

# **Comprehensive Annual Financial Report**

of the

**Caldwell-West Caldwell Board of Education**

**West Caldwell, New Jersey**

**For the Fiscal Year Ended June 30, 2011**

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## INTRODUCTORY SECTION

**BOARD OF EDUCATION CALDWELL-WEST CALDWELL**

**Harrison School Building  
Gray Street, West Caldwell, New Jersey 07006**

**Ronald P. Skopak  
Board Secretary/Business Administrator**

**(973) 228-3360**

October, 2011

Honorable President and  
Members of the Board of Education  
Caldwell/West Caldwell Board of Education  
County of Essex, New Jersey

Dear Board Members:

The comprehensive annual report of the Caldwell/West Caldwell School District for the fiscal year ended June 30, 2011 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups 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 and a list of principal officials. The financial section includes the general purpose financial statements and schedules, as well as the auditor's report thereon. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The district is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1984 and the U.S. Office of Management and Budget Circular A-133, "Audits of State and Local Governments, and Non Profit Organizations", and the State Treasury Circular Letter 04-04 OMB, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid Payments." Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations are included in the single audit section of this report.

**1) ENTITY AND ITS SERVICES REPORTING**

The Caldwell/West Caldwell School District is an independent entity within the criteria adopted by the GASB as established by GASB Statement # 14. All funds and account groups of the District are included in this report. The Caldwell/West Caldwell Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District completed the 2010/11 fiscal year with an enrollment of 2,597.1 students, which is an increase of 23.9 students over the previous year's enrollment. The following details the changes in the student enrollment of the District over the last twenty years.

### Average Daily Enrollment

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2010/11	2,597.1	.93
2009/10	2,573.2	<2.97>
2008/09	2,652.0	.00
2007/08	2,652.5	.73
2006/07	2,633.4	.92
2005/06	2,609.5	1.47
2004/05	2,571.8	.62
2003/04	2,555.9	.23
2002/03	2,550.1	.73
2001/02	2,531.6	.85
2000/01	2,510.2	2.92
1999/00	2,439.0	2.02
1998/99	2,390.6	2.45
1997/98	2,333.5	.14
1996/97	2,330.3	3.93
1995/96	2,242.3	0.00
1994/95	2,242.3	2.45
1993/94	2,188.7	1.79
1992/93	2,150.3	2.84

## 2) ECONOMIC CONDITION AND OUTLOOK

### Borough of Caldwell

The Borough of Caldwell has grown from a suburban municipality of a few homes and farms to a fine, modern community of predominantly middle class families. The Township is located in western Essex County, and has a land area of 1.20 square miles. Single family homes predominate with a number of two and three family houses, and twenty-five apartment complexes.

The Borough has almost no vacant land remaining for the development of single family homes and its future growth is limited. A majority of the more than two hundred businesses and commercial establishments are located along Bloomfield Avenue, which bisects the Township from east to west and is a major shopping center for the area.

A well-balanced blend of historic preservation, coupled with the business community's support, should retain the chain of Caldwell's past and meet the marketing needs of the future.

Township of West Caldwell

The Township of West Caldwell is an attractive residential community located in the northwest portion of Essex County, and has a land area of 5.28 square miles.

The Township is a community with a well-balanced economy, represented by a substantially developed industrial, commercial and residential base. The residential development of West Caldwell consists principally of single family owner-occupied homes. A Master Plan and revised Zoning Ordinance and a Land Use Procedure Ordinance provide for an orderly development of remaining land in the township and has been designed to maintain and improve its desirable residential character, as well as a strong commercial base. Areas are still available for several types of residential development as well as segregated areas for light industrial and commercial use.

3. **MAJOR INITIATIVES**

In compliance with Administrative Code, work on our district Five-Year Curriculum Plan included the evaluation of the K-12 Language Arts/English curriculum and Guidance/Counseling Services as well as the high school science curriculum. The newly State-adopted Common Core Curriculum Standards are now aligned with our Language Arts/English curriculum, and suggestions have been made for new coursework, assessments, and educational material in each of the evaluated areas. One new course, *Theatre Management*, has been approved and will be offered to high school juniors and seniors in the 2011-12 school year.

Additionally, new textbooks were purchased for various grades at the elementary, middle, and high school levels.

The district continued collaboration of course offerings with Essex County College and initiated an agreement with Caldwell College for college credit in Advanced Placement offerings for high school students.

In technology, the district increased the number of laptop computers available for student use as well as Smartboards and computer projection devices.

The district has intensified a change in the delivery of providing professional development from out of district to in district workshops and courses.

Upon completion of the new Center for Performing Arts at the high school last fall, the district has increased the use of the facility as a community resource for groups and organizations.

**4) INTERNAL ACCOUNTING CONTROLS**

Management of the District is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP).

The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met.

The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

**5) BUDGETARY CONTROLS**

In addition to internal accounting controls, the 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 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 re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as reservations of fund balance at June 30, 2011.

**6) ACCOUNTING SYSTEM AND REPORTS**

The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds and account groups. These funds and account groups are explained in "Notes to the Financial Statements", Note 1.

7) **FINANCIAL INFORMATION AT FISCAL YEAR END**

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

The following schedule presents a summary of the general fund, special revenue fund and debt service fund revenue for the fiscal year ended June 30, 2010 and the amount and percentage of increases in relation to prior year's revenues.

<b><u>Revenue</u></b>	<b><u>2010-11 Amount</u></b>	<b><u>2009-10 Amount</u></b>	<b><u>Inc/Dec over 2009-10</u></b>	<b><u>% of Inc/Dec</u></b>
Local Sources	\$38,006,340.79	\$36,576,916.31	\$1,429,424.48	3.91%
State Sources	\$ 3,468,366.30	\$ 5,068,156.83	(\$1,599,790.53)	-31.28%
Federal Sources	\$ 754,884.20	\$ 1,184,770.86	(\$429,886.66)	-36.28%
TOTAL	\$42,229,591.29	\$40,829,844.00	(\$600,252.71)	-1.40%

The major increases in Local Sources are attributed to an increase in local tax levy of \$1,351,706, which represented a 3.7% increase over the previous year. There was also increases of \$49,391 in Refunds of Prior Year expenditures, Miscellaneous Income of \$20,330, Rental of Facilities of \$8,036, Student Activity receipts of \$6,589, and Insurance Dividends of \$3,589.

The above increases were offset by reductions of \$9,613 in Investment Income, a decrease of \$500 in Tuitions and a reduction of \$217 for Adjustment of Prior Years Orders. The only State Sources increase of \$34,446 for non-budgeted revenue and expenditures for the State of New Jersey Pension and Annuity Fund employer contributions and employer share Social Security.

The State Sources decrease was due to a reduction of \$1,583,292 in Categorical Aid, a decrease of \$32,334 in Debt Services Aid, a decrease of \$16,176 in Non-Public School State Aid and \$2,434 decrease due to a Special Purpose Grant that the district received the previous year.

There was an increase of \$58,864 for I.D.E.A. Funding by the Federal Sources which was offset by a significant decrease of \$483,839 for the American Recovery Response Act funding, which was required to be utilized for Special Education Programs and decreases of \$4,614 for Title IV and \$298 for Title IIA.

<u>Expenditures</u>	<u>2009-10 Amount</u>	<u>% of Total</u>	<u>2008-09 Amount</u>	<u>% of Total</u>
Current Expenses:				
Instruction	\$16,002,847.85	38.45%	\$16,343,372.51	38.48%
Undistributed	\$23,114,529.09	55.53%	\$22,738,309.74	53.53%
Community Services	\$ 57,836.90	0.14%	\$ 62,353.00	0.15%
Capital Outlay &	\$ 268,083.55	0.64%	\$ 570,297.61	1.34%
Special Revenue:				
State	\$ 167,005.68	0.40%	\$ 185,616.21	0.44%
Other	\$ 0.00	0.00%	\$ 0.00	0.00%
Federal	\$ 754,884.20	1.81%	\$ 1,184,770.86	2.79%
Debt. Service:				
Principal	\$ 645,000.00	1.55%	\$ 734,000.00	1.73%
Interest	\$ 611,528.13	1.47%	\$ 657,494.26	1.55%
Total	\$41,621,715.40	100.0%	\$42,476,214.30	100.00%

The decrease in Current Expense - Instruction was mainly due to budgeted appropriation reductions to meeting the loss of State Aid and the State-mandated tax levy CAP. The Salaries of teachers' expenditures were \$159,331 lower than the previous year, but the majority of reduction was from the breakage for retiring staff and replacing with lower salaried staff. The cost for in-district special education programs were also reduced by \$126,268. This decrease was largely due to a decrease in the number of pre-school disabled students enrolled in the in-district classes. The area of school-sponsored co-curricular activities and athletics saw a reduction of \$71,365.

There was an increase of \$72,855 in the purchase of materials and supplies for the educational program. The large part of this increase was for technology supplies that were reserved encumbrances from the prior school year.

The Current Expense – Undistributed increase was driven by a \$297,663 increase for employee benefits, increase of \$194,910 for Special Education tuitions for students attending out of district schools, required by their Individual Education Plan (IEP), increase of \$100,000 for the district's Unemployment Trust Account, which is becoming depleted due to the rise in unemployment claims. The above increases were offset by a decrease of \$130,384 for Purchased Professional Educational Services for Special Education students who require services that are required by their IEP, but not available by in-district staff; a decrease of \$92,511 for Purchased Professional Guidance Services, which were reduced due to budget constraints.

The special Revenue – Federal increase was \$58,864 for the Individuals with Disability Act (IDEA) Grant. This was offset by a decrease of \$483,839 in the one-time American Recovery Response Act Grant, which required the funds to be used for the district's special education program.

**8) DEBT ADMINISTRATION**

In June, 2008, the district issued new debt of \$14,765,000 which was approved by the electorate at a December 2007 Referendum. The first principal payments will commence in September 2010. The final maturity will be September 2024. The proceeds of this new bond issue were placed in the Capital Projects Fund. Improvements that will be funded by these bonds include various work at all the district facilities including re-roofing, masonry restoration, new building fire alarm systems, boiler replacements, site renovations to address safety concerns and improvements, building electrical upgrades, renovation to the high school and middle school auditoriums, creation of small group instruction rooms, and upgrades to the high school and middle school kitchen equipment.

The district's outstanding debt or general obligation bond is \$14,120,000, as of June 30, 2011.

**9) CASH MANAGEMENT**

The investment policy of the district is guided in large part by state statute as detailed in "Notes to the *Financial Statements*", Note 2. 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.

**10) RISK MANAGEMENT**

The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision hazard and theft insurance on property and contents, and fidelity bonds. A complete listing of the district's insurance is located in the Statistical Section of this report.

**11) OTHER INFORMATION****Independent Audit**

State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Samuel Klein & Company completed this year's audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the Circular A-133 and State Treasury Circular Letter 04-04 OMB. The auditor's report on the general-purpose financial statements and combining and individual fund statements and schedules are included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

12) **ACKNOWLEDGEMENTS**

We would like to express our appreciation to the members of the Caldwell/West Caldwell Board of Education for their concern in providing fiscal accountability to the citizens of the Township of West Caldwell and the Borough of Caldwell and thereby contributing their full support to the development and maintenance of the district's financial operation. We would like to note our appreciation for the assistance rendered by all of the district's staff who helped in the preparation of this report.

