \$ 209,090 | 2,459,618 | 3,053,440 |
| Total Expenditures | <u>2,250,528</u> | <u>209,090</u> | <u>2,459,618</u> | <u>3,053,440</u> |
| Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | <u>\$ 802,912</u> | <u>\$ (209,090)</u> | <u>\$ 593,822</u> | <u>\$ -0-</u> |

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCES, AND PROJECT STATUS
BUDGETARY BASIS
VARIOUS PROJECTS - TOWNSHIP ORDINANCE #2013-17
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

| | <u>Prior Periods</u> | <u>Current Year</u> | <u>Total</u> | <u>Revised Authorized Cost</u> |
|--|--------------------------|-------------------------|-------------------|--|
| Revenue and Other Financing Sources: | | | | |
| Due from Township of Montclair-Bond Ordinance Proceeds | \$ 2,900,000 | | \$ 2,900,000 | \$ 2,900,000 |
| Total Revenues and Other Financing Sources | <u>2,900,000</u> | | <u>2,900,000</u> | <u>2,900,000</u> |
| Expenditures: | | | | |
| Facilities Acquisition and Construction Services | 728,432 | \$ 1,258,271 | 1,986,703 | 2,747,671 |
| Equipment Purchases | 115,560 | 36,769 | 152,329 | 152,329 |
| Total Expenditures | <u>843,992</u> | <u>1,295,040</u> | <u>2,139,032</u> | <u>2,900,000</u> |
| Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | <u>\$ 2,056,008</u> | <u>\$ (1,295,040)</u> | <u>\$ 760,968</u> | <u>\$ -0-</u> |

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

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

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

Additional Project Information:

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

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

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

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

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

Additional Project Information:

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

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

| | <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 | | \$ 125,000 | \$ 125,000 | \$ 125,000 |
| Total Revenues and Other Financing Sources | | 125,000 | 125,000 | 125,000 |
| Expenditures: | | | | |
| Facilities Acquisition and Construction Services | | 30,317 | 30,317 | 125,000 |
| Total Expenditures | | 30,317 | 30,317 | 125,000 |
| Excess/(Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures | \$ -0- | \$ 94,683 | \$ 94,683 | \$ -0- |

Additional Project Information:

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

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

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

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

Additional Project Information:

| | |
|--|---------------|
| Project Number: | N/A |
| Grant Date: | N/A |
| Bond Authorization Date: | N/A |
| Bonds Issued: | N/A |
| Original Authorized Cost: | \$ 500,000 |
| Revised Authorized Cost: | \$ 500,000 |
| Percentage Increase over Original Authorized Cost: | N/A |
| Percentage Completion: | 100.00% |
| Original Target Completion Date: | June 30, 2015 |
| Revised Target Completion Date: | N/A |

PROPRIETARY FUNDS

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

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

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

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

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

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

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

| | <u>Major Fund</u> | <u>Non-Major Funds</u> | | | <u>Enterprise</u> | |
|---|---------------------------------|---------------------------|---------------------------|--------------------------------|-------------------|------------------------|
| | <u>Food Service Program</u> | <u>Summer Program</u> | <u>Saturday Music</u> | <u>Provisional Teacher</u> | <u>Total</u> | <u>Fund Totals</u> |
| Non-Operating Revenue: | | | | | | |
| Local Sources: | | | | | | |
| Interest Income | \$ 190 | | | | | \$ 190 |
| Board Contribution | 100,830 | | | | | 100,830 |
| State Sources: | | | | | | |
| State School Lunch Program | 11,355 | | | | | 11,355 |
| Federal Sources: | | | | | | |
| School Breakfast Program | 82,186 | | | | | 82,186 |
| National School Lunch Program | 399,555 | | | | | 399,555 |
| Food Distribution Program | 90,139 | | | | | 90,139 |
| Total Non-Operating Revenue | 684,255 | | | | | 684,255 |
| Net Income/(Loss) Before Special Other Items | 45,927 | | | \$ (248) | \$ (248) | 45,679 |
| Special Items: | | | | | | |
| Capital Assets - Board Contribution | 105,165 | | | | | 105,165 |
| Allowance for Doubtful Student Accounts Receivable | (75,000) | | | | | (75,000) |
| Change in Net Position After Special Items | 76,092 | | | (248) | (248) | 75,844 |
| Net Position - Beginning of Year | 310,457 | 181,330 | \$ 895 | 40,482 | 222,707 | 533,164 |
| Net Position - End of Year | <u>\$ 386,549</u> | <u>\$ 181,330</u> | <u>\$ 895</u> | <u>\$ 40,234</u> | <u>\$ 222,459</u> | <u>\$ 609,008</u> |

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

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

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

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

Noncash Investing and Financing Activities:

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

FIDUCIARY FUNDS

Exhibit H-1

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

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

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

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

Exhibit H-3

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

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

Exhibit H-4

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

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

Exhibit H-5

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

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

LONG-TERM DEBT

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

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

STATISTICAL SECTION

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

| | June 30, | | | | | | | | | |
|--|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014* | 2015 |
| Governmental Activities: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 28,461,236 | \$ 31,490,517 | \$ 34,094,750 | \$ 47,600,079 | \$ 63,669,828 | \$ 67,336,003 | \$ 68,665,576 | \$ 68,606,368 | \$ 68,012,577 | \$ 68,237,797 |
| Restricted | 47,330,666 | 45,624,848 | 48,897,976 | 38,446,163 | 25,022,577 | 13,503,526 | 11,718,456 | 11,270,241 | 5,435,873 | 2,077,874 |
| Unrestricted/(Deficit) | 764,495 | 840,930 | (698,480) | (705,013) | (847,610) | 137,941 | 1,243,224 | 1,190,578 | (36,052,630) | (35,356,656) |
| Total Governmental Activities Net Position | \$ 76,556,397 | \$ 77,956,295 | \$ 82,294,246 | \$ 85,341,229 | \$ 87,844,795 | \$ 80,977,470 | \$ 81,627,256 | \$ 81,067,187 | \$ 37,395,820 | \$ 34,959,015 |
| Business-Type Activities | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 49,802 | \$ 43,502 | \$ 37,202 | \$ 32,097 | \$ 26,992 | \$ 21,887 | \$ 194,743 | \$ 169,864 | \$ 174,783 | \$ 261,002 |
| Unrestricted | 175,326 | 208,034 | 223,265 | 293,225 | 356,246 | 334,035 | 237,520 | 384,192 | 358,381 | 348,006 |
| Total Business-Type Activities Net Position | \$ 225,128 | \$ 251,536 | \$ 260,467 | \$ 325,322 | \$ 383,238 | \$ 355,922 | \$ 432,263 | \$ 554,056 | \$ 533,164 | \$ 609,008 |
| District-Wide: | | | | | | | | | | |
| Net Investment in Capital Assets | \$ 28,511,038 | \$ 31,534,019 | \$ 34,131,952 | \$ 47,632,176 | \$ 63,696,820 | \$ 67,357,890 | \$ 68,860,319 | \$ 68,776,232 | \$ 68,187,360 | \$ 68,498,799 |
| Restricted | 47,330,666 | 45,624,848 | 48,897,976 | 38,446,163 | 25,022,577 | 13,503,526 | 11,718,456 | 11,270,241 | 5,435,873 | 2,077,874 |
| Unrestricted/(Deficit) | 939,821 | 1,048,964 | (475,215) | (411,788) | (491,364) | 471,976 | 1,480,744 | 1,574,770 | (35,694,249) | (35,008,650) |
| Total District Net Position | \$ 76,781,525 | \$ 78,207,831 | \$ 82,554,713 | \$ 85,666,551 | \$ 88,228,033 | \$ 81,333,392 | \$ 82,059,519 | \$ 81,621,243 | \$ 37,928,984 | \$ 35,568,023 |

* - Restated

Source: School District Financial Reports

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Expenses: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular | \$ 43,732,731 | \$ 47,854,538 | \$ 49,096,515 | \$ 49,319,766 | \$ 50,686,622 | \$ 50,727,177 | \$ 48,878,543 | \$ 50,419,530 | \$ 49,932,850 | \$ 57,910,722 |
| Special Education | 8,960,412 | 10,519,028 | 11,051,387 | 10,778,838 | 10,950,096 | 11,432,967 | 13,240,517 | 13,673,747 | 14,463,175 | 14,035,556 |
| Other Special Instruction | 1,216,331 | 1,461,026 | 1,155,413 | 1,081,994 | 1,397,703 | 1,355,741 | 2,043,269 | 2,448,400 | 2,517,238 | 3,070,118 |
| School-Sponsored Instruction | 3,465,281 | 3,567,362 | 3,024,250 | 2,893,988 | 3,012,233 | 2,232,289 | 1,809,677 | 1,778,949 | 1,873,094 | 2,025,116 |
| Support Services: | | | | | | | | | | |
| Tuition | 3,726,870 | 3,715,887 | 4,468,012 | 4,947,698 | 5,436,746 | 4,243,051 | 4,783,313 | 5,099,446 | 4,908,073 | 4,745,980 |
| Student & Instruction Related Services | 16,917,836 | 18,174,017 | 20,169,046 | 20,865,133 | 22,262,622 | 20,892,795 | 19,907,216 | 23,111,451 | 24,620,537 | 30,765,348 |
| School Administrative Services | 5,020,879 | 5,747,403 | 5,900,632 | 5,697,569 | 6,453,978 | 5,926,334 | 5,687,924 | 5,797,230 | 6,618,614 | 2,358,740 |
| General and Business Administrative Services | 3,196,648 | 3,674,710 | 3,315,804 | 1,758,321 | 1,745,216 | 1,540,450 | 1,874,286 | 2,064,650 | 1,954,247 | 6,900,062 |
| Central Services | | | | 1,833,063 | 1,853,971 | 1,928,764 | 1,655,412 | 1,645,518 | 1,917,572 | 2,050,988 |
| Administrative Information Technology | | | | | | | 301,037 | 297,595 | 771,619 | 1,011,762 |
| Plant Operations And Maintenance | 8,230,813 | 9,054,432 | 9,559,185 | 9,371,020 | 9,587,936 | 9,458,409 | 9,275,074 | 9,178,249 | 9,640,014 | 9,855,524 |
| Pupil Transportation | 3,971,775 | 4,475,153 | 4,255,570 | 4,436,644 | 4,422,775 | 4,198,807 | 4,327,092 | 4,666,981 | 4,615,598 | 4,762,678 |
| Capital Outlay | | | | | | | 76,167 | 85,938 | 85,938 | 180,752 |
| Special Schools | 461,253 | 482,003 | 511,203 | 517,699 | 534,724 | 462,743 | 503,306 | 477,788 | 402,760 | 156,178 |
| Transfer to Charter School | | | | | | 19,292 | 21,582 | | 7,204 | 10,420 |
| State Administrative Fee | | | | | | 63,146 | | | | |
| Unallocated Depreciation | 617,724 | 835,917 | 1,020,608 | 1,390,663 | 1,953,020 | 2,451,596 | 2,482,194 | 2,543,619 | 2,358,404 | 2,342,056 |
| Total Governmental Activities Expenses | <u>\$ 99,518,553</u> | <u>\$ 109,561,476</u> | <u>\$ 113,527,625</u> | <u>\$ 114,892,396</u> | <u>\$ 120,297,642</u> | <u>\$ 116,933,561</u> | <u>\$ 116,866,609</u> | <u>\$ 123,289,091</u> | <u>\$ 126,686,937</u> | <u>\$ 142,182,000</u> |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|------------------------|------------------------|-------------------------|-------------------------|-------------------------|------------------------|------------------------|-------------------------|-------------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Business-Type activities: | | | | | | | | | | |
| Food Service | \$ 1,588,402 | \$ 1,568,688 | \$ 1,484,812 | \$ 1,368,552 | \$ 1,443,652 | \$ 1,395,102 | \$ 1,453,543 | \$ 1,192,701 | \$ 1,204,386 | \$ 1,242,173 |
| Provisional Teacher | 244,708 | 189,345 | 152,665 | 153,096 | 68,740 | 101,688 | 137,029 | 80,041 | 70,433 | 69,983 |
| Saturday Music | 23,534 | 19,579 | 23,166 | 20,255 | 20,891 | 18,494 | | 20,260 | | |
| Summer Programs | 410,502 | 554,055 | 557,433 | 536,855 | | | | | | |
| Total Business-Type Activities Expense | <u>2,267,146</u> | <u>2,331,667</u> | <u>2,218,076</u> | <u>2,078,758</u> | <u>1,533,283</u> | <u>1,515,284</u> | <u>1,590,572</u> | <u>1,293,002</u> | <u>1,274,819</u> | <u>1,312,156</u> |
| Total District Expenses | <u>\$ 101,785,699</u> | <u>\$ 111,893,143</u> | <u>\$ 115,745,701</u> | <u>\$ 116,971,154</u> | <u>\$ 121,830,925</u> | <u>\$ 118,448,845</u> | <u>\$ 118,457,181</u> | <u>\$ 124,582,093</u> | <u>\$ 127,961,756</u> | <u>\$ 143,494,156</u> |
| Program Revenues: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Charges For Services: | | | | | | | | | | |
| Tuition | | | | | | | \$ 64,983 | \$ 367,944 | \$ 1,167,771 | \$ 1,034,832 |
| Special Schools | | | | | | | 458,805 | 415,348 | 331,246 | 108,719 |
| Operating Grants and Contributions | \$ 10,206,107 | \$ 13,637,813 | \$ 14,560,570 | \$ 10,346,419 | \$ 11,427,039 | \$ 11,478,828 | 18,801,996 | 19,506,729 | 18,068,049 | 31,725,209 |
| Capital Grants and Contributions | | | | | | | 25,399 | 3,243,859 | 528,704 | 1,731,544 |
| Total Governmental Activities Program Revenues | <u>\$ 10,206,107</u> | <u>\$ 13,637,813</u> | <u>\$ 14,560,570</u> | <u>\$ 10,346,419</u> | <u>\$ 11,427,039</u> | <u>\$ 11,478,828</u> | <u>\$ 19,351,183</u> | <u>\$ 23,533,880</u> | <u>\$ 20,095,770</u> | <u>\$ 34,600,304</u> |
| Business-Type Activities: | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Food Service | \$ 2,196,706 | \$ 2,342,952 | \$ 2,106,195 | \$ 2,092,906 | \$ 919,865 | \$ 858,972 | \$ 595,702 | \$ 463,564 | \$ 470,459 | \$ 603,845 |
| Special Programs | | | | | | | 86,086 | 86,426 | 68,600 | 69,735 |
| Operating Grants and Contributions | | | | | 571,073 | 578,679 | 590,331 | 642,348 | 520,727 | 583,235 |
| Total Business Type Activities Program Revenues | <u>2,196,706</u> | <u>2,342,952</u> | <u>2,106,195</u> | <u>2,092,906</u> | <u>1,490,938</u> | <u>1,437,651</u> | <u>1,272,119</u> | <u>1,192,338</u> | <u>1,059,786</u> | <u>1,256,815</u> |
| Total District Program Revenues | <u>\$ 12,402,813</u> | <u>\$ 15,980,765</u> | <u>\$ 16,666,765</u> | <u>\$ 12,439,325</u> | <u>\$ 12,917,977</u> | <u>\$ 12,916,479</u> | <u>\$ 20,623,302</u> | <u>\$ 24,726,218</u> | <u>\$ 21,155,556</u> | <u>\$ 35,857,119</u> |
| Net (Expense)/Revenue Governmental Activities | \$ (89,312,446) | \$ (95,923,663) | \$ (98,967,055) | \$ (104,545,977) | \$ (108,870,603) | \$ (105,454,733) | \$ (97,515,426) | \$ (99,755,211) | \$ (106,591,167) | \$ (107,581,696) |
| Business-Type Activities | <u>(70,440)</u> | <u>11,285</u> | <u>(111,881)</u> | <u>14,148</u> | <u>(42,345)</u> | <u>(77,633)</u> | <u>(318,453)</u> | <u>(100,664)</u> | <u>(215,033)</u> | <u>(55,341)</u> |
| Total District-Wide Net Expense | <u>\$ (89,382,886)</u> | <u>\$ (95,912,378)</u> | <u>\$ (99,078,936)</u> | <u>\$ (104,531,829)</u> | <u>\$ (108,912,948)</u> | <u>\$ (105,532,366)</u> | <u>\$ (97,833,879)</u> | <u>\$ (99,855,875)</u> | <u>\$ (106,806,200)</u> | <u>\$ (107,637,037)</u> |