Respectfully submitted,



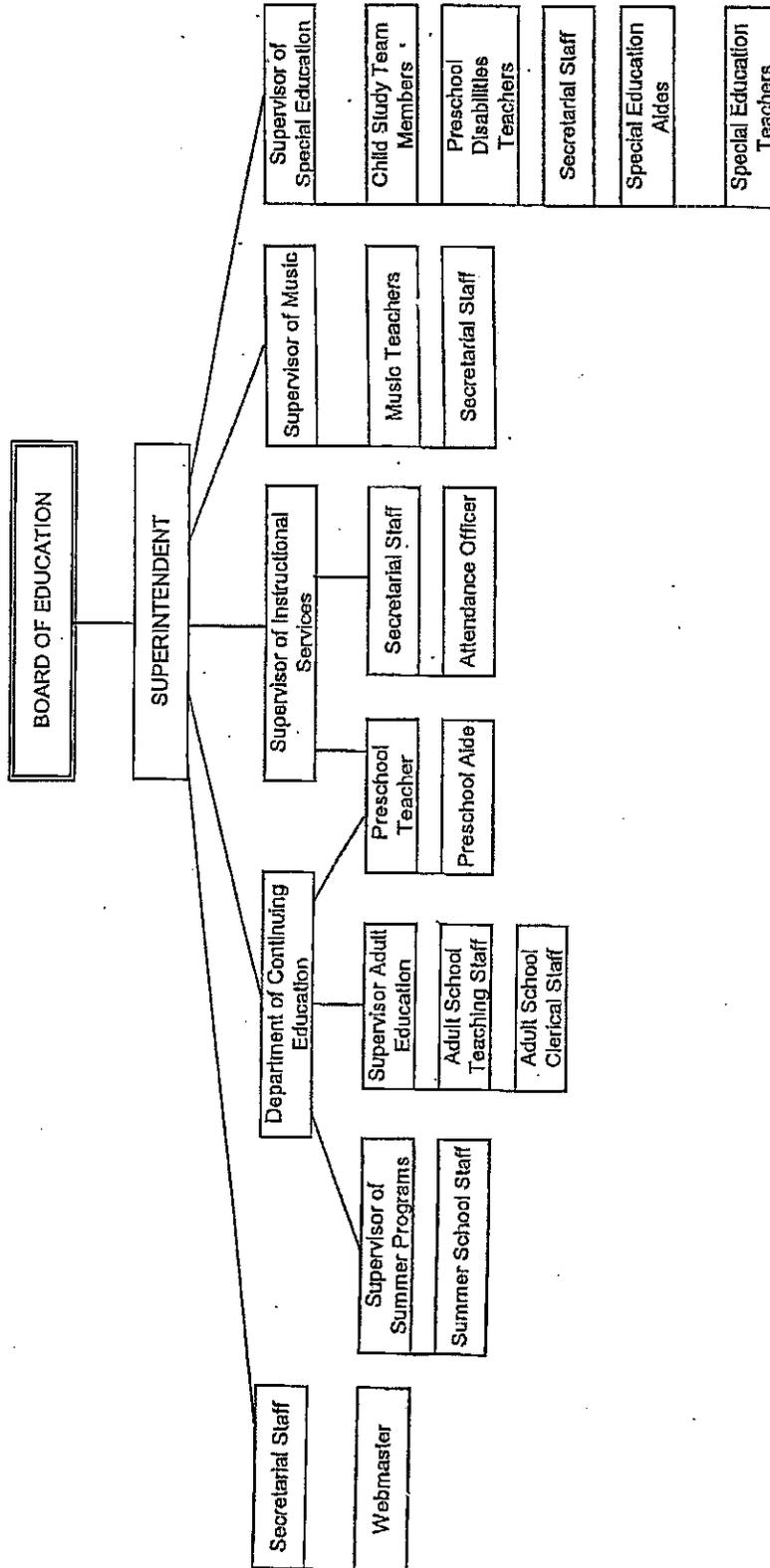
Daniel A. Gerardi  
Superintendent



Ronald P. Skopak  
Board Secretary/Business Administrator

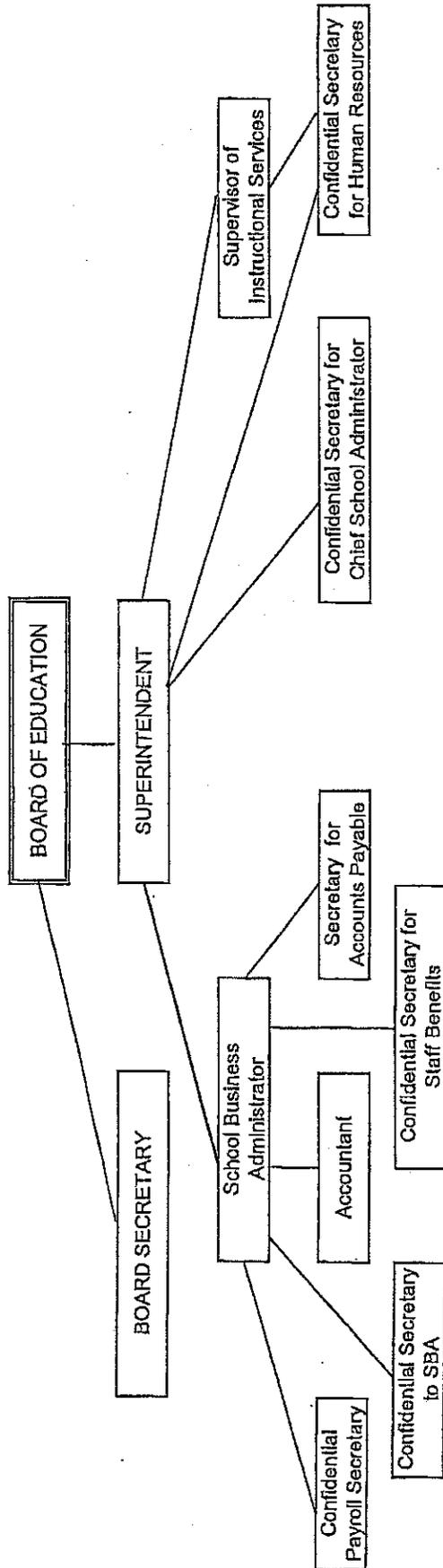
# CALDWELL-WEST CALDWELL PUBLIC SCHOOLS

Office of the Superintendent, Music, Special Education, and Continuing Education

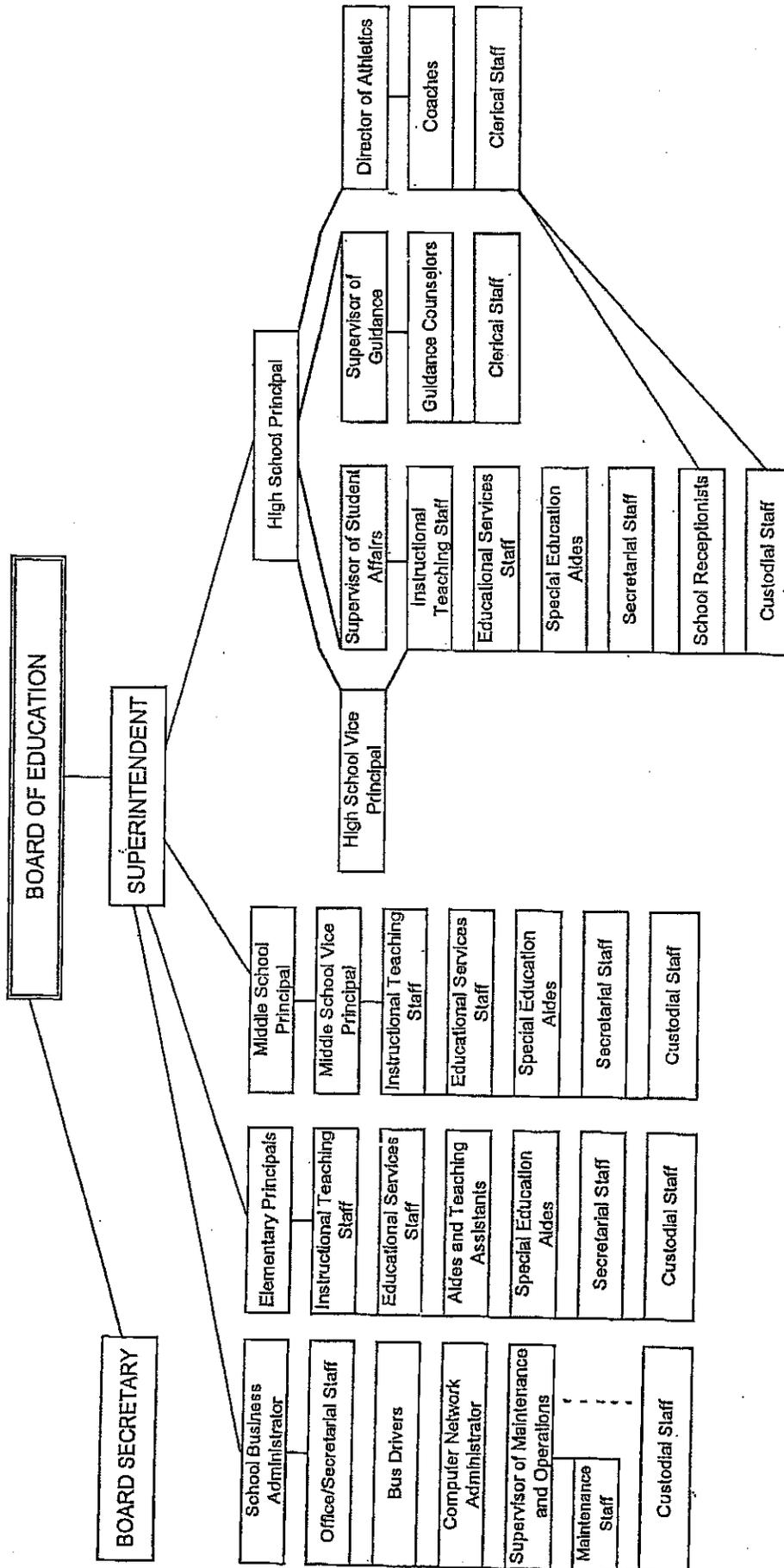


CALDWELL-WEST CALDWELL PUBLIC SCHOOLS

Human Resources and Business Functions



CALDWELL-WEST CALDWELL PUBLIC SCHOOLS



CALDWELL-WEST CALDWELL BOARD OF EDUCATION  
WEST CALDWELL, NEW JERSEY

ROSTER OF OFFICIALS

JUNE 30, 2011

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Maureen McNish, President	2012
Paula Getty, Vice President	2012
Rosanne Hansen	2013
John J. King	2013
Mary Davidson	2014
<u>Other Officials</u>	
Daniel Gerardi, Superintendent	
Ronald P. Skopak, Board Secretary/Business Administrator	
Lewis Wefferling, Treasurer of School Moneys	
Frank Pomaco, Esq., Board Attorney	

**CALDWELL-WEST CALDWELL BOARD OF EDUCATION**

**Consultant and Advisors**

**Architect**

Feitlowitz & Kosten Architects  
5N Regent Street, Suite 501  
Livingston, New Jersey 07039

**Audit Firm**

Samuel Klein and Company  
Certified Public Accountants  
550 Broad Street, 11<sup>th</sup> Floor  
Newark, New Jersey 07102