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|---|-----------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|-----------------------|-----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Revenues and Other Changes in Net Position: | | | | | | | | | | |
| Governmental Activities: | | | | | | | | | | |
| Property Taxes Levied for General Purposes, Net Township of Montclair- Type I School District | \$ 79,319,100 | \$ 84,222,443 | \$ 88,163,461 | \$ 93,005,952 | \$ 96,869,014 | \$ 101,103,844 | \$ 97,509,698 | \$ 97,509,698 | \$ 97,509,698 | \$ 101,492,086 |
| Current and Prior Years Assets Funded by Township | 34,089,843 | (5,338,227) | | | | | | | | |
| Federal and State Aid Restricted | 1,732,212 | 36,450 | 13,605 | 178,473 | 171,103 | 1,334,974 | | | | |
| Federal and State Aid not Restricted | 9,389,593 | 8,850,460 | 8,094,837 | 9,317,956 | 8,424,962 | 5,509,318 | 763,527 | 1,346,151 | 1,604,800 | 1,477,037 |
| Tuition | 105,353 | 73,332 | 58,892 | 92,089 | 99,691 | 74,609 | | | | |
| Capital Lease (Non-Budgeted) | | | | | | | | | | |
| Prior Year Accounts Payable Cancelled | | | | | | | | | | 98,740 |
| Miscellaneous Income | 951,490 | 5,109,583 | 1,745,115 | 1,195,290 | 2,923,039 | 1,257,199 | 286,554 | 454,293 | 474,576 | 2,177,858 |
| Transfers | | (12,000) | (117,750) | (50,000) | (100,000) | (50,000) | (394,567) | (115,000) | (166,215) | (100,830) |
| Total Governmental Activities | 125,587,591 | 97,323,561 | 103,305,008 | 107,592,960 | 111,374,169 | 109,763,614 | 98,165,212 | 99,195,142 | 99,422,859 | 105,144,891 |
| Business-Type Activities: | | | | | | | | | | |
| Investment Earnings | | | | | | | 227 | 242 | 187 | 190 |
| Miscellaneous | 66,412 | 3,123 | 3,062 | 707 | 262 | 317 | | | | 105,165 |
| Allowance for Doubtful Accounts | | | | | | | | | | (75,000) |
| Prior Year Accounts Payable Cancelled | | | | | | | | 107,215 | 895 | |
| Transfers | | 12,000 | 117,750 | 50,000 | 100,000 | 50,000 | 394,567 | 115,000 | 166,215 | 100,830 |
| Total Business-Type Activities | 66,412 | 15,123 | 120,812 | 50,707 | 100,262 | 50,317 | 394,794 | 222,457 | 167,297 | 131,185 |
| Total District-Wide | \$ 125,654,003 | \$ 97,338,684 | \$ 103,425,820 | \$ 107,643,667 | \$ 111,474,431 | \$ 109,813,931 | \$ 98,560,006 | \$ 99,417,599 | \$ 99,590,156 | \$ 105,276,076 |
| Change in Net Position: | | | | | | | | | | |
| Governmental Activities | \$ 36,275,145 | \$ 1,399,898 | \$ 4,337,953 | \$ 3,046,983 | \$ 2,503,566 | \$ 4,308,881 | \$ 649,786 | \$ (560,069) | \$ (7,168,308) | \$ (2,436,805) |
| Business-Type Activities | (4,028) | 26,408 | 8,931 | 64,855 | 57,917 | (27,316) | 76,341 | 121,793 | (47,736) | 75,844 |
| Total District | \$ 36,271,117 | \$ 1,426,306 | \$ 4,346,884 | \$ 3,111,838 | \$ 2,561,483 | \$ 4,281,565 | \$ 726,127 | \$ (438,276) | \$ (7,216,044) | \$ (2,360,961) |

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

| | June 30, | | | | | | | | | |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| General Fund: | | | | | | | | | | |
| Reserved/Restricted | \$ 2,876,164 | \$ 2,391,583 | \$ 3,709,782 | \$ 4,254,554 | \$ 4,069,255 | \$ 7,119,798 | \$ 10,004,894 | \$ 9,068,839 | \$ 5,388,270 | \$ 2,021,071 |
| Assigned | | | | | | 42,233 | 1,093,339 | 1,587,304 | 2,843,119 | 724,878 |
| Unassigned | | | | | | 959,014 | 2,289,349 | 1,572,302 | 136,498 | 1,766,252 |
| Unreserved | <u>3,038,194</u> | <u>3,355,755</u> | <u>1,932,723</u> | <u>2,051,191</u> | <u>2,044,532</u> | <u>2,641,752</u> | | | | |
| Total General Fund | <u>\$ 5,914,358</u> | <u>\$ 5,747,338</u> | <u>\$ 5,642,505</u> | <u>\$ 6,305,745</u> | <u>\$ 6,113,787</u> | <u>\$ 10,762,797</u> | <u>\$ 13,387,582</u> | <u>\$ 12,228,445</u> | <u>\$ 8,367,887</u> | <u>\$ 4,512,201</u> |
| All Other Governmental Funds: | | | | | | | | | | |
| Reserved/Restricted | \$ 44,454,502 | \$ 43,233,265 | \$ 45,188,194 | \$ 34,191,609 | \$ 20,953,322 | \$ 5,345,706 | \$ 1,713,562 | \$ 2,201,402 | \$ 47,603 | \$ 56,803 |
| Unassigned | | | | | | | | | | 1,108,168 |
| Unreserved, Reported In: | | | | | | | | | | |
| Special Revenue Fund/(Deficit) | <u>(50,613)</u> | <u>(50,613)</u> | <u>(65,013)</u> | | | | | | | |
| Total All Other Governmental Funds | <u>\$ 44,403,889</u> | <u>\$ 43,182,652</u> | <u>\$ 45,123,181</u> | <u>\$ 34,191,609</u> | <u>\$ 20,953,322</u> | <u>\$ 5,345,706</u> | <u>\$ 1,713,562</u> | <u>\$ 2,201,402</u> | <u>\$ 47,603</u> | <u>\$ 1,164,971</u> |
| Total All Funds | <u>\$ 50,318,247</u> | <u>\$ 48,929,990</u> | <u>\$ 50,765,686</u> | <u>\$ 40,497,354</u> | <u>\$ 27,067,109</u> | <u>\$ 16,108,503</u> | <u>\$ 15,101,144</u> | <u>\$ 14,429,847</u> | <u>\$ 8,415,490</u> | <u>\$ 5,677,172</u> |

Source: School District Financial Reports

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

| | Fiscal Year Ending June 30, | | | | | | | | | |
|--|-----------------------------|-----------------------|---------------------|------------------------|------------------------|--------------------|-----------------------|---------------------|-----------------------|-----------------------|
| | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
| Revenues: | | | | | | | | | | |
| Tax Levy | \$ 79,319,100 | \$ 84,222,443 | \$ 88,163,461 | \$ 93,005,952 | \$ 96,869,014 | \$ 101,103,844 | \$ 97,509,698 | \$ 97,509,698 | \$ 97,509,698 | \$ 101,492,086 |
| Miscellaneous | 1,091,053 | 5,182,915 | 1,804,007 | 1,287,379 | 1,232,188 | 1,331,808 | 1,071,246 | 4,373,995 | 1,590,795 | 4,582,287 |
| State Sources | 19,093,361 | 20,419,641 | 20,398,827 | 17,211,871 | 16,203,619 | 14,519,845 | 16,138,462 | 18,668,742 | 17,469,858 | 18,966,267 |
| Federal Sources | 2,200,341 | 2,105,082 | 2,270,185 | 2,630,977 | 3,819,485 | 3,803,276 | 3,191,557 | 2,291,588 | 3,114,493 | 2,587,313 |
| Total Revenue | 101,703,855 | 111,930,081 | 112,636,480 | 114,136,179 | 118,124,306 | 120,758,773 | 117,910,963 | 122,844,023 | 119,684,844 | 127,627,953 |
| Expenditures: | | | | | | | | | | |
| Instruction: | | | | | | | | | | |
| Regular Instruction | 34,160,157 | 36,220,355 | 37,065,767 | 38,165,378 | 38,747,421 | 37,773,061 | 36,968,473 | 37,940,996 | 37,230,553 | 39,336,934 |
| Special Education Instruction | 6,923,613 | 7,837,702 | 8,207,685 | 8,234,960 | 8,418,340 | 8,522,680 | 10,230,542 | 10,449,884 | 11,265,160 | 9,531,955 |
| Other Instruction | 920,748 | 1,086,708 | 856,984 | 825,533 | 1,045,867 | 989,830 | 1,539,649 | 1,832,553 | 1,885,558 | 2,061,075 |
| School-Sponsored Instruction | 2,952,308 | 3,105,195 | 2,417,179 | 2,368,460 | 2,426,083 | 1,766,670 | 1,434,414 | 1,410,772 | 1,491,489 | 1,470,382 |
| Support Services: | | | | | | | | | | |
| Tuition | 3,726,870 | 3,715,887 | 4,468,012 | 4,947,698 | 5,436,746 | 4,243,051 | 4,783,313 | 5,099,446 | 4,908,073 | 4,745,980 |
| Student and Instruction Related Services | 13,501,491 | 14,011,907 | 15,387,037 | 16,303,998 | 17,363,672 | 15,793,369 | 15,027,478 | 17,346,129 | 18,492,787 | 21,224,914 |
| Central Services | | | | | | | 1,257,133 | 1,250,862 | 1,423,763 | 1,399,045 |
| Administrative Information Technology | 1,290,189 | 1,406,141 | 1,413,583 | 1,472,998 | 1,459,796 | 1,487,707 | 272,669 | 268,544 | 713,418 | 725,469 |
| General Administrative Services | 1,448,079 | 1,685,832 | 1,307,863 | 1,525,255 | 1,493,039 | 1,319,028 | 1,627,834 | 1,917,706 | 1,833,498 | 2,172,875 |
| School Administrative Services | 3,878,625 | 4,280,609 | 4,381,834 | 4,352,858 | 4,832,265 | 4,329,703 | 4,188,259 | 4,310,048 | 4,574,757 | 4,505,564 |
| Plant Operations And Maintenance | 7,252,424 | 7,816,735 | 8,257,975 | 8,160,387 | 8,265,274 | 8,054,912 | 7,898,069 | 7,858,131 | 8,035,186 | 7,856,149 |
| Pupil Transportation | 3,921,993 | 4,411,698 | 4,190,513 | 4,375,929 | 4,355,617 | 4,121,369 | 4,245,329 | 4,587,314 | 4,519,707 | 4,643,965 |
| Unallocated Benefits | 18,165,025 | 22,471,817 | 23,990,064 | 22,102,949 | 23,878,661 | 25,960,512 | 24,358,225 | 25,808,190 | 26,020,243 | 27,210,100 |
| Community Services | | | | | | | | | | |
| Special Schools | 420,761 | 433,847 | 460,545 | 475,316 | 485,903 | 462,743 | 503,306 | 477,788 | 402,760 | 156,178 |
| Transfer to Charter Schools | | | | | | 19,292 | 21,582 | | 7,204 | 10,420 |
| Capital Outlay | 6,071,026 | 9,203,425 | 3,624,841 | 14,895,992 | 18,022,769 | 6,180,917 | 4,167,480 | 2,841,957 | 2,728,830 | 3,515,868 |
| Total Expenditures | 104,633,309 | 117,687,858 | 116,029,882 | 128,207,711 | 136,231,453 | 121,024,844 | 118,523,755 | 123,400,320 | 125,532,986 | 130,566,873 |
| Excess/(Deficiency) Of Revenues | | | | | | | | | | |
| Over/(Under) Expenditures | (2,929,454) | (5,757,777) | (3,393,402) | (14,071,532) | (18,107,147) | (266,071) | (612,792) | (556,297) | (5,848,142) | (2,938,920) |
| Other Financing Sources/(Uses): | | | | | | | | | | |
| Type I School Debt Authorization | 2,969,548 | 4,381,520 | 5,346,848 | 3,853,200 | 2,986,360 | 533,670 | | | | |
| Prior Year Accounts Payable Cancelled | | | | | 1,790,542 | | | | | |
| Payments To Escrow Agent | | | | | | | | | | |
| Bond Proceeds | | | | | | | | | | |
| Capital Leases (Non-Budgeted) | | | | | | | | | | 301,432 |
| Transfers In | | | | | | | | | 68,771 | 2,384,926 |
| Transfers Out | | (12,000) | (117,750) | (50,000) | (100,000) | (50,000) | (394,567) | (115,000) | (234,986) | (2,485,756) |
| Total Other Financing Sources/(Uses) | 2,969,548 | 4,369,520 | 5,229,098 | 3,803,200 | 4,676,902 | 483,670 | (394,567) | (115,000) | (166,215) | 200,602 |
| Net Change In Fund Balances | \$ 40,094 | \$ (1,388,257) | \$ 1,835,696 | \$ (10,268,332) | \$ (13,430,245) | \$ 217,599 | \$ (1,007,359) | \$ (671,297) | \$ (6,014,357) | \$ (2,738,318) |
| Debt Service As A Percentage of Noncapital Expenditures | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Source: School District Financial Reports