**Attorney**

Gaccione, Pomaco & Malanga, PC  
524 Union Avenue  
Belleville, New Jersey 07109

**Official Depository**

Wells Fargo  
333 Bloomfield Avenue  
Caldwell, New Jersey 07006

**FINANCIAL SECTION**

# SAMUEL KLEIN AND COMPANY

CERTIFIED PUBLIC ACCOUNTANTS

550 BROAD STREET, 11TH FLOOR  
NEWARK, N.J. 07102-4543  
PHONE (973) 624-6100  
FAX (973) 624-6101

36 WEST MAIN STREET, SUITE 301  
FREEHOLD, N.J. 07728-2291  
PHONE (732) 780-2600  
FAX (732) 780-1030

## INDEPENDENT AUDITOR'S REPORT

The Honorable President and Members  
of the Board of Education  
Caldwell-West Caldwell School District  
County of Essex  
West Caldwell, New Jersey 07006

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund and the aggregate remaining fund information of the Board of Education of the Caldwell-West Caldwell School District in the County of Essex, State of New Jersey, as of and for the year ended June 30, 2011, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Caldwell-West Caldwell School District's management. 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 Division of Finance, Department of Education and Regulatory Compliance, 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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 Caldwell-West Caldwell Board of Education, in the County of Essex, State of New Jersey, as of June 30, 2011, and the respective changes in financial position and cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

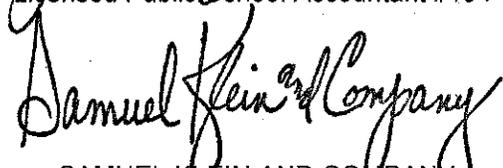
In accordance with *Government Auditing Standards*, we have also issued a report dated September 28, 2010 on our consideration of the Caldwell-West Caldwell Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of our audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management Discussion and Analysis and Budgetary Comparison Information on pages 19 through 26 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

  
JOSEPH J. FACCONO  
Licensed Public School Accountant #194

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
October 26, 2011

**REQUIRED SUPPLEMENTARY INFORMATION - PART I**

## MANAGEMENT'S DISCUSSION AND ANALYSIS

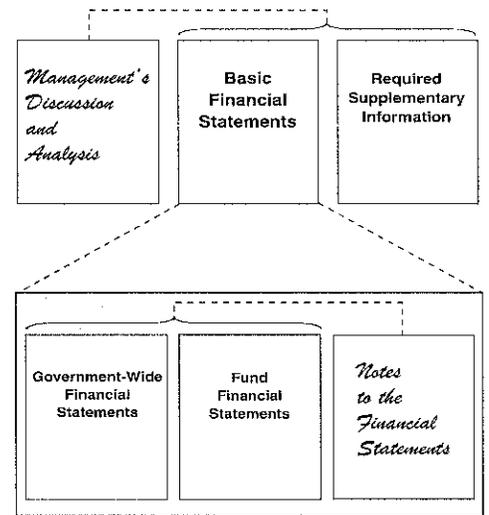
This section of the Caldwell-West Caldwell School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2011. Please read it in conjunction with the District's financial statements, which follow this section.

### 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:

Figure A-1, Required Components of the District's Annual Financial Report

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- *The governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *The proprietary fund* statements reflect operations that are financed and operated in a manner similar to private business enterprises
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.



Summary ↔ Detail

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

### Government-Wide Statements

The government-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 assets includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net assets and how they have changed. Net assets—the difference between the District's assets and liabilities—is one way to measure the District's financial health or position.

Over time, increases or decreases in the District's net assets are an indicator of whether its financial health is improving or deteriorating, respectively.

- To assess the overall health of the District, one needs to consider additional nonfinancial factors such as changes in the District's tax base, facility conditions, required educational programs and other factors.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services and general administration. Property taxes finance most of these activities. The School District maintains two business-like activities, the Food Service Program and a Continuing Education Program.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the District's most significant *funds*—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes. The School District's major governmental funds are the General Fund, the Special Revenue Fund, and Debt Service Fund.

The District has the following kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which 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 year-end that are available for spending. Consequently, the governmental fund 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 government-wide statements, additional information is provided at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Proprietary funds* accrued to report the cost of providing goods and services to students on a continual basis where the intent is to recover said costs through user charges.
- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net assets and a statement of changes in fiduciary net assets. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

## FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The statement of Net Assets provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's Net Assets at June 30, 2011 compared to June 30, 2010.

**TABLE 1**

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>%</u>
<b><u>Assets</u></b>				
Current and Other Assets	\$ 7,702,358.54	\$ 7,668,751.72	\$ 33,606.82	0.44%
Noncurrent Assets	15,936,490.33	15,060,125.63	876,364.70	5.82%
Total Assets	<u>\$ 23,638,848.87</u>	<u>\$ 22,728,877.35</u>	<u>\$ 909,971.52</u>	<u>4.00%</u>
<b><u>Liabilities</u></b>				
Current Liabilities	\$ 1,646,693.87	\$ 1,717,746.72	\$ (71,052.85)	-4.14%
Long-term Liabilities	14,180,970.12	15,043,429.96	(862,459.84)	-5.73%
	<u>\$ 15,827,663.99</u>	<u>\$ 16,761,176.68</u>	<u>\$ (933,512.69)</u>	<u>-5.57%</u>
<b><u>Net Assets</u></b>				
Invested in Capital Assets, Net of Debt	\$ 4,377,212.52	\$ 2,880,005.16	\$ 1,497,207.36	51.99%
Restricted for Other Purposes	2,083,084.47	2,263,339.71	(180,255.24)	-7.96%
Unrestricted	1,350,887.89	824,355.80	526,532.09	63.87%
Total Net Assets	<u>\$ 7,811,184.88</u>	<u>\$ 5,967,700.67</u>	<u>\$ 1,843,484.21</u>	<u>30.89%</u>
Reserve for Encumbrances	\$ 804,214.58	\$ 552,010.14	\$ 252,204.44	45.69%
Appropriation to Subsequent Budget	1,065,000.00	825,000.00	240,000.00	29.09%
Capital Reserve Account	713,869.99	886,329.57	(172,459.58)	-19.46%
Restricted Net Assets	<u>\$ 2,583,084.57</u>	<u>\$ 2,263,339.71</u>	<u>\$ 319,744.86</u>	<u>14.13%</u>
Government Activities	\$ 152,170.75	\$ 142,425.23	\$ 9,745.52	6.84%
Business-Type Activities	698,717.14	681,930.57	16,786.57	2.46%
Unrestricted Net Assets	<u>\$ 850,887.89</u>	<u>\$ 824,355.80</u>	<u>\$ 26,532.09</u>	<u>3.22%</u>

The increase of \$252,204.44 in Reserve for Encumbrances is for encumbrances in the Current Fund for orders that have not been received by the District by the end of the fiscal year, June 30, 2011, and will be rolled into the new fiscal year for payment.

The increase of \$240,000.00 in the Appropriation to Subsequent Budget is an increase of \$115,000.00 appropriated to the 2011-12 General Fund Budget for district tax levy reduction and an increase of \$125,000.00 being appropriated to the Capital Reserve Account. The Capital Reserve Account will be utilized to fund future projects from the District's "Long Range Facility Plan".

The \$850,887.89 of Unrestricted Net Assets represents the following:

	<u>2011</u>
Governmental Activities	\$ 152,170.75
Business-Type Activities	698,717.14
Unrestricted Net Assets	<u>\$ 850,887.89</u>

The \$152,170.75 of Unrestricted Net Assets for Governmental Activities is after a reduction of \$569,609.00 for Compensated Absences.

Compensated Absences due to retirements are District contractual employee obligations which have been annually appropriated and paid through the General Fund Budget. The School District has never failed to meet its contractual obligation for Compensated Absences and will continue to fund these liabilities in this manner.

Table 2 shows the changes in Net Assets for fiscal year 2011 and 2010.

**Governmental Activities**

**TABLE 2**

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>%</u>
Program Revenues:				
Charges for Services				
Operating Grants and Contributions	\$ 3,417,756.50	\$ 3,883,092.12	\$ (465,335.62)	-11.98%
General Revenues:				
Property Taxes	37,792,600.00	36,440,894.00	1,351,706.00	3.71%
Unrestricted Federal and State Aid	1,290,795.00	2,339,205.57	(1,048,410.57)	-44.82%
Investment Earnings	4,739.79	15,610.58	(10,870.79)	-69.64%
Other	215,989.39	172,411.73	43,577.66	25.28%
Total Revenues	<u>42,721,880.68</u>	<u>42,851,214.00</u>	<u>(129,333.32)</u>	<u>-0.30%</u>
Program Expenses:				
Instruction	17,288,069.78	17,620,118.30	(332,048.52)	-1.88%
Special Instruction	3,930,358.70	4,043,701.19	(113,342.49)	-2.80%
Other Special Education	437,846.27	482,953.14	(45,106.87)	-9.34%
Other Instruction	1,193,152.06	1,266,120.72	(72,968.66)	-5.76%
Tuition	2,263,498.03	2,068,587.74	194,910.29	9.42%
Student and Instruction Related Services	5,583,896.59	5,731,157.41	(147,260.82)	-2.57%
School Administrative Services	2,400,576.37	2,399,847.69	728.68	0.03%
General Administrative Services	652,453.92	649,483.73	2,970.19	0.46%
Central Services	655,997.03	632,243.86	23,753.17	3.62%
Administration of Information Technology	540,942.65	499,753.82	41,188.83	7.61%
Operations and Maintenance of Plant	4,202,785.59	4,244,849.13	(42,063.54)	-0.99%
Pupil Transportation	1,126,584.55	1,108,586.26	17,998.29	1.62%
Transfer to Charter School			-	100.00%
Interest on Long Term Debt	611,528.13	657,494.26	(45,966.13)	-6.99%
Total Expenses	<u>40,887,689.67</u>	<u>41,404,897.25</u>	<u>-517,207.58</u>	<u>-1.25%</u>
Increase (Decrease) in Net Assets	<u>\$ 1,834,191.01</u>	<u>\$ 1,446,316.75</u>	<u>\$ 387,874.26</u>	<u>-26.82%</u>

**Business-Type Activities**

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>%</u>
Program Revenues:				
Charges for Services	\$ 741,772.61	\$ 669,021.41	\$ 72,751.20	10.87%
General Revenues:				
Investment Earnings	1,266.59	4,151.53	(2,884.94)	-69.49%
Total Revenues	<u>743,039.20</u>	<u>673,172.94</u>	<u>69,866.26</u>	<u>10.38%</u>
Program Expenses:				
Food Services	733,746.01	705,978.88	27,767.13	3.93%
Total Expenses	<u>733,746.01</u>	<u>705,978.88</u>	<u>27,767.13</u>	<u>3.93%</u>
Increase (Decrease) in Net Assets	<u>\$ 9,293.19</u>	<u>\$ (32,805.94)</u>	<u>\$ 42,099.13</u>	<u>-128.33%</u>

The vast majority of all revenue to support the Caldwell-West Caldwell School District is collected through local property taxes. Property taxes, as displayed in Table 2, made up a total of 88.46% of the revenue for Governmental Activities. Tax levy is annually approved by the local municipalities at the Annual School Elections to support the District operations. With the drastic reduction of \$5,997.86 in interest rates last year, the District realized a reduction of \$9,612.72 in Investment Earnings over the previous year. Unrestricted Federal and State Aid made up only 3.02% of revenues for Governmental Activities for 2011.

The largest share of the Program Expenses for the District is for the cost of direct services to the District's students. These services include Instruction, Special Instruction, Other Special Education, Other Instruction, Tuition, Student and Instruction-Related Services. These direct services total \$30,696,821.43 or 75.07% of the total expenses for Governmental Activities displayed in Table 2 for 2011.

The next display, Table 3, shows the net cost of services. That is, it identifies the cost of these services supported by tax revenue and unrestricted State entitlements.

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>%</u>
Instruction	\$20,082,853.66	\$20,170,816.91	\$ (87,963.25)	-0.44%
Support Services:				
Tuition	2,263,498.03	2,068,587.74	194,910.29	9.42%
Student and Instruction Related Services	5,111,709.22	5,271,951.61	(160,242.39)	-3.04%
Board of Ed. Admin. Fiscal and Business	4,070,973.98	3,999,519.22	71,454.76	1.79%
Operations and Maintenance of Plant	4,202,785.59	4,244,849.13	(42,063.54)	-0.99%
Pupil Transportation	1,126,584.55	1,108,586.26	17,998.29	1.62%
Interest on Long-Term Debt	611,528.13	657,494.26	(45,966.13)	-6.99%
Total Expenses	<u>\$ 37,469,933.16</u>	<u>\$ 37,521,805.13</u>	<u>\$ (51,871.97)</u>	<u>-0.14%</u>

A description of each service provided by the School District is detailed as follows:

Instruction expenditures include activities directly dealing with the teaching of pupils and the interaction between teacher and pupils.

Tuition expenditures are for Education Services for pupils residing in the School District and include placements in private, county, and state facilities.

Student and Instructional Related Services expenditures include the activities involved with assisting staff with the content and process of teaching to pupils. Also, included are Attendance and Social Work Services, Health Services and Guidance, Child Study and Educational Media Services.

Board of Education, Administration, Fiscal and Business Expenditures are associated with administration and financial supervision of the District.

Operation and Maintenance of Plant expenditures involve keeping the school grounds, buildings and equipment in an effective working condition.

Pupil transportation is the expenditure for conveying students between home and school and from school to other school activities as provided by state and federal law.

Interest on long-term debt expenditures are for interest on outstanding bonds.

### **Business-Type Activities**

The School District operates business type activities for the Food Service Program and the Adult Continuing Education Program. The Food Service Program and Adult Continuing Education Program are self-supporting and did not require board contributions to support their operations during fiscal year 2011.

For the current school year, the Food Service Program had a decrease in Net Assets of \$16,582.46. Ending Net Assets for the Food Service Program was \$564,629.95. The Adult Continuing Education Program had a decrease of \$25,875.65 in Net Assets. Ending Net Assets for the Adult Continuing Education Program was \$150,667.16.

### **Financial Analysis of the District's Funds**

The District's governmental funds are accounted for using the modified accrued basis of accounting. Revenues from Governmental Fund types totaled \$42,721,880.68. The largest part of revenue comes from the local tax levy, which makes up 88.46% of the total revenues. The increasing reliance on local tax levy is caused by the lack of increased State funding and Federal funding. This trend of increasing local tax levy, at least for the near future, will continue for the District.

### **General Fund Budgeting Highlights**

The General Fund, Special Revenue Fund and Debt Service Fund are the most significant budgeted funds for the School District. The District's budget for these three funds is prepared annually according to the State of New Jersey budget regulations and requirements and is based on receipts, disbursements and an encumbrance system of accounting.

In the 2004-05 school year, a new law went into effect, commonly known as "S1701." The implementation of this law required districts to reduce their General Fund Balance at June 30th to 2% or less. The District's General Fund Balance at June 30, 2011 was below the 2% requirement.

The new law also requires prior approval by the State Department of Education for districts' appropriation transfers which exceed 10 % of the account. During fiscal year 2011, the District did amend its budget by Board approved transfers, but none that exceeded the 10% rule, requiring the State Department approval.

The General Fund revenue continues to rely on the local tax levy as its main revenue stream. With the State law imposing a 2% CAP on tax levy increase, the District is losing \$1,548,846 in State Aid and the historical low rates of returns on investments has required the District to look at significant decreases in Budget Appropriation.

The District took a very proactive look at all expenses and made significant reductions across all budgetary lines. The main budget drivers continue to be employee health benefits and special education program costs. The 2008 Bond Referendum has helped the District to maintain aid, and in many cases lower the operational costs of the District's facilities.

## Capital Assets and Debt Administration

### Capital Assets

At the end of fiscal year 2011 the Caldwell-West Caldwell School District had \$20,748,783.71 in Building and Improvements, \$229,918.00 in Land, \$5,415,397.34 in Equipment and \$12,851,509.85 in Construction in Progress.

In accordance with the State Department of Education memorandum dated January 11, 2001, the Capitalization threshold used by school districts in the State of New Jersey was increased to \$2,000.

Table 4 below shows the Net Capital Assets after total accumulated depreciation:

**TABLE 4**

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>%</u>
Land	\$ 229,918.00	\$ 229,918.00	\$ -	0.00%
Construction in Progress	12,851,509.85	11,852,752.67	998,757.18	7.77%
Buildings and Improvements	20,748,783.71	20,748,783.71	-	0.00%
Assets with the Value Under \$ 2,000.00	47,909.26	25,298.65	22,610.61	47.19%
Equipment	5,415,397.34	5,158,213.79	257,183.55	4.75%
Totals at Historical Cost	<u>39,293,518.16</u>	<u>38,014,966.82</u>	<u>1,278,551.34</u>	<u>3.25%</u>
Total Accumulated Depreciation	<u>23,373,607.80</u>	<u>22,978,914.54</u>	<u>394,693.26</u>	<u>1.69%</u>
Net Capital Assets	<u>\$ 15,919,910.36</u>	<u>\$ 15,036,052.28</u>	<u>\$ 883,858.08</u>	<u>5.55%</u>

### Debt Administration

At June 30, 2011, the District had \$14,120,000.00 in bonds outstanding, \$645,000.00 due within one year. More detailed information about the District's debt is presented in the notes to the financial statements.

**TABLE 5**

	<u>2011</u>	<u>2010</u>	<u>Change</u>	<u>%</u>
Bonds Payable	<u>\$14,120,000.00</u>	<u>\$14,765,000.00</u>	<u>(\$645,000.00)</u>	<u>-4.37%</u>
Total Bonds and Notes Payable	<u>\$14,120,000.00</u>	<u>\$14,765,000.00</u>	<u>(\$645,000.00)</u>	<u>-4.37%</u>

### Economic Factors and Next Year's Budget

The District receives one of the lowest amounts of State and Federal aid in the State of New Jersey. Neither the State or the Federal government have fully funded the District entitlements, as required under the law.

The District fully expended funding with the American Recovery and Reinvestment Act of 2009. The \$675,705 received in the form of a grant was expended, as required, for Special Education Programs. The District decided to utilize the funds for technology equipment and supplies to support the District's Special Education Programs. Again, this was a "one shot" funding and now the District must budget for the proper maintenance of this newly purchased equipment.

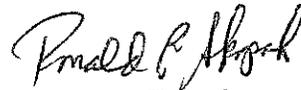
The State has provided new laws which require employees to begin contributions toward their health care benefits. This will offer budgetary relief in the health benefits appropriation, especially positive, since this is one of the highest cost drivers in the budget. Unfortunately, the largest group, the Teachers' Association, has a contract in effect until the end of the 2011-12 fiscal year and contributions will not become effective until the 2012-13 budget.

The new laws recently enacted by the Legislature affecting public employees' pension has had an effect on the number of retirements from the District. This will have another benefit as salary breakage will occur as older staff retire and lower cost staff are hired.

The District looks forward to significant improvement in the economy of the State as well as nationally. The future of the District's finances and programs will be dependent on the health of the government to help relieve the extraordinary burden on our local taxpayers.

### **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funding it receives. If you have any questions about this report or need additional financial information, you can contact the Board Secretary/Business Administrator's office at Harrison School Building, Gray Street, West Caldwell, NJ 07006



Ronald P. Skopak  
Board Secretary/Business Administrator

**BASIC FINANCIAL STATEMENTS**

**A. DISTRICT-WIDE FINANCIAL STATEMENTS**

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STATEMENT OF NET ASSETS  
JUNE 30, 2011**

A-1

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b><u>ASSETS</u></b>			
Cash and Cash Equivalents	\$ 2,679,239.67	\$ 741,613.14	\$ 3,420,852.81
Receivables, Net	990,510.30	31,322.15	1,021,832.45
Inventories		2,769.29	2,769.29
Restricted Assets:			
Cash and Cash Equivalents	2,543,034.10		2,543,034.10
Capital Reserve Account - Cash	713,869.89		713,869.89
Capital Assets, Net (Note 5)	<u>15,919,910.36</u>	<u>16,579.97</u>	<u>15,936,490.33</u>
Total Assets	<u>\$22,846,564.32</u>	<u>\$ 792,284.55</u>	<u>\$23,638,848.87</u>
<b><u>LIABILITIES</u></b>			
Overdraft	\$ 114,438.72	\$	\$ 114,438.72
Accounts Payable	598,887.93	41,698.04	640,585.97
Prepaid Revenue		35,289.40	35,289.40
Payable to State Government	27,956.25		27,956.25
Deferred Revenue	81,152.69		81,152.69
Noncurrent Liabilities (Note 7):			
Due Within One Year	747,270.84		747,270.84
Due Beyond One Year	<u>14,180,970.12</u>		<u>14,180,970.12</u>
Total Liabilities	<u>\$15,750,676.55</u>	<u>\$ 76,987.44</u>	<u>\$15,827,663.99</u>
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	\$ 4,360,632.55	\$ 16,579.97	\$ 4,377,212.52
Restricted for:			
Other Purposes	2,583,084.47		2,583,084.47
Unrestricted	<u>152,170.75</u>	<u>698,717.14</u>	<u>850,887.89</u>
Total Net Assets	<u>\$ 7,095,887.77</u>	<u>\$ 715,297.11</u>	<u>\$ 7,811,184.88</u>

See accompanying notes to financial statements.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2011

A-2

Functions/Programs	Program Revenues		Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:						
Instruction:		\$		\$(14,967,676.27)	\$	\$(14,967,676.27)
Regular	\$17,288,069.78		\$ 2,320,393.51	(3,524,829.48)		(3,524,829.48)
Special Education	3,930,358.70		405,529.22	(397,195.85)		(397,195.85)
Other Special Instruction	437,846.27		40,650.42	(1,193,152.06)		(1,193,152.06)
Other Instruction	1,193,152.06					
Support Services:						
Tuition	2,263,498.03			(2,263,498.03)		(2,263,498.03)
Student and Instruction Related Services	5,583,896.59		472,187.37	(5,111,709.22)		(5,111,709.22)
School Administrative Services	2,400,576.37		178,995.98	(2,221,580.38)		(2,221,580.38)
General Administrative Services	652,453.92			(652,453.92)		(652,453.92)
Central Services	655,997.03			(655,997.03)		(655,997.03)
Administration of Information Technology	540,942.65			(540,942.65)		(540,942.65)
Plant Operations and Maintenance	4,202,785.59			(4,202,785.59)		(4,202,785.59)
Pupil Transportation	1,126,584.55			(1,126,584.55)		(1,126,584.55)
Interest on Long-Term Debt	611,528.13			(611,528.13)		(611,528.13)
Total Governmental Activities	40,887,689.66		3,417,756.50	(37,469,933.16)		(37,469,933.16)
Business-Type Activities:						
Enterprise Fund	733,746.01	741,772.61		8,026.60	8,026.60	8,026.60
Total Business-Type Activities	733,746.01	741,772.61		8,026.60	8,026.60	8,026.60
Total Primary Government	\$ 41,621,435.67	\$ 741,772.61	\$ 3,417,756.50	\$ (37,469,933.16)	\$ 8,026.60	\$ (37,461,906.56)
General Revenues						
Taxes:						
Property Taxes, Levied for General Purposes, Net				\$ 36,921,252.00	\$	\$ 36,921,252.00
Taxes Levied for Debt Service				871,348.00		871,348.00
Federal and State Aid Not Restricted				1,290,795.00		1,290,795.00
Investment Earnings				5,997.80	1,266.59	7,264.39
Miscellaneous Income				214,731.38		214,731.38
Total General Revenues, Special Items, Extraordinary Items and Transfers				39,304,124.18	1,266.59	39,305,390.77
Change in Net Assets				1,834,191.02	9,293.19	1,843,484.21
Net Assets - Beginning				5,261,696.75	706,003.92	5,967,700.67
Net Assets - Ending				\$ 7,095,887.77	\$ 715,297.11	\$ 7,811,184.88

See accompanying notes to financial statements.