Exhibit J-5

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

| Fiscal Year Ended June 30, | Interest on Investments | Tuition | Rentals- Use of Facilities | Prior Year Refunds | Other | Total |
|----------------------------------|----------------------------|------------|----------------------------------|--------------------------|------------|--------------|
| 2006 | \$ 366,445 | \$ 105,353 | \$ 107,689 | \$ 7,175 | \$ 470,182 | \$ 1,056,844 |
| 2007 | 665,168 | 73,332 | 94,000 | 54,648 | 635,469 | 1,522,617 |
| 2008 | 632,360 | 58,892 | 144,255 | 8,973 | 641,860 | 1,486,340 |
| 2009 | 196,962 | 92,089 | 94,037 | 7,938 | 657,590 | 1,048,616 |
| 2010 | 60,553 | 99,691 | 107,163 | 13,317 | 645,830 | 926,554 |
| 2011 | 57,265 | 74,609 | 113,311 | 777 | 710,686 | 956,648 |
| 2012 | 60,563 | 64,983 | 95,093 | 45,826 | 543,877 | 810,342 |
| 2013 | 46,645 | 73,144 | 129,622 | 161,535 | 526,640 | 937,586 |
| 2014 | 59,993 | 67,944 | 107,772 | 202,391 | 440,865 | 878,965 |
| 2015 | 37,710 | 58,083 | 125,326 | 1,896,152 * | 326,129 | 2,443,400 |

* - Includes a refund from Horizon Blue Cross

Source: Montclair Township School District records

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

| Year Ended December 31, | Vacant Land | Residential | Commercial | Industrial | Apartment | Total Assessed Value | Public Utilities ^a | Net Valuation Taxable | Total Direct School Tax Rate ^b | Estimated Actual (County Equalized Value) |
|----------------------------|----------------|------------------|----------------|--------------|----------------|----------------------------|----------------------------------|--------------------------|---|--|
| 2005 | \$ 11,095,600 | \$ 2,387,199,500 | \$ 237,892,000 | \$ 1,955,700 | \$ 132,855,300 | \$ 2,770,998,100 | \$ 4,762,400 | \$ 2,775,760,500 | \$ 2.97 | \$ 5,569,423,132 |
| 2006 | 11,377,000 | 2,395,985,200 | 231,870,100 | 1,955,700 | 132,385,100 | 2,773,573,100 | 3,951,186 | 2,777,524,286 | 3.17 | 6,160,834,306 |
| 2007 | * 33,557,800 | 6,371,937,400 | 703,802,500 | 5,584,200 | 295,040,500 | 7,409,922,400 | 8,747,827 | 7,418,670,227 | 1.25 | 7,233,011,190 |
| 2008 | 29,798,800 | 6,307,313,300 | 692,664,300 | 5,137,000 | 289,648,900 | 7,324,562,300 | 10,545,776 | 7,335,108,076 | 1.33 | 7,391,201,056 |
| 2009 | 28,004,100 | 6,313,361,900 | 691,217,100 | 5,059,900 | 286,659,800 | 7,324,302,800 | 12,373,331 | 7,336,676,131 | 1.38 | 7,380,393,793 |
| 2010 | 27,591,400 | 6,303,710,350 | 692,606,250 | 5,059,900 | 282,541,400 | 7,311,509,300 | 12,443,626 | 7,323,952,926 | 1.44 | 7,391,363,685 |
| 2011 | 26,808,200 | 6,190,707,050 | 672,102,250 | 5,059,900 | 274,447,400 | 7,169,124,800 | 12,016,628 | 7,181,141,428 | 1.42 | 6,956,465,593 |
| 2012 | * 16,130,300 | 4,900,422,400 | 590,234,900 | 4,539,500 | 252,992,300 | 5,764,319,400 | 11,362,189 | 5,775,681,589 | 1.79 | 6,881,985,278 |
| 2013 | 16,472,400 | 4,894,705,110 | 588,899,400 | 4,539,500 | 252,173,500 | 5,756,789,910 | 9,368,010 | 5,766,157,920 | 1.80 | 6,603,712,425 |
| 2014 | 16,727,600 | 4,879,173,310 | 584,383,400 | 4,539,200 | 249,503,700 | 5,734,327,210 | 8,380,841 | 5,742,708,051 | 1.87 | 6,519,107,090 |

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

Source: Municipal Tax Assessor

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

Reassessment occurs when ordered by the County Board of Taxation

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

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

Exhibit J-7

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

| Year Ended December 31, | Montclair Township School District | | | Overlapping Rates | | Total Direct and Overlapping Tax Rate |
|----------------------------|------------------------------------|--|-----------------|-----------------------|-----------------|--|
| | Direct Rate | | Total Direct | Montclair Township | Essex County | |
| | Basic Rate ^a | General Obligation Debt Service ^b | | | | |
| 2005 | \$ 2.97 | | \$ 2.97 | \$ 1.16 | \$ 0.96 | \$ 5.09 |
| 2006 | 3.17 | | 3.17 | 1.22 | 0.97 | 5.36 |
| 2007 | 1.25 * | * | 1.25 * | 0.53 * | 0.37 * | 2.15 |
| 2008 | 1.33 | | 1.33 | 0.59 | 0.38 | 2.30 |
| 2009 | 1.38 | | 1.38 | 0.61 | 0.40 | 2.39 |
| 2010 | 1.44 | | 1.44 | 0.67 | 0.41 | 2.52 |
| 2011 | 1.42 | | 1.42 | 0.72 | 0.42 | 2.56 |
| 2012 | 1.79 * | * | 1.79 * | 0.92 * | 0.54 * | 3.25 |
| 2013 | 1.80 | | 1.80 | 0.94 | 0.56 | 3.30 |
| 2014 | 1.87 | | 1.87 | 0.94 | 0.59 | 3.41 |

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

Source: Municipal Tax Collector and School Business Administrator

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

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

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

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

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

Information Unavailable

Source: Municipal Tax Assessor

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 | |
| 2006 | \$ 79,319,100 | \$ 79,319,100 | 100.00% | -0- |
| 2007 | 84,222,443 | 84,222,443 | 100.00% | -0- |
| 2008 | 88,163,461 | 88,163,461 | 100.00% | -0- |
| 2009 | 93,005,952 | 93,005,952 | 100.00% | -0- |
| 2010 | 96,869,014 | 96,869,014 | 100.00% | -0- |
| 2011 | 101,103,844 | 101,103,844 | 100.00% | -0- |
| 2012 | 97,509,698 | 97,509,698 | 100.00% | -0- |
| 2013 | 97,509,698 | 97,509,698 | 100.00% | -0- |
| 2014 | 97,509,698 | 97,509,698 | 100.00% | -0- |
| 2015 | 101,495,086 | 101,495,086 | 100.00% | -0- |