**B. FUND FINANCIAL STATEMENTS**

**GOVERNMENTAL FUNDS**

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2011

B-1

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,679,238.93	\$	\$ 2,543,034.10	\$ 0.74	\$ 5,222,273.77
Restricted Cash:					
Capital Reserve Account	713,869.89				713,869.89
Interfunds Receivable	135.65			81,151.95	81,287.60
Receivables from Other Governments	493,433.19	159,469.46	337,472.00		990,374.65
<b>Total Assets</b>	<u>\$ 3,886,677.66</u>	<u>\$ 159,469.46</u>	<u>\$ 2,880,506.10</u>	<u>\$ 81,152.69</u>	<u>\$ 7,007,805.91</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Overdraft	\$	\$ 114,438.72	\$	\$	\$ 114,438.72
Accounts Payable	581,813.44	17,074.49			598,887.93
Interfund Payable			81,151.95		81,151.95
Payable to State Government		27,956.25			27,956.25
Deferred Revenue				81,152.69	81,152.69
<b>Total Liabilities</b>	<u>581,813.44</u>	<u>159,469.46</u>	<u>81,151.95</u>	<u>81,152.69</u>	<u>903,587.54</u>
Fund Balances:					
Reserved for:					
Encumbrances	804,214.58		2,073,717.83		2,877,932.41
Designated for Subsequent Year's Expenditures	1,065,000.00				1,065,000.00
Capital Reserve Account	713,869.89				713,869.89
Unreserved, Reported in:					
General Fund	721,779.75				721,779.75
Capital Projects Fund			725,636.32		725,636.32
<b>Total Fund Balances</b>	<u>3,304,864.22</u>		<u>2,799,354.15</u>		<u>6,104,218.37</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,886,677.66</u>	<u>\$ 159,469.46</u>	<u>\$ 2,880,506.10</u>	<u>\$ 81,152.69</u>	<u>\$ 7,007,805.91</u>
Total shown above					\$ 6,104,218.37
Amounts reported for <i>governmental activities</i> in the statement of net assets (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 \$37,989,668.17 and the accumulated depreciation is \$22,978,914.54 (See Note 5).					15,919,910.36
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 7).					<u>(14,928,240.96)</u>
Net assets of governmental activities (A-1).					<u>\$ 7,095,887.77</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

B-2

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Capital Projects Fund</b>	<b>Debt Service Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>					
Local Sources:					
Local Tax Levy	\$ 36,921,252.00	\$	\$	\$ 871,348.00	\$ 37,792,600.00
Transportation Fees	3,807.47				3,807.47
Interest Earned on Capital Reserve Funds	932.32				932.32
Miscellaneous	209,001.00		6,988.39		215,989.39
Total - Local Sources	37,134,992.79		6,988.39	871,348.00	38,013,329.18
State Sources	3,070,998.62	167,005.68	337,472.00	378,191.00	3,953,667.30
Federal Sources		754,884.20			754,884.20
Total Revenues	40,205,991.41	921,889.88	344,460.39	1,249,539.00	42,721,880.68
<b>EXPENDITURES</b>					
Current:					
Regular Instruction	11,908,225.92	503,268.15			12,411,494.07
Special Education Instruction	2,836,955.16				2,836,955.16
Other Special Instruction	318,129.50				318,129.50
Other Instruction	997,374.17				997,374.17
Support Services:					
Tuition	2,263,498.03				2,263,498.03
Student and Instruction Related Services	4,232,131.67	408,911.12			4,639,042.79
School Administrative Services	1,782,846.52				1,782,846.52
General Administrative Services	569,161.68				569,161.68
Central Services	535,676.69				535,676.69
Administration of Information Technology	513,258.24				513,258.24
Plant Operations and Maintenance	3,728,131.15				3,728,131.15
Pupil Transportation	1,088,816.21				1,088,816.21
Employee Benefits	8,401,008.90				8,401,008.90
Debt Service:					
Principal				645,000.00	645,000.00
Interest and Other Charges				611,528.13	611,528.13
Capital Outlay	268,083.55	11,710.61	1,012,292.18		1,292,086.34
Total Expenditures	39,443,297.39	921,889.88	1,012,292.18	1,256,528.13	42,634,007.58
Excess (Deficiency) of Revenues Over Expenditures	762,694.02	-	(667,831.79)	(6,989.13)	87,873.10
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers In			548,392.00	6,988.39	555,380.39
Transfers Out	(548,392.00)		(6,988.39)		(555,380.39)
Total Other Financing Sources and Uses	(548,392.00)		541,403.61	6,988.39	-
Net Change in Fund Balances	214,302.02		(126,428.18)	(0.74)	87,873.10
Fund Balance - July 1	3,090,562.20		2,925,782.33	0.74	6,016,345.27
Fund Balance - June 30	\$ 3,304,864.22	\$ -	\$ 2,799,354.15	\$ -	\$ 6,104,218.37

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCE IN GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

B-3

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** \$ 87,873.10

Amounts reported for governmental activities in the statement of activities (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 depreciation exceeded capital outlay in the period.

	\$ (408,228.26)	
Depreciation Expense	1,292,086.34	
Capital Outlays	1,292,086.34	883,858.08

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets and is not reported in the statement of activities. 645,000.00

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

**Change in Net Assets of Governmental Activities (A-2)** 217,459.84  
\$ 1,834,191.02

**PROPRIETARY FUNDS**

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 COMBINING STATEMENT OF NET ASSETS  
 PROPRIETARY FUNDS  
 JUNE 30, 2011**

B-4

	<b>Business-Type Activities - Enterprise Funds</b>		
	<u>Food Service</u>	<u>Continuing Education</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 557,975.98	\$ 183,637.16	\$ 741,613.14
Accounts Receivable	31,322.15		31,322.15
Inventories	2,769.29		2,769.29
Total Current Assets	592,067.42	183,637.16	775,704.58
Noncurrent Assets:			
Furniture, Machinery and Equipment	268,540.47		268,540.47
Less Accumulated Depreciation	(251,960.50)		(251,960.50)
Total Noncurrent Assets	16,579.97		16,579.97
Total Assets	\$ 608,647.39	\$ 183,637.16	\$ 792,284.55
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts Payable	\$ 41,698.04	\$	\$ 41,698.04
Prepaid Revenue	2,319.40	32,970.00	35,289.40
Total Current Liabilities	44,017.44	32,970.00	76,987.44
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	16,579.97		16,579.97
Unrestricted	548,049.98	150,667.16	698,717.14
Total Net Assets	\$ 564,629.95	\$ 150,667.16	\$ 715,297.11

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

B-5

	<b>Business-Type Activities - Enterprise Fund</b>		
	<u>Food Service</u>	<u>Continuing Education</u>	<u>Total Enterprise</u>
Operating Revenues:			
Charges for Services:			
Daily Sales - Nonreimbursable Programs	\$ 487,676.56	\$ 233,206.80	\$ 720,883.36
Special Functions	20,889.25		20,889.25
Total Operating Revenues	<u>508,565.81</u>	<u>233,206.80</u>	<u>741,772.61</u>
Operating Expenses:			
Cost of Sales	195,488.12		195,488.12
Salaries	231,913.08	207,418.13	439,331.21
Other Purchased Professional Services	18,991.00		18,991.00
General Supplies	72,442.30		72,442.30
Depreciation	7,493.38		7,493.38
Total Operating Expenses	<u>526,327.88</u>	<u>207,418.13</u>	<u>733,746.01</u>
Operating Gain (Loss)	<u>(17,762.07)</u>	<u>25,788.67</u>	<u>8,026.60</u>
Nonoperating Revenues (Expenses):			
Interest and Investment Revenue	1,179.61	86.98	1,266.59
Total Nonoperating Revenues (Expenses)	<u>1,179.61</u>	<u>86.98</u>	<u>1,266.59</u>
Change in Net Assets	(16,582.46)	25,875.65	9,293.19
Total Net Assets - Beginning	<u>581,212.41</u>	<u>124,791.51</u>	<u>706,003.92</u>
Total Net Assets - Ending	<u>\$ 564,629.95</u>	<u>\$ 150,667.16</u>	<u>\$ 715,297.11</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

B-6

	<b>Business-Type Activities - Enterprise Funds</b>		
	<u>Food Service</u>	<u>Continuing Education</u>	<u>Total Enterprise</u>
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>			
Receipts from Customers	\$ 503,190.63	\$ 239,567.74	\$ 742,758.37
Payments to Other Operating Expenses	(514,126.68)	(207,418.13)	(721,544.81)
Net Cash Provided by (Used for) Operating Activities	<u>(10,936.05)</u>	<u>32,149.61</u>	<u>21,213.56</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>			
Interest and Dividends	1,179.61	86.98	1,266.59
Net Cash Provided by (Used for) Investing Activities	<u>1,179.61</u>	<u>86.98</u>	<u>1,266.59</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(9,756.44)	32,236.59	22,480.15
Balances - Beginning of Year	<u>567,732.42</u>	<u>151,400.57</u>	<u>719,132.99</u>
Balances - End of Year	<u><u>\$ 557,975.98</u></u>	<u><u>\$ 183,637.16</u></u>	<u><u>\$ 741,613.14</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating Income (Loss)	\$ (17,762.07)	\$ 25,788.67	\$ 8,026.60
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	7,493.38		7,493.38
(Increase) Decrease in Accounts Receivable, Net	(6,163.02)		(6,163.02)
(Increase) Decrease in Inventories	2,163.84		2,163.84
Increase (Decrease) in Accounts Payable	2,543.98		2,543.98
Increase (Decrease) in Prepaid Revenue	787.84	6,360.94	7,148.78
Total Adjustments	<u>6,826.02</u>	<u>6,360.94</u>	<u>13,186.96</u>
Net Cash Provided by (Used for) Operating Activities	<u><u>\$ (10,936.05)</u></u>	<u><u>\$ 32,149.61</u></u>	<u><u>\$ 21,213.56</u></u>