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

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

Exhibit J-10

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

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

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

Source: School District Financial Reports

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

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

Exhibit J-11

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

NOT APPLICABLE

Exhibit J-12

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2014
UNAUDITED

| <u>Governmental Unit</u> | <u>Debt Outstanding</u> | <u>Estimated Percentage Applicable ^a</u> | <u>Estimated Share of Overlapping Debt</u> |
|---------------------------------------|-----------------------------|---|--|
| Debt Repaid With Property Taxes | | | |
| Township of Montclair | \$ 72,870,022 | 100.00% | \$ 72,870,022 |
| Essex County General Obligation Debt | 329,424,039 | 7.59% | <u>25,012,863</u> |
| Subtotal, Overlapping Debt | | | 97,882,885 |
| Montclair School District Direct Debt | | | <u>-0-</u> |
| Total Direct And Overlapping Debt | | | <u>\$ 97,882,885</u> |

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

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

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

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

| Legal Debt Margin Calculation for Fiscal Year 2015 | |
|--|--------------------|
| | Montclair Township |
| Equalized Valuation Basis | |
| 2014 | \$ 6,724,117,273 |
| 2013 | 6,522,535,588 |
| 2012 | 6,588,546,577 |
| | \$ 19,835,199,438 |
| Average Equalized Valuation of Taxable Property | \$ 6,611,733,146 |
| Debt Limit ^a (4% of average equalization value) | \$ 264,469,326 |
| Net Bonded School Debt as of June 30, 2014 | -0- |
| Legal Debt Margin | \$ 264,469,326 |

| | Fiscal Year | | | | | | | | | |
|---|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|----------------|----------------|
| | 2005 | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 |
| Debt Limit | \$221,454,692 | \$246,954,925 | \$269,455,955 | \$286,061,678 | \$293,078,040 | \$ 290,962,228 | \$ 283,899,181 | \$ 273,247,823 | \$ 266,007,265 | \$ 264,469,326 |
| Total Net Debt Applicable to Limit | 82,915,782 | 91,836,362 | 94,166,366 | 96,673,800 | 98,199,040 | 98,951,394 | 78,553,510 | 80,327,640 | 71,192,725 | 72,870,022 |
| Legal Debt Margin | \$138,538,910 | \$155,118,563 | \$175,289,589 | \$189,387,878 | \$194,879,000 | \$ 192,010,834 | \$ 205,345,671 | \$ 192,920,183 | \$ 194,814,540 | \$ 191,599,303 |
| Total Net Debt Applicable to the Limit As a Percentage of Debt Limit | 37.44% | 37.19% | 34.95% | 33.79% | 33.51% | 34.01% | 27.67% | 29.40% | 26.76% | 27.55% |

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

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

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

| Year | Population ^a | Personal Income ^b | Essex County Per Capita Personal Income ^c | Unemployment Rate ^d |
|------|-------------------------|---------------------------------|---|-----------------------------------|
| 2006 | 36,679 | 1,746,910,733 | 47,627 | 3.60% |
| 2007 | 36,765 | 1,837,441,170 | 49,978 | 3.20% |
| 2008 | 36,839 | 1,880,225,721 | 51,039 | 3.90% |
| 2009 | 37,317 | 1,852,191,978 | 49,634 | 6.60% |
| 2010 | 37,675 | 1,938,303,400 | 51,448 | 6.80% |
| 2011 | 37,726 | 2,019,774,588 | 53,538 | 6.80% |
| 2012 | 37,851 | 2,077,225,029 | 54,879 | 6.70% |
| 2013 | 37,912 | 2,059,304,016 | 54,318 | 6.70% |
| 2014 | 38,142 | 2,071,797,156 | 54,318 * | 5.20% |
| 2015 | 38,142 ** | 2,071,797,156 | 54,318 * | N/A |

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

** - Latest population data available (2014) was used for calculation purposes.

N/A - Information not available

Source:

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

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

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

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

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

| 2014 | | | 2005 | | |
|------------------------------|-----------|--------------------------------------|----------|-----------|--------------------------------------|
| Employer | Employees | Percentage of Total Employment | Employer | Employees | Percentage of Total Employment |
| INFORMATION IS NOT AVAILABLE | | | | | |

Source: Various Agencies of the Township

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

| <u>Function/Program</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|--|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|----------------|----------------|
| Instruction: | | | | | | | | | | |
| Regular | 470.0 | 482.0 | 473.0 | 466.0 | 469.0 | 442.0 | 437.0 | 433.1 | 454.0 | 467.9 |
| Special Education | 113.0 | 125.0 | 110.0 | 110.0 | 112.0 | 112.0 | 114.0 | 147.9 | 163.0 | 143.6 |
| Support Services: | | | | | | | | | | |
| Student & Instruction Related Services | 101.0 | 101.0 | 123.0 | 123.0 | 123.0 | 108.0 | 106.0 | 95.8 | 272.0 | 301.4 |
| School Administrative Services | 60.0 | 74.0 | 71.0 | 71.0 | 71.0 | 64.0 | 66.0 | 46.8 | 49.0 | 49.5 |
| General and Business Administrative Services | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 5.0 | 6.0 | 5.7 | 4.0 | 3.0 |
| Plant Operations and Maintenance | 61.0 | 61.0 | 61.0 | 61.0 | 61.0 | 60.0 | 60.0 | 63.0 | 61.0 | 61.0 |
| Pupil Transportation | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 3.0 |
| Business and Other Support Services | 14.0 | 15.0 | 15.0 | 15.0 | 15.0 | 15.0 | 14.0 | 2.0 | 14.0 | 20.7 |
| Total | <u>827.0</u> | <u>866.0</u> | <u>861.0</u> | <u>854.0</u> | <u>859.0</u> | <u>808.0</u> | <u>805.0</u> | <u>796.3</u> | <u>1,020.0</u> | <u>1,050.1</u> |

Source: District Personnel Records

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
UNAUDITED

| Fiscal Year | Enrollment | Operating Expenditures ^a | Cost Per Pupil ^d | Percentage Change | Teaching Staff ^b | Pupil/Teacher Ratio | | | Average Daily Enrollment (ADE) ^c | Average Daily Attendance (ADA) ^c | % Change in Average Daily Enrollment | Student Attendance Percentage |
|-------------|------------|-------------------------------------|-----------------------------|-------------------|-----------------------------|---------------------|--------|--------|---|---|--------------------------------------|-------------------------------|
| | | | | | | Elementary | Middle | High | | | | |
| 2006 | 6,638 | \$ 98,562,283 | \$ 14,848 | 5.70 % | 655 | 12.1:1 | 9.2:1 | 10.5:1 | 6,606 | 6,294 | 0.46 % | 95.28 % |
| 2007 | 6,621 | 108,484,433 | 16,385 | 10.35 % | 685 | 12.1:1 | 9.2:1 | 10.5:1 | 6,590 | 6,307 | -0.24 % | 95.71 % |
| 2008 | 6,561 | 112,405,041 | 17,132 | 4.56 % | 680 | 11.7:1 | 8.9:1 | 10.6:1 | 6,555 | 6,237 | -0.53 % | 95.15 % |
| 2009 | 6,636 | 113,311,719 | 17,075 | -0.33 % | 679 | 11.5:1 | 8.7:1 | 10.6:1 | 6,636 | 6,304 | 1.24 % | 95.00 % |
| 2010 | 6,673 | 118,208,684 | 17,714 | 3.74 % | 676 | 11.5:1 | 8.7:1 | 10.6:1 | 6,662 | 6,350 | 0.39 % | 95.32 % |
| 2011 | 6,645 | 114,843,927 | 17,283 | -2.44 % | 640 | 10.9:1 | 8.6:1 | 10.3:1 | 6,635 | 6,339 | -0.41 % | 95.54 % |
| 2012 | 6,638 | 114,356,275 | 17,228 | -0.32 % | 637 | 12.8:1 | 8.5:1 | 10.0:1 | 6,638 | 6,352 | 0.05 % | 95.69 % |
| 2013 | 6,667 | 120,558,363 | 18,083 | 4.96 % | 699 | 12.7:1 | 9.1:1 | 11.5:1 | 6,667 | 6,464 | 0.44 % | 96.96 % |
| 2014 | 6,736 | 122,804,156 | 18,231 | 0.82 % | 704 | 10.4:1 | 7.7:1 | 10.2:1 | 6,736 | 6,445 | 1.03 % | 95.68 % |
| 2015 | 6,685 | 127,051,005 | 19,005 | 4.25 % | 708 | 10.1:1 | 8.2:1 | 9.7:1 | 6,685 | 6,099 | -0.76 % | 91.23 % |

Source: Montclair Township School District records

Note: Enrollment based on annual October district count.