**FIDUCIARY FUNDS**

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2011**

B-7

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<b><u>ASSETS</u></b>		
Cash and Cash Equivalents	\$ 213,538.23	\$ 252,079.65
Total Assets	<u>\$ 213,538.23</u>	<u>\$ 252,079.65</u>
<b><u>LIABILITIES</u></b>		
Accounts Payable	\$	\$ 251,810.34
Intergovernmental Accounts Payable		135.65
Payroll Deductions and Withholdings		<u>133.66</u>
Total Liabilities	<u>\$ -</u>	<u>\$ 252,079.65</u>
<b><u>NET ASSETS</u></b>		
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 213,538.23</u>	

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

B-8

	<u>Unemployment Compensation Trust</u>
<b><u>ADDITIONS</u></b>	
Contributions:	
Plan Member	\$ 157,089.23
Total Contributions	<u>157,089.23</u>
Investment Earnings:	
Interest	383.55
Net Investment Earnings	<u>383.55</u>
Total Additions	<u>157,472.78</u>
<b><u>DEDUCTIONS</u></b>	
Quarterly Contribution Reports	25,151.00
Unemployment Claims	<u>171,256.91</u>
Total Deductions	<u>196,407.91</u>
Change in Net Assets	(38,935.13)
Net Assets - Beginning of the Year	<u>252,473.36</u>
Net Assets - End of the Year	<u><u>\$ 213,538.23</u></u>

**NOTES TO THE FINANCIAL STATEMENTS**

## CALDWELL-WEST CALDWELL SCHOOL DISTRICT

### NOTES TO FINANCIAL STATEMENTS YEAR ENDED JUNE 30, 2011

#### 1. DESCRIPTION OF THE SCHOOL DISTRICT AND REPORTING ENTITY

The Caldwell-West Caldwell School District (the "District") is a Type II district located in the County of Essex, State of New Jersey. As a Type II district, the District functions independently through a Board of Education (the "Board"). The purpose of the District is to educate students in grades K-12. The District had an approximate enrollment at June 30, 2011 of 2,597.1 students.

A reporting entity is comprised of the primary government, component units and other organizations that are included to insure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the District, this includes general operations, food service and student related activities of the District.

The primary criterion for including activities within the District's reporting entity, as set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards, is whether:

- the organization is legally separate (can sue or be sued in their own name)
- the District holds the corporate powers of the organization
- the District appoints a voting majority of the organization's board
- the District is able to impose its will on the organization
- the organization has the potential to impose a financial benefit/burden on the District
- there is a fiscal dependency by the organization on the District

Based on the aforementioned criteria, the District has no component units.

#### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The District also applies Financial Accounting Standards Board (FASB) Statements and Interpretations issued on or before November 30, 1989, to its governmental activities provided they do not conflict with or contradict GASB pronouncements. The most significant of the District's accounting policies are described below.

##### A. Basis of Presentation

The District's basic financial statements consist of government-wide statements, including a statement of net assets and a statement of activities, and fund financial statements that provide a more detailed level of financial information.

##### 1. Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### A. Basis of Presentation (Continued)

#### 1. Government-Wide Financial Statements (Continued)

The statement of net assets presents the financial condition of the governmental activities of the District at year-end. The statement of activities presents a comparison between direct expenses and program revenues for each program or function of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

#### 2. Fund Financial Statements

During the year, the District segregates transactions related to certain District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance.

Fund financial statements are designed to present financial information of the District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column.

### B. Fund Accounting

The District uses funds to maintain its financial records during the fiscal year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts.

#### 1. Governmental Funds

Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and liabilities is reported as fund balance. The following are the District's major governmental funds:

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

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

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Fund Accounting (Continued)

#### 1. Governmental Funds (Continued)

##### General Fund (Continued)

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

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

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

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

**Permanent Fund** - The Permanent Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

#### 2. Proprietary Fund Type

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

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

The District's Enterprise Fund is comprised of the Food Service Fund and Continuing Education Program.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### B. Fund Accounting (Continued)

#### 2. Proprietary Fund Type (Continued)

##### Enterprise Fund (Continued)

All Proprietary Funds are accounted for on a cost of services or "capital maintenance" measurement focus. This means that all assets and all liabilities, whether current or noncurrent, associated with their activity are included on their balance sheets. Their reported fund equity (net total assets) is segregated into contributed capital and unreserved retained earnings, if applicable. Proprietary fund type operating statements present increases (revenues) and decreases (expenses) in net total assets.

Depreciation of all exhaustive fixed assets used by Proprietary Funds is charged as an expense against their operations. Accumulated depreciation is reported on Proprietary Fund balance sheets. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives of the equipment used in the operations of the Enterprise Funds are approximately 10 years.

#### 3. Fiduciary Funds

**Trust and Agency Funds** - The Trust and Agency Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds.

##### Private Purpose Scholarship Funds

**Expendable Trust Fund** - An Expendable Trust Fund is accounted for in essentially the same manner as the governmental fund types, using the same measurement focus and basis of accounting. Expendable Trust Funds account for assets where both the principal and interest may be spent. The Expendable Trust Fund includes the Unemployment Compensation Insurance Fund and Scholarship Funds.

**Nonexpendable Trust Fund** - A Nonexpendable Trust Fund is used to account for assets held under the terms of a formal trust agreement, whereby the District is under obligation to maintain the trust principal.

**Agency Funds** - Agency Funds are used to account for the assets that the District holds on behalf of others as their agent. Agency Funds are custodial in nature and do not involve measurement of results of operations. Agency Funds include payroll and student activities funds.

#### 4. Long-Term Debt

Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt, not in the governmental funds. This includes serial bonds outstanding that are expected to be financed from governmental funds, the outstanding principal balance on capital leases, lease-purchase agreements, compensated absences, claims and judgments, early retirement incentive programs and rebatable arbitrage.

## **2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

### **C. Measurement Focus**

#### **1. Government-Wide Financial Statements**

The government-wide financial statements are prepared using the economic resources measurement focus. All assets and liabilities associated with the operation of the District are included on the Statement on Net Assets.

#### **2. Fund Financial Statements**

All Governmental Funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental Fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

All Proprietary Funds are accounted for on a flow of economic resources measurement focus. With this measurement, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund-type operating statements present increases (i.e., revenues) and decreases (i.e., expenses) in net total assets.

Fiduciary Funds are reported using the economic resources measurement focus.

### **D. Basis of Accounting**

The modified accrual basis of accounting is used for measuring financial position and operating results of all governmental fund types, expendable trust funds and agency funds. Under the modified accrual basis of accounting, revenues are recognized when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. State equalization monies are recognized as revenue during the period in which they are appropriated. A one-year availability period is used for revenue recognition for all other governmental fund revenues. Expenditures are recognized in the accounting period in which the fund liability is incurred, except for principal and interest on general long-term debt which are recorded when due.

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

In its accounting and financial reporting, the District follows the pronouncements of the Governmental Accounting Standards Board (GASB) and the pronouncements of the Financial Accounting Standards Board (FASB) and its predecessor organizations issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements. The District's Proprietary Funds have elected not to apply the standards issued by FASB after November 30, 1989.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### D. Basis of Accounting (Continued)

The accrual basis of accounting is used for measuring financial position and operating results of proprietary fund types and nonexpendable trust funds. Under this method, revenues are recognized in the accounting period in which they are earned and expenses are recognized when they are incurred.

### E. Budgets/Budgetary Control

Annual appropriated budgets are prepared in the spring of each year for the General, Special Revenue, and Debt Service Funds. The budgets are submitted to the county office for approval and are voted upon at the annual school election on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the Special Revenue Fund as described later. 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. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year subject to the limitation of N.J.A.C 6A:23A-2.3 (et seq.).

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 accounting principles generally accepted in the United States of America with the exception of the legally mandated revenue recognition of the last state aid payment for budgetary purposes only and the Special Revenue Fund as noted below. Encumbrance accounting is also employed as an extension of formal budgetary integration in the Governmental Fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General Fund revenue and Special Revenue Fund revenue from the budgetary basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General, Special Revenue and Debt Service Funds to the GAAP basis of accounting as presented in the Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types.

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgets/Budgetary Control (Continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	\$ 40,058,162.41	\$ 921,889.88
Difference - Budget-to-GAAP:		
State aid payment recognized for GAAP statements in the current year previously recognized for budgetary statements.	147,829.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	_____	_____
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds	<u>\$ 40,205,991.41</u>	<u>\$ 921,889.88</u>
Uses/Outflows of Resources:		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 39,443,297.39	\$ 921,889.88
Differences - Budget-to-GAAP:		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes. Net transfers (outflows) from general fund.	_____	_____
Total expenditures as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds including transfers.	<u>\$ 39,443,297.39</u>	<u>\$ 921,889.88</u>

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### F. 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 reservations of fund balances at 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 deferred revenues 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.

### G. Assets, Liabilities and Equity

#### 1. Cash, Cash Equivalents and Investments

Cash and cash equivalents include petty cash, change funds, cash in banks and all highly liquid investments with a maturity of three months or less at the time of purchase and are stated at cost plus accrued interest. U.S. Treasury and agency obligations and certificates of deposit with maturities of one year or less when purchased are stated at cost. All other investments are stated at fair value.

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

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.

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

#### 2. Inventories and Prepaid Expenses

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the Enterprise Fund are recorded as an expenditure during the year of purchase.

Inventories in the Proprietary Funds 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, 2011.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 3. Allowance for Uncollectible Accounts

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

#### 4. Tuition Receivable

Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs have been determined.

#### 5. Tuition Payable

Tuition charges for the fiscal years 2009-10 and 2010-11 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

#### 6. 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.

#### 7. Capital Assets

General capital assets result from expenditures in the Governmental Funds. These assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The District maintains a capitalization threshold of \$2,000.00. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All reported capital assets except for land are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method under the half year convention over the following useful lives:

<u>Asset Class</u>	<u>Estimated Lives</u>
School Buildings	50 years
Building Improvements	20 years
Electrical/Plumbing	30 years
Vehicles	8 years
Office and Computer Equipment	5-10 years
Instructional Equipment	10 years
Grounds Equipment	15 years
Food Service Equipment	7-20 years

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 8. Compensated Absences

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

The entire sick leave and vacation leave liabilities are reported on the government-wide financial statements.

For Governmental Fund financial statements, the current portion of unpaid compensated absences is in the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The noncurrent portion of the liability is not reported.

In Proprietary and similar Trust Funds, compensated absences are recorded as an expense and liability of the fund that will pay for them.

#### 9. Accrued Liabilities and Long-Term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements.

In general, payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the governmental funds. However, the noncurrent portion of capital leases, compensated absences and loans payable that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are normally expected to be paid with expendable, available financial resources.

#### 10. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

#### 11. Deferred Revenue

Deferred revenue in the General and Special Revenue Fund represent program revenues that have been received but not yet earned.

#### 12. Fund Equity

Contributed capital represents the amount of fund capital contributed to the Proprietary Funds from other funds. Reserves represent those portions of fund equity not available for appropriation for expenditure or legally segregated for a specific future use. Designated fund balances represent plans for future use of financial resources.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

### G. Assets, Liabilities and Equity (Continued)

#### 13. Fund Balance Reserves

The School District reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent available expendable resources and, therefore, are not available for appropriation or expenditure. Unreserved fund balance indicates that portion which is available for appropriation in future periods. A fund balance reserve has been established for encumbrances.