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

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

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

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

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

| <u>District Building</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Montclair High School | | | | | | | | | | |
| Square Feet | 352,119 | 352,119 | 352,119 | 352,119 | 352,119 | 352,119 | 352,119 | 352,119 | 352,119 | 352,119 |
| Capacity (students) | 1,631 | 1,631 | 1,631 | 1,631 | 1,631 | 1,631 | 1,631 | 1,631 | 1,631 | 1,631 |
| Enrollment | 1,978 | 1,958 | 1,981 | 1,981 | 1,962 | 1,972 | 1,952 | 1,966 | 1,981 | 1,946 |
| Glenfield Middle School | | | | | | | | | | |
| Square Feet | 125,281 | 125,281 | 125,281 | 125,281 | 125,281 | 125,281 | 125,281 | 125,281 | 125,281 | 125,281 |
| Capacity (students) | 704 | 704 | 704 | 704 | 704 | 704 | 704 | 704 | 704 | 704 |
| Enrollment | 629 | 625 | 668 | 668 | 689 | 702 | 717 | 711 | 678 | 680 |
| Mount Hebron Middle School | | | | | | | | | | |
| Square Feet | 125,799 | 125,799 | 125,799 | 125,799 | 125,799 | 125,799 | 125,799 | 125,799 | 126,568 | 126,568 |
| Capacity (students) | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 | 630 |
| Enrollment | 637 | 638 | 603 | 603 | 580 | 578 | 554 | 545 | 546 | 646 |
| Renaissance Middle School | | | | | | | | | | |
| Square Feet | 38,722 | 38,722 | 38,722 | 38,722 | 38,722 | 38,722 | 38,722 | 38,722 | 37,167 | 37,167 |
| Capacity (students) | 245 | 245 | 245 | 245 | 245 | 345 | 345 | 345 | 345 | 345 |
| Enrollment | 239 | 237 | 242 | 242 | 251 | 243 | 253 | 262 | 269 | 276 |
| Bradford Elementary School | | | | | | | | | | |
| Square Feet | 58,129 | 58,129 | 58,129 | 58,129 | 58,129 | 58,129 | 58,129 | 58,129 | 58,129 | 58,129 |
| Capacity (students) | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 | 345 |
| Enrollment | 443 | 444 | 474 | 474 | 484 | 471 | 451 | 450 | 427 | 441 |
| Bullock Elementary School | | | | | | | | | | |
| Square Feet | N/A | N/A | N/A | N/A | N/A | 84,017 | 84,017 | 84,017 | 84,017 | 84,017 |
| Capacity (students) | N/A | N/A | N/A | N/A | N/A | 550 | 550 | 550 | 550 | 550 |
| Enrollment | N/A | N/A | N/A | N/A | N/A | 399 | 433 | 442 | 384 | 481 |

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

| <u>District Building</u> | <u>2006</u> | <u>2007</u> | <u>2008</u> | <u>2009</u> | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> | <u>2014</u> | <u>2015</u> |
|-----------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Edgemont Elementary School | | | | | | | | | | |
| Square Feet | 34,638 | 34,638 | 34,638 | 34,638 | 34,638 | 34,638 | 34,638 | 34,638 | 34,638 | 34,638 |
| Capacity (students) | 312 | 312 | 312 | 312 | 312 | 312 | 312 | 312 | 312 | 312 |
| Enrollment | 308 | 305 | 297 | 297 | 299 | 289 | 305 | 296 | 396 | 284 |
| Hillside Elementary School | | | | | | | | | | |
| Square Feet | 125,799 | 125,799 | 125,799 | 125,799 | 125,799 | 125,799 | 125,799 | 125,799 | 125,799 | 125,799 |
| Capacity (students) | 680 | 680 | 680 | 680 | 680 | 680 | 680 | 680 | 680 | 680 |
| Enrollment | 618 | 615 | 623 | 623 | 629 | 620 | 650 | 626 | 531 | 560 |
| Nishuane Elementary School | | | | | | | | | | |
| Square Feet | 87,440 | 87,440 | 87,440 | 87,440 | 87,440 | 87,440 | 87,440 | 87,440 | 87,440 | 87,440 |
| Capacity (students) | 663 | 663 | 663 | 663 | 663 | 663 | 663 | 663 | 663 | 663 |
| Enrollment | 570 | 567 | 521 | 521 | 521 | 479 | 479 | 469 | 467 | 489 |
| Northeast Elementary School | | | | | | | | | | |
| Square Feet | 56,549 | 56,549 | 56,549 | 56,549 | 56,549 | 56,549 | 56,549 | 56,549 | 56,549 | 56,549 |
| Capacity (students) | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 | 380 |
| Enrollment | 417 | 421 | 403 | 403 | 426 | 442 | 456 | 448 | 442 | 441 |
| Rand Elementary School | | | | | | | | | | |
| Square Feet | 38,722 | 38,722 | 38,722 | 38,722 | 38,722 | N/A | N/A | N/A | N/A | N/A |
| Capacity (students) | 345 | 345 | 345 | 345 | 345 | N/A | N/A | N/A | N/A | N/A |
| Enrollment | 364 | 366 | 317 | 317 | 355 | N/A | N/A | N/A | N/A | N/A |
| Watchung Elementary School | | | | | | | | | | |
| Square Feet | 34,638 | 34,638 | 34,638 | 34,638 | 34,638 | 34,638 | 34,638 | 34,638 | 52,109 | 52,109 |
| Capacity (students) | 312 | 312 | 312 | 312 | 312 | 312 | 312 | 312 | 312 | 312 |
| Enrollment | 418 | 419 | 432 | 432 | 461 | 450 | 457 | 452 | 448 | 441 |

N/A- Not Applicable

Number of Schools at June 30, 2014

 Elementary = 8

 Middle School = 3

 High School = 1

Note: Enrollment is based on October District count.

Source: Montclair Township School District Facilities Office

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

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

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

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

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

Source: Montclair Township School District records

Exhibit J-20

MONTCLAIR TOWNSHIP SCHOOL DISTRICT
INSURANCE SCHEDULE
JUNE 30, 2015
UNAUDITED

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

Source: Montclair Township School District records.

SINGLE AUDIT SECTION



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

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

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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Montclair Township School District, a component unit of the Township of Montclair, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 30, 2015.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

November 30, 2015
Mount Arlington, New Jersey

NISIVOCCIA LLP



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



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 200 Valley Road, Suite 300
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Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance Required by OMB Circular A-133
 and New Jersey's OMB Circulars 04-04 and 15-08

Independent Auditors' Report

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

Report on Compliance for Each Major Federal and State Program

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

Management's Responsibility

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

Auditors' Responsibility

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

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

Report on Internal Control Over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with OMB Circular A-133 and NJOMB 04-04 and 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

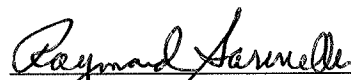
A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133 or NJOMB 04-04 and 15-08. Accordingly, this report is not suitable for any other purpose.

November 30, 2015
Mount Arlington, New Jersey

NISIVOCCIA LLP



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

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

| Federal Grantor/Pass Through Grantor Program Title/Cluster Title | Federal CFDA Number | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2014 | | | Cash Received | Budgetary Expenditures | Adjustments | Balance at June 30, 2015 | | |
|--|---------------------------|-------------------------------------|-----------------|-----------------|-------------------------------------|----------------------------------|-------------------|------------------|---------------------------|-------------|-------------------------------------|----------------------------------|-------------------|
| | | | | | Budgetary Accounts Receivable | Budgetary Unearned Revenue | Due to Grantor | | | | Budgetary Accounts Receivable | Budgetary Unearned Revenue | Due to Grantor |
| General Fund: | | | | | | | | | | | | | |
| U.S. Department of Health and Human Services Passed-through State Department of Education: | | | | | | | | | | | | | |
| Special Education Medicaid Initiative | 93.778 | N/A | 7/1/11-6/30/12 | \$ 107,217 | \$ 107,217 | | \$ 107,217 | | | | | | |
| Special Education Medicaid Initiative | 93.778 | N/A | 7/1/12-6/30/13 | 146,310 | 146,310 | | 146,310 | | | | | | |
| Special Education Medicaid Initiative | 93.778 | N/A | 7/1/14-6/30/15 | 103,516 | | | 103,516 | \$ (103,516) | | | | | |
| Total U.S. Department of Health and Human Services | | | | | 253,527 | | 357,043 | (103,516) | | | | | |
| Total General Fund | | | | | 253,527 | | 357,043 | (103,516) | | | | | |
| Special Revenue Fund: | | | | | | | | | | | | | |
| U.S. Department of Education Passed-through State Department of Education: No Child Left Behind Consolidated Grant: | | | | | | | | | | | | | |
| Title I | 84.010A | NCLB331015 | 7/1/14-6/30/15 | 625,938 | | | 368,914 | (576,733) | | \$ 207,819 | | | |
| Title I | 84.010A | NCLB331014 | 7/1/13-6/30/14 | 691,069 | \$ 253,391 | | 245,953 | | \$ 7,935 | | | \$ 497 | |
| Title I | 84.010A | NCLB331013 | 9/1/12-8/31/13 | 623,721 | | | \$ 15,984 | | | | | 15,984 | |
| Title I | 84.010A | NCLB331012 | 9/1/11-8/31/12 | 537,774 | 5,871 | | | | 5,871 | | | | |
| Title I Subtotal | | | | | 259,262 | | 15,984 | 614,867 | (576,733) | 13,806 | 207,819 | 16,481 | |
| Title II, Part A | 84.367A | NCLB331015 | 7/1/14-6/30/15 | 202,174 | | | 103,535 | (146,645) | | | 43,110 | | |
| Title II, Part A | 84.367A | NCLB331014 | 7/1/13-6/30/14 | 218,336 | 45,079 | | 45,079 | | | | | | |
| Title II, Part A | 84.367A | NCLB331013 | 9/1/12-8/31/13 | 149,492 | | | 727 | | | | | 727 | |
| Title II A Subtotal | | | | | 45,079 | | 727 | 148,614 | (146,645) | | 43,110 | 727 | |
| Title III | 84.365A | NCLB331015 | 7/1/14-6/30/15 | 9,593 | | | | | | | | | |
| Title III | 84.365A | NCLB331014 | 7/1/13-6/30/14 | 26,259 | 24,586 | | 24,330 | | 256 | | | | |
| Title III | 84.365A | NCLB331012 | 9/1/10-8/31/12 | 12,388 | 54 | | | | 54 | | | | |
| Title III Subtotal | | | | | 24,640 | | 24,330 | | 310 | | | | |
| Special Education Cluster: | | | | | | | | | | | | | |
| I.D.E.A. Part B, Basic | 84.027 | IDEA331015 | 7/1/14-6/30/15 | 2,110,682 | | | 1,380,193 | (1,747,285) | | | 367,092 | | |
| I.D.E.A. Part B, Basic | 84.027 | IDEA331014 | 7/1/13-6/30/14 | 1,922,402 | 326,391 | | 326,391 | | (7,013) | | | 7,013 | |
| I.D.E.A. Part B, Basic | 84.027 | IDEA331013 | 7/1/12-6/30/13 | 1,636,133 | | | 34,413 | | | | | 34,413 | |
| I.D.E.A. Part B, Preschool | 84.173 | IDEA331015 | 7/1/14-6/30/15 | 54,722 | | | 53,364 | (52,243) | | | | 1,121 | |
| I.D.E.A. Part B, Preschool | 84.173 | IDEA331014 | 7/1/13-6/30/14 | 80,846 | 27,605 | | 27,605 | | | | | | |
| Special Education Cluster Subtotal | | | | | 353,996 | | 34,413 | 1,787,553 | (1,799,528) | (7,013) | 367,092 | 42,547 | |
| Total U.S. Department of Education | | | | | 682,977 | | 51,124 | 2,575,364 | (2,522,906) | 7,103 | 618,021 | 59,755 | |
| Total Special Revenue Fund | | | | | 682,977 | | 51,124 | 2,575,364 | (2,522,906) | 7,103 | 618,021 | 59,755 | |