#### 14. Proprietary Funds Revenues and Expenses

Proprietary Funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a Proprietary Fund's principal ongoing operations. The principal operating revenues of the School District Enterprise Fund, (the Food Service) are charges to customers for sales of food service. Operating expenses for Enterprise Funds include the cost of sales and services, administrative expense and depreciation on Capital Assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

#### 15. Rebatable Arbitrage

Rebatable arbitrage results from investing the proceeds of borrowed funds either directly or indirectly into investments that are higher in yield than the bond yield incurred on the borrowed funds. In accordance with GASB 34, rebatable arbitrage is treated like a claim or judgment. All interest income is reported as revenue of the Capital Projects Fund. The liability, if any, is recorded in the "Statement of Net Assets".

#### 16. Non-Monetary Transactions

Commodities received under the Federal Food Distribution Program are received by the District and are recorded as nonoperating revenue when received in the Food Service Enterprise Fund at market value. The use of the commodities is included in cost of sales.

#### 17. Allocation of Expenses

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Employee benefits, including the employer's share of social security, workers compensation, and medical and dental benefits, were allocated based on salaries of that program. Depreciation expense, where practicable, is specifically identified by function and is included in the direct expense column of the Statement of Activities. Depreciation expense that could not be attributed to a specific function is reported separately on the Statement of Activities. No expenses were allocated as "Indirect Expenses".

#### 18. Extraordinary and Special Items

Extraordinary items are transactions or events that are unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of management and are either unusual in nature or infrequent in occurrence. Neither of these types of transactions occurred during the fiscal year.

### 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and Cash Equivalents includes 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 District classifies certificates of deposit that have original maturity dates of more than three months but less than twelve months from the date of purchase, as investments. The District is in compliance with GASB Statement No. 3 as amended by GASB Statement No. 40.

#### A. Deposits

New Jersey statutes require that school districts deposit public funds in public depositories located in New Jersey that are insured by the Federal Deposit 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.

As of June 30, 2011, cash and cash equivalents (Deposits) of the District consisted of the following:

	Cash and Cash <u>Equivalents</u>
Checking Accounts, Interest Bearing	\$ 3,270,176.30
MBIA	<u>3,283,759.66</u>
Total Cash and Cash Equivalents	6,553,935.96
Investments:	
Certificates of Deposit	<u>475,000.00</u>
	<u>\$ 7,028,935.96</u>

Of the total amount, deposits of \$713,869.89 have been earmarked towards the Capital Reserve Account (See Note 14).

**3. CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)**

**A. Deposits (Continued)**

**Allocation of Cash and Cash Equivalents**

Unrestricted	\$ 3,659,452.65
Restricted	<u>3,369,483.31</u>
	<u>\$ 7,028,935.96</u>

**B. Investments**

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

- Bonds or other obligations of the United States of America or obligations guaranteed by the United States of America. This includes instruments such as Treasury bills, notes and bonds.
- Government money market mutual funds.
- Any federal agency or instrumentality obligation authorized by Congress that matures within 397 days from the date of purchase, and has a fixed rate of interest not dependent on any index or external factors.
- Bonds or other obligations of the school district or local unit of which the school district is a part.
- Any other obligations with maturities not exceeding 397 days, as permitted by the Division of Investments, New Jersey State Department of Treasury.
- Local government investment pools.
- New Jersey State Cash Management Fund.
- Repurchase agreements of fully collateralized securities, subject to special conditions.

As of June 30, 2011, investments of the District consisted of \$475,000.00 of Certificates of Deposit.

The details of investments as of June 30, 2011 are as follows:

	<u>Acquisition Date</u>	<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Cost</u>	<u>Carrying Value</u>
Enterprise Fund:					
Certificate of Deposit	3-03-11	7-03-11	0.15 %	<u>\$ 475,000</u>	<u>\$ 475,000</u>

Risk Analysis - The market value of the investments approximates the carrying value. These investments are collateralized with U.S. Treasury Securities held by the District's trustee in the name of the District or are direct obligations explicitly guaranteed by the Federal Government and therefore not exposed to custodial credit risk at year end.

#### 4. INTERGOVERNMENTAL ACCOUNTS RECEIVABLE

Intergovernmental Accounts Receivable at June 30, 2011 consisted of Federal source, State source, transportation and other revenue. All receivables are considered collectible in full. A summary of the principal items of intergovernmental receivables follows:

	<u>Governmental Fund Financial Statements</u>
State Aid:	
General Fund:	
Social Security Reimbursement - TPAF	\$ 66,130.19
Nonpublic Transportation - Cost Reimbursement	36,192.00
Extraordinary Aid	391,111.00
Special Revenue Fund:	
Chapter 192 Home Instruction	2,553.93
IDEA Part B, Basic Regular	131,649.53
ARRA IDEA Part B, Basic	<u>25,266.00</u>
	<u>\$ 652,902.65</u>

## 5. CAPITAL ASSETS

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

	Beginning Balance <u>July 1, 2010</u>	Additions	Retirements	Ending Balance <u>June 30, 2011</u>
<u>Governmental Activities</u>				
Non-depreciable:				
Land	\$ 229,918.00	\$	\$	\$ 229,918.00
Construction-in-Progress	11,852,752.67	1,012,292.18	(13,535.00)	12,851,509.85
Assets with the Value Under \$2,000.00 Not Included on the Fixed Assets Report	<u>25,298.65</u>	<u>22,610.61</u>		<u>47,909.26</u>
	<u>12,107,969.32</u>	<u>1,034,902.79</u>	<u>(13,535.00)</u>	<u>13,129,337.11</u>
Depreciable:				
Improvements	2,304,930.00			2,304,930.00
Buildings and Improvements	18,443,853.71			18,443,853.71
Machinery and Equipment	<u>5,158,213.79</u>	<u>257,183.55</u>		<u>5,415,397.34</u>
	<u>25,906,997.50</u>	<u>257,183.55</u>		<u>26,164,181.05</u>
	<u>38,014,966.82</u>	<u>1,292,086.34</u>	<u>(13,535.00)</u>	<u>39,293,518.16</u>
Less Accumulated Depreciation:				
Improvements	(1,572,943.77)		(100,461.50)	(1,673,405.27)
Buildings and Improvements	(17,246,291.62)		(89,223.84)	(17,335,515.46)
Machinery and Equipment	<u>(4,159,679.15)</u>		<u>(205,007.92)</u>	<u>(4,364,687.07)</u>
Total Accumulated Depreciation	<u>(22,978,914.54)</u>		<u>(394,693.26)</u>	<u>(23,373,607.80)</u>
Governmental Activities Capital Assets - Net	<u>\$ 15,036,052.28</u>	<u>\$ 1,292,086.34</u>	<u>\$ (408,228.26)</u>	<u>\$ 15,919,910.36</u>
Business-Type Activities:				
Machinery and Equipment	\$ 268,540.47	\$	\$	\$ 268,540.47
Less: Accumulated Depreciation for Machinery and Equipment	<u>(244,467.12)</u>		<u>(7,493.38)</u>	<u>(251,960.50)</u>
	<u>\$ 24,073.35</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,579.97</u>

**6. INVENTORY**

The Proprietary Fund had a balance of \$2,769.29 at June 30, 2011.

**7. LONG-TERM DEBT**

During the fiscal year ended June 30, 2011 the following changes occurred in liabilities:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>	<u>Long-Term Portion</u>
Governmental Activities:						
Bonds Payable - General Obligation Debt	\$ 14,765,000.00	\$	\$ 645,000.00	\$ 14,120,000.00	\$ 645,000.00	\$ 13,475,000.00
Compensated Absences Payable	684,798.00		115,189.00	569,609.00		569,609.00
Capital Leases	340,902.80		102,270.84	238,631.96	102,270.84	136,361.12
	<u>1,025,700.80</u>		<u>217,459.84</u>	<u>808,240.96</u>	<u>102,270.84</u>	<u>705,970.12</u>
	<u>\$ 15,790,700.80</u>	<u>\$ -</u>	<u>\$ 862,459.84</u>	<u>\$ 14,928,240.96</u>	<u>\$ 747,270.84</u>	<u>\$ 14,180,970.12</u>

**A. Bonds and Loans Payable Currently Outstanding are Summarized as Follows:**

School District Bonds, Series 2008

Improvements to the various schools within the District. Authorized and Issued \$14,120,000.00 dated June 19, 2008. Final maturity is due September 1, 2024 with interest rates from 4.125% to 5.00%.

\$ 14,120,000.00

The Bonds are general obligations of the Board and are secured by a pledge of the full faith and credit of the Board for the payment of the principal thereof and the interest thereon and, unless paid from other sources, the Bonds are payable from ad valorem taxes to be levied on all taxable real property in the school district, without limitation as to rate or amount. The Bonds are additionally secured by the provisions of the New Jersey School Bond Reserve Act.

The District, in conjunction with the issuance of the Bonds, has agreed to undertake and provide certain information to Bondholders on a continuing basis. The Securities and Exchange Commission ("SEC") Rule 15c2-12(b)(5) "Continuing Disclosure" requirements, which the District has adopted, requires that various financial information about the District and the Municipality be provided annually to various information repositories. The requirement effective for the fiscal years ended June 30, 1996 through June 30, 2011 has been complied with.

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

**7. LONG-TERM DEBT (Continued)**

**B. Debt Service Requirements**

Debt service requirements on serial bonds payable at June 30, 2011 are as follows:

Fiscal Year <u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2012	\$ 645,000.00	\$ 584,921.88	\$ 1,229,921.88
2013	645,000.00	558,315.63	1,203,315.63
2014	680,000.00	530,987.50	1,210,987.50
2015	860,000.00	499,225.00	1,359,225.00
2016	860,000.00	463,750.00	1,323,750.00
2017	940,000.00	426,625.00	1,366,625.00
2018	940,000.00	387,850.00	1,327,850.00
2019	1,115,000.00	345,465.63	1,460,465.63
2020	1,115,000.00	299,471.88	1,414,471.88
2021	1,200,000.00	251,725.00	1,451,725.00
2022	1,290,000.00	199,562.50	1,489,562.50
2023	1,290,000.00	144,737.50	1,434,737.50
2024	1,290,000.00	89,912.50	1,379,912.50
2025	1,250,000.00	31,250.00	1,281,250.00
	<u>\$ 14,120,000.00</u>	<u>\$ 4,813,800.02</u>	<u>\$ 18,933,800.02</u>

**C. Bonds Authorized But Not Issued**

As of June 30, 2011, the Board had no authorized but not issued bonds.

**D. Capital Lease Obligations Payable**

Lease/Purchase Agreements

The District is leasing copiers totaling \$511,354.20 under capital leases. All capital leases are for terms of four to five years. The following is a schedule of the future minimum lease payments under these capital leases, and the present value of the net minimum lease payments at June 30, 2011:

<u>Year Ending June 30,</u>	<u>Total</u>
2012	\$ 102,270.84
2013	102,270.84
2014	34,090.28
Total Minimum Lease Payment	<u>\$ 238,631.96</u>

## 8. PENSION PLANS

### Description of Plans

All required employees of the District are covered by either the Public Employees' Retirement System or the Teachers' Pension and Annuity Fund that have been established by state statute and are administered by the New Jersey Division of Pension and Benefits (Division). According to the State of New Jersey Administrative Code, all obligations of both Systems will be assumed by the State of New Jersey should the Systems terminate. The Division issues a publicly available financial report that includes the financial statements and required supplementary information for the Public Employees' Retirement System and the Teachers' Pension and Annuity Fund. These reports may be obtained by writing to the Division of Pensions and Benefits, PO Box 295, Trenton, New Jersey, 08625.