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

| Federal Grantor/Pass Through Grantor Program Title/Cluster Title | Federal CFDA Number | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2014 | | | Cash Received | Budgetary Expenditures | Adjustments | Balance at June 30, 2015 | | |
|--|---------------------------|-------------------------------------|-----------------|-----------------|-------------------------------------|----------------------------------|-------------------|------------------|---------------------------|-------------|-------------------------------------|----------------------------------|-------------------|
| | | | | | Budgetary Accounts Receivable | Budgetary Unearned Revenue | Due to Grantor | | | | Budgetary Accounts Receivable | Budgetary Unearned Revenue | Due to Grantor |
| U.S. Department of Agriculture Passed-through State Department of Agriculture: | | | | | | | | | | | | | |
| Child Nutrition Cluster: | | | | | | | | | | | | | |
| School Breakfast Program | 10.553 | N/A | 9/1/14-6/30/15 | \$ 82,186 | | | \$ 65,321 | \$ (82,186) | | \$ 16,865 | | | |
| School Breakfast Program | 10.553 | N/A | 9/1/13-6/30/14 | 32,441 | \$ 6,744 | | 6,744 | | | | | | |
| National School Lunch Program | 10.555 | N/A | 9/1/14-6/30/15 | 399,555 | | | 324,003 | (399,555) | | 75,552 | | | |
| National School Lunch Program | 10.555 | N/A | 9/1/13-6/30/14 | 394,227 | 76,941 | | 76,941 | | | | | | |
| U.S.D.A Commodities Program | 10.555 | N/A | 7/1/14-6/30/15 | 94,547 | | | 94,547 | (86,574) | | | \$ 7,973 | | |
| U.S.D.A Commodities Program | 10.555 | N/A | 7/1/13-6/30/14 | 77,479 | | \$ 3,565 | | (3,565) | | | | | |
| Total U.S. Department of Agriculture | | | | | | 83,685 | | 567,556 | (571,880) | | 92,417 | 7,973 | |
| Total Federal Financial Awards | | | | | \$ 1,020,189 | \$ 3,565 | \$ 51,124 | \$ 3,499,963 | \$ (3,198,302) | \$ 7,103 | \$ 710,438 | \$ 7,973 | \$ 59,755 |

N/A - Not Available/Applicable

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

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

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2014 | | | | Cash Received | Budgetary Expenditures | Repayment of Prior Years' Balances | Cancellation of Prior Year Encumbrances | Balance at June 30, 2015 | | | MEMO | |
|---|-------------------------------|------------------|--------------|-------------------------------|----------------------------|----------------|------------|-------------------|------------------------|------------------------------------|---|--------------------------|----------------------------|----------------|-------------------------------|-------------------------------|
| | | | | Budgetary Accounts Receivable | Budgetary Unearned Revenue | Due to Grantor | Adjustment | | | | | GAAP Accounts Receivable | Budgetary Unearned Revenue | Due to Grantor | Budgetary Accounts Receivable | Cumulative Total Expenditures |
| New Jersey Department of Education | | | | | | | | | | | | | | | | |
| General Fund: | | | | | | | | | | | | | | | | |
| Transportation Aid | 14-495-034-5120-014 | 7/1/13 - 6/30/14 | \$ 1,164,526 | \$ 115,766 | | | | \$ 115,766 | | | | | | | | \$ 1,164,526 |
| Special Education Aid | 14-495-034-5120-089 | 7/1/13 - 6/30/14 | 4,171,264 | 405,180 | | | | 405,180 | | | | | | | | 4,171,264 |
| Adjustment Aid | 14-495-034-5120-085 | 7/1/13 - 6/30/14 | 503,304 | 51,451 | | | | 51,451 | | | | | | | | 503,304 |
| Security Aid | 14-495-034-5120-084 | 7/1/13 - 6/30/14 | 747,557 | 70,746 | | | | 70,746 | | | | | | | | 747,557 |
| Extraordinary Special Education Costs | 14-495-034-5120-473 | 7/1/13 - 6/30/14 | 544,039 | 544,039 | | | | 544,039 | | | | | | | | 544,039 |
| Nonpublic Transportation Aid | 14-495-034-5120-005 | 7/1/13 - 6/30/14 | 51,215 | 51,215 | | | | 51,215 | | | | | | | | 51,215 |
| Reimbursed TPAF Social Security Contributions | 14-495-034-5095-002 | 7/1/13 - 6/30/14 | 4,003,739 | 193,436 | | | | 193,436 | | | | | | | | 4,003,739 |
| Transportation Aid | 15-495-034-5120-014 | 7/1/14 - 6/30/15 | 1,164,526 | | | | | 1,050,688 | \$ (1,164,526) | | | | | | \$ 113,838 | 1,164,526 |
| Special Education Aid | 15-495-034-5120-089 | 7/1/14 - 6/30/15 | 4,171,264 | | | | | 3,763,501 | (4,171,264) | | | | | | 407,763 | 4,171,264 |
| Adjustment Aid | 15-495-034-5120-085 | 7/1/14 - 6/30/15 | 503,304 | | | | | 454,103 | (503,304) | | | | | | 49,201 | 503,304 |
| Security Aid | 15-495-034-5120-084 | 7/1/14 - 6/30/15 | 747,557 | | | | | 674,479 | (747,557) | | | | | | 73,078 | 747,557 |
| PARCC Readiness Aid | 15-495-034-5120-098 | 7/1/14 - 6/30/15 | 68,020 | | | | | 61,371 | (68,020) | | | | | | 6,649 | 68,020 |
| Per Pupil Growth Aid | 15-495-034-5120-097 | 7/1/14 - 6/30/15 | 68,020 | | | | | 61,371 | (68,020) | | | | | | 6,649 | 68,020 |
| Extraordinary Special Education Costs | 15-495-034-5120-473 | 7/1/14 - 6/30/15 | 469,850 | | | | | | (469,850) | | | \$ 469,850 | | | 469,850 | 469,850 |
| Nonpublic Transportation Aid | 15-495-034-5120-005 | 7/1/14 - 6/30/15 | 53,070 | | | | | | (53,070) | | | 53,070 | | | 53,070 | 53,070 |
| Reimbursed TPAF Social Security Contributions | 15-495-034-5095-002 | 7/1/14 - 6/30/15 | 4,026,825 | | | | | 3,827,460 | (4,026,825) | | | 199,365 | | | 199,365 | 4,026,825 |
| Total General Fund State Aid | | | | 1,431,833 | | | | 11,324,806 | (11,272,436) | | | 722,285 | | | 1,379,463 | 22,458,080 |
| Special Revenue Fund: | | | | | | | | | | | | | | | | |
| Anti-Bullying Aid | N/A | 9/1/11 - 6/30/12 | 4,099 | | \$ 1,099 | | | | | | | \$ 1,099 | | | | |
| New Jersey Nonpublic Aid: | | | | | | | | | | | | | | | | |
| Textbook Aid | 15-100-034-5120-064 | 9/1/14 - 6/30/15 | 100,809 | | | | \$ (3) | 100,809 | (93,225) | | | | | \$ 7,587 | | 93,225 |
| Nursing Services | 15-100-034-5120-070 | 9/1/14 - 6/30/15 | 160,486 | | | | | 160,486 | (160,486) | | | | | | | 160,486 |
| Technology | 15-100-034-5120-070 | 9/1/14 - 6/30/15 | 54,144 | | | | | 54,144 | (50,630) | | | | | 3,514 | | 50,630 |
| Auxiliary Services: | | | | | | | | | | | | | | | | |
| Compensatory Education | 15-100-034-5120-067 | 9/1/14 - 6/30/15 | 77,935 | | | | | 77,935 | (74,172) | | | | | 3,763 | | 74,172 |
| English as a Second Language | 15-100-034-5120-067 | 9/1/14 - 6/30/15 | 2,741 | | | | | 2,741 | (913) | | | | | 1,828 | | 913 |
| Transportation | 15-100-034-5120-067 | 9/1/14 - 6/30/15 | 25,181 | | | | | 25,181 | (25,181) | | | | | | | 25,181 |
| Home Instruction | 15-100-034-5120-067 | 9/1/14 - 6/30/15 | 9,119 | | | | | | (9,706) | | | \$ 9,706 | | 9,706 | | 9,706 |
| Handicapped Services: | | | | | | | | | | | | | | | | |
| Supplemental Instruction | 15-100-034-5120-066 | 9/1/14 - 6/30/15 | 47,867 | | | | | 47,867 | (42,531) | | | | | 5,336 | | 42,531 |
| Examination & Classification | 15-100-034-5120-066 | 9/1/14 - 6/30/15 | 75,805 | | | | | 75,805 | (69,881) | | | | | 5,924 | | 69,881 |
| Corrective Speech | 15-100-034-5120-066 | 9/1/14 - 6/30/15 | 45,942 | | | | | 45,942 | (20,586) | | | | | 25,356 | | 20,586 |
| New Jersey Nonpublic Aid: | | | | | | | | | | | | | | | | |
| Textbook Aid | 14-100-034-5120-064 | 9/1/13 - 6/30/14 | 91,655 | | | | \$ 13,343 | | | \$ 13,343 | \$ (678) | | | 678 | | 78,312 |
| Nursing Services | 14-100-034-5120-070 | 9/1/13 - 6/30/14 | 129,001 | | | | | | | | | | | | | 129,001 |
| Technology | 14-100-034-5120-070 | 9/1/13 - 6/30/14 | 33,420 | | | | 1,204 | | | 1,204 | | | | | | 32,216 |
| Auxiliary Services: | | | | | | | | | | | | | | | | |
| Compensatory Education | 14-100-034-5120-067 | 9/1/13 - 6/30/14 | 71,475 | | | | 6,078 | | | 6,078 | | | | | | 65,397 |
| English as a Second Language | 14-100-034-5120-067 | 9/1/13 - 6/30/14 | 3,492 | | | | 2,794 | | | 2,794 | | | | | | 698 |
| Transportation | 14-100-034-5120-067 | 9/1/13 - 6/30/14 | 23,361 | | | | | | | | | | | | | 23,361 |
| Home Instruction | 14-100-034-5120-067 | 9/1/13 - 6/30/14 | 5,036 | 5036 | | | | 5,036 | | | | | | | | 5,036 |
| Handicapped Services: | | | | | | | | | | | | | | | | |
| Supplemental Instruction | 14-100-034-5120-066 | 9/1/13 - 6/30/14 | 37,467 | | | | 3,330 | | | 3,330 | | | | | | 34,137 |
| Examination & Classification | 14-100-034-5120-066 | 9/1/13 - 6/30/14 | 71,340 | | | | 4,723 | | | 4,723 | | | | | | 66,617 |
| Corrective Speech | 14-100-034-5120-066 | 9/1/13 - 6/30/14 | 39,841 | | | | 2,734 | | | 2,734 | | | | | | 37,107 |
| Total Special Revenue Fund | | | | 5,036 | 1,099 | 34,206 | (3) | 595,946 | (547,311) | 34,206 | (678) | 9,706 | 1,099 | 53,986 | 9,706 | 1,019,193 |

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

| State Grantor/Program Title | Grant or State Project Number | Grant Period | Award Amount | Balance at June 30, 2014 | | | | Repayment of Prior Years' Balances | Balance at June 30, 2015 | | | MEMO | | | | |
|------------------------------|-------------------------------|------------------|--------------|-------------------------------|----------------------------|----------------|------------|------------------------------------|--------------------------|------------------------|--------------------------|----------------------------|----------------|-------------------------------|-------------------------------|--------------|
| | | | | Budgetary Accounts Receivable | Budgetary Deferred Revenue | Due to Grantor | Adjustment | | Cash Received | Budgetary Expenditures | GAAP Accounts Receivable | Budgetary Deferred Revenue | Due to Grantor | Budgetary Accounts Receivable | Cumulative Total Expenditures | |
| Capital Projects Fund: | | | | | | | | | | | | | | | | |
| SDA Grants ** | Various | 7/1/14-6/30/16 | \$ 990,572 | | | | | | | | | | | | \$ 990,572 | |
| SDA Grants ** | Various | Various | 7,257,997 | \$ 3,383,952 | | | | | | | | | | | 3,383,952 | \$ 3,874,045 |
| Total Capital Projects Fund | | | | 3,383,952 | | | | | | | | | | | 4,374,524 | 3,874,045 |
| Enterprise Fund | | | | | | | | | | | | | | | | |
| State School Lunch Program | 14-100-010-3350-023 | 9/1/13 - 6/30/14 | 11,312 | 2,221 | | | | \$ 2,221 | | | | | | | | 11,312 |
| State School Lunch Program | 14-100-010-3350-023 | 9/1/14 - 6/30/15 | 11,355 | | | | | 8,945 | \$ (11,355) | | \$ 2,410 | | | | 2,410 | 11,355 |
| Total Enterprise Fund | | | | 2,221 | | | | 11,166 | (11,355) | | 2,410 | | | | 2,410 | 22,667 |
| Total State Financial Awards | | | | \$ 4,823,042 | \$ 1,099 | \$ 34,206 | \$ (681) | \$ 11,931,918 | \$ (11,831,102) | \$ 55,389 | \$ 734,401 | \$ 1,099 | \$ 53,986 | \$ 5,756,397 | \$ 27,373,985 | |

N/A- Not Available

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

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

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of Township of Montclair School District under programs of the federal and state governments for the fiscal year ended June 30, 2015. The information in these schedules are presented in accordance with the Federal Office of Management and Budget (OMB), *Audits of States and Local Governments and Non-Profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Because the schedules present only a selected portion of the operations of the District, they are not intended to and do not present the financial position, changes in net position or cash flows of the District.

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to P.L. 2003, C.97 (A3521). For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not. The capital projects fund is presented in the accompanying schedules on the budgetary basis with the exception of the revenue recognition of the Educational Facilities Construction and Financing Act grants which are realized as revenue upon their award, whereas the GAAP basis recognizes the revenue to the extent of actual expenditures and when funds are submitted for reimbursement.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$14,035) for the General Fund and \$15,788 for the Special Revenue Fund (of which (\$59,514 is for local grants not reflected on the schedules of assistance). See Note 1 D for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. The schedule of expenditures of state awards does not include the on-behalf TPAF Pension or Post Retirement Contributions revenue of \$2,769,148 and \$4,396,024 respectively. Awards and financial assistance revenue are reported on the Board's basic financial statements on a GAAP basis as presented below:

| | <u>Federal</u> | <u>State</u> | <u>Total</u> |
|----------------------------|---------------------|----------------------|----------------------|
| General Fund | \$ 103,516 | \$ 18,423,573 | \$ 18,527,089 |
| Special Revenue Fund | 2,483,797 | 542,694 | 3,026,491 |
| Food Service Fund | 571,880 | 11,355 | 583,235 |
| Total Financial Assistance | <u>\$ 3,159,193</u> | <u>\$ 18,977,622</u> | <u>\$ 22,136,815</u> |

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

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

TPAF Social Security contributions represent the amount reimbursed by the State for the employers' share of social security contributions for TPAF members for the year ended June 30, 2015. Revenue and expenditures reported under the Food Distribution Program represent current year value received and current year distributions respectively.

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (SDA) GRANTS

The District has active grants awarded in the amount of \$8,248,569 from the Schools Development Authority (SDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2015, \$3,874,045 has been expended and submitted for reimbursement and \$3,874,045 has been drawn down and received. The District realizes grant revenue in the Capital Projects Fund on the GAAP basis as it is expended and submitted for reimbursement. The District did not submit for reimbursement any expenditures in the current fiscal year.

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

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circulars 04-04 and 15-08 or Section 510(a) of Federal OMB Circular A-133.
- The single audit thresholds identified in Federal OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 were \$500,000.
- The thresholds used for distinguishing between Type A and Type B federal programs was \$300,000.
- The thresholds used for distinguishing between Type A and Type B state programs was \$354,933.
- The District was determined to be a "low-risk" auditee under the provisions of section 530 of the federal Circular for both federal and state programs.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

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

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

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

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

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in section 510(a) of the federal Circular and New Jersey's OMB Circulars 04-04 and 15-08.

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

Status of Prior Year Findings:

The District had no prior year audit findings.