### Teachers' Pension and Annuity Fund (TPAF)

The Teachers' Pension and Annuity Fund was established as of January 1, 1955, under the provisions of N.J.S.A. 18A:66 to provide retirement benefits, death, disability and medical benefits to certain qualified members. The Teachers' Pension and Annuity Fund is considered a cost-sharing multiple-employer plan with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the District and the system's other related non-contributing employers. Membership is mandatory for substantially all teachers or members of the professional staff certified by the State Board of Examiners, and employees of the Department of Education who have titles that are unclassified, professional and certified.

### Public Employees' Retirement System (PERS)

The Public Employees' Retirement System (PERS) was established as of January 1, 1955 under the provisions of N.J.S.A. 43:15A to provide retirement, death, disability and medical benefits to certain qualified members. The Public Employees' Retirement System is a cost-sharing multiple-employer plan. Membership is mandatory for substantially all full-time employees of the State of New Jersey or any county, municipality, school district, or public agency, provided the employee is not required to be a member of another state-administered retirement system or other state or local jurisdiction.

### Significant Legislation

During the year ended June 30, 1997, legislation was enacted (Chapter 114, P.L. 1997) authorizing the New Jersey Economic Development Authority to issue bonds, notes or other obligations for the purpose of financing, in full or in part, the State of New Jersey's portion of the unfunded accrued liability under the State of New Jersey retirement systems. Additional legislation enacted during the year ended June 30, 1997 (Chapter 115, P.L. 1997) changed the asset valuation method from market related value to full-market value. This legislation also contained a provision to reduce the employee contribution rate by 1/2 of 1% to 4.5% for calendar years 1998 and 1999, and to allow for a reduction in the employee's rate after calendar year 1999, providing excess valuation assets are available. The legislation also provided that the Districts' normal contributions to the Fund may be reduced based on the revaluation of assets. Due to recognition of the bond proceeds and the change in asset valuation method as a result of enactment of Chapters 114 and 115, all unfunded accrued liabilities were eliminated, except for the unfunded liability for local early retirement incentive benefits, accordingly, the pension costs for TPAF and PERS were reduced.

## 8. PENSION PLANS (Continued)

### Vesting and Benefit Provisions

The vesting and benefit provisions for PERS are set by N.J.S.A. 43:15A and 43.3B, and N.J.S.A. 18A:6C for TPAF. All benefits vest after eight to ten years of service, except for medical benefits that vest after 25 years of service. Retirement benefits for age and service are available at age 60 and are generally determined to be 1/55 of the final average salary for each year of service credit as defined. Final average salary equals the average salary for the final three years of service prior to retirement (or highest three years' compensation if other than the final three years). Members may seek early retirement after achieving 25 years of service credit or they may elect deferred retirement after achieving eight to ten years of service in which case benefits would begin the first day of the month after the member attains normal retirement age. The TPAF and PERS provides for specified medical benefits for members who retire after achieving 25 years of qualified service, as defined, or under the disability provisions of the system.

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.

Pension benefits for members enrolled in the system after May 21, 2010 would be based on 1/60<sup>th</sup> of the average annual compensation for the last five years of service or any five fiscal years of membership that provide the largest benefit to the member of the member's beneficiary.

### Contribution Requirements

The contribution policy is set by New Jersey State Statutes and, in most retirement systems, contributions are required by active members and contribution employers. Plan member and employer contributions may be amended by State of New Jersey legislation. The various pension funds provide for employee contributions based on 5.5% of employees' annual compensation, as defined. Employers are required to contribute at an actuarially determined rate in both PERS and TPAF. The actuarially determined employer contribution includes funding for cost-of-living adjustments and noncontributory death benefits in the TPAF and PERS. In the PERS and TPAF, the employer contribution includes funding for post-retirement medical premium.

During the year ended June 30, 2011 for TPAF, which is a cost sharing plan with special funding situations, the annual pension costs equals annual required contribution. For PERS, which is a cost sharing multi-employer pension plan, the annual pension costs differs from the annual required contribution due to the enactment of Chapter 114, P.L. 1997.

### Three-Year Trend Information for PERS

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Net Cost to District</u>	<u>Percentage of APC Contributed</u>
June 30, 2011	\$ 471,283.48	\$ 471,283.48	100%
June 30, 2010	380,499.00	380,499.00	100%
June 30, 2009	313,707.00	313,707.00	100%

## 8. PENSION PLANS (Continued)

### Contribution Requirements (Continued)

#### Three-Year Trend Information for TPAF (Paid On-Behalf of the District)

<u>Year Funding</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Post- Retirement Medical Benefits</u>
June 30, 2011	\$ 53,760.00	100%	\$ 1,141,862.00
June 30, 2010	58,463.00	100%	1,098,014.00
June 30, 2009	55,625.00	100%	1,061,179.00

During the fiscal year ended June 30, 2011, the State of New Jersey contributed \$53,760.00 to the TPAF for normal pension and \$1,141,862.00 for post-retirement medical benefits On-Behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$1,300,244.62 during the year ended June 30, 2011 for the employer's share of social security contributions for TPAF members, as calculated on their base salaries. This amount has been included in the basic financial statements, and the individual fund statement and schedules as a revenue and expenditure in accordance with GASB 24.

Legislation enacted during 1993 provided early retirement incentives for certain members of TPAF and PERS who met certain age and service requirements and who applied for retirement between certain dates in the 1994 fiscal year. The early retirement incentives included: (a) an additional five years of service credit for employees at least age 50 with a minimum of 25 years of service; (b) free health benefits for employees at least 60 years old with at least 20 years of service; and (c) an additional \$500 per month for two years for employees at least age 60 with 10 but less than 20 years of service. The Board assumed the increased cost for the early retirement as it affected their district.

## 9. 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. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for State employees and retired educational employees. As of June 30, 2010, there were 87,288 retirees eligible for post-retirement medical benefits. 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 Chapter 126, P.L. 1992, which provides free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$126.3 million toward Chapter 126 benefits for 14,050 eligible retired members in fiscal year 2010.

## 10. 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.

The liability for vested compensated absences of the Governmental Fund types is recorded in the statement of net assets. The current portion of the compensated absences balance of the governmental funds is reported separately on the statement of net assets.

The liability for vested compensated absences of the Proprietary Fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2011, no liability existed for compensated absences in the Proprietary Fund types.

## 11. DEFERRED COMPENSATION

The District offers its employees a choice of various deferred compensation plans created in accordance with Internal Revenue Code Section 403(b). The plans, which are administered by the various entities, permits 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.

## 12. 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. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

### Property and Liability Insurance

The District maintains commercial insurance coverage for property, liability and surety bonds. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

**12. RISK MANAGEMENT (Continued)**

**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, employee contributions, reimbursements to the State for benefits paid and the ending balance of the District's Expendable Trust Fund for the current and prior two years:

<u>Fiscal Year Ended June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010-2011	\$ None	\$ 157,089.23	\$ 196,407.91	\$ 213,538.23
2009-2010	None	65,836.82	96,696.38	252,473.36
2008-2009	None	59,237.02	102,657.26	281,816.11

**13. INTERFUND BALANCES AND TRANSFERS**

The interfund receivable/payable as of June 30, 2011 will be liquidated in the normal course of business in the succeeding year.

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
Capital Projects Fund	\$	\$ 81,151.95
Debt Service Fund	81,151.95	
General Fund	135.65	
Agency Fund		135.65
	<u>\$ 81,287.60</u>	<u>\$ 81,287.60</u>

**14. CAPITAL RESERVE ACCOUNT**

A Capital Reserve Account was established by the Board by inclusion of \$200,000.00 on June 25, 2001 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The Capital Reserve Account is maintained in the General Fund and its activity is included in the General Fund Annual Budget.

Funds placed in the capital reserve account are restricted to capital projects in the District's approved Long Range Facilities Plan (LRFP). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6A:23A-14.1(g), the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

#### 14. CAPITAL RESERVE ACCOUNT (Continued)

The activity of the capital reserve for the July 1, 2010 to June 30, 2011 fiscal year is as follows:

Beginning Balance July 1, 2010	\$ 886,329.57
Interest Earnings	932.32
Deposits:	
Approved at April 2011 Election	375,000.00
	<u>1,262,261.89</u>
Withdrawals:	
Board Resolution	548,392.00
	<u>548,392.00</u>
Ending Balance June 30, 2011	<u>\$ 713,869.89</u>

The June 30, 2011 LRF balance of local support costs of uncompleted capital projects is \$14,626,842.00. The withdrawals from the capital reserve were for use in DOE approved facilities projects, consistent with the District's Long Range Facilities Plan.

#### 15. FUND BALANCE APPROPRIATED

**General Fund** - Of the \$3,304,864.22 General Fund fund balance at June 30, 2011; \$804,214.58 is reserved for encumbrances; \$713,869.89 is reserved in the Capital Reserve Account; \$1,065,000.00 is unreserved and has been designated for subsequent years expenditures and appropriated and included as anticipated revenue for the year ended June 30, 2011 and \$721,779.75 is unreserved and undesignated.

**Capital Projects Fund** - Of the \$2,799,354.15 Capital Projects Fund fund balance at June 30, 2011, \$2,073,717.83 is reserved for encumbrances and \$725,636.32 is unreserved and designated for subsequent year's expenditures.

#### 16. CONTINGENT LIABILITIES AND COMMITMENTS

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

#### B. Litigation

##### (R.N. and C.N. o/b/o C.N. v. Caldwell-West Caldwell Board of Education)

This matter involves a due process hearing concerning services for a twelve year old boy diagnosed with autism. The parents are seeking adjudication of entitlement to a voluminous amount of make-up hours (i.e. approximately 450 hours) for home instruction services costing the District approximately \$30,000.00. This action also concerns a dispute regarding a transportation plan and transportation services. The District acknowledges approximately 171 make-up home instruction hours due, at a total cost of \$11,115.00. The demand for reimbursement for the transportation provided by the parents is approximately \$35,000.00. The District is developing a settlement proposal, whereby it will offer the amount for which it maintains it could have provided reasonable transportation and behavioral intervention services to C.N., at an approximate cost of \$21,000.00.

## **16. CONTINGENT LIABILITIES AND COMMITMENTS (Continued)**

### **B. Litigation (Continued)**

#### **(R.N. and C.N. o/b/o C.N. v. Caldwell-West Caldwell Board of Education) (Continued)**

If this matter proceeds through a full due process hearing, the potential liability exposure to the District could be \$30,000.00 for the make-up and \$35,000.00 for the transportation and behavioral plan expenses for a total approximate exposure of \$65,000.00. If the matter were not to settle and the parents were to obtain a ruling for a portion of the relief they are seeking, the attorney fee reimbursement claim could add approximately \$45,000.00 to the cost of the case.

#### **L.S. and M.S. o/b/o S.S. v. Caldwell-West Caldwell Board of Education**

The District has just been served with a Due Process Petition in this matter, whereby the parents are seeking a residential placement for their severely autistic sixteen year old son. A residential placement could cost the District in excess of \$200,000.00. However, the current services being provided by the District for this student are costing the District in excess of \$150,000.00 per year. The District will retain a behaviorist to evaluate the Petitioners' proofs and the student's alleged need for a residential placement. The District will also explore whether there are alternative funding sources to contribute a portion of the cost of a residential placement. It is likely this matter will be settled for a sum not greater than \$30,000.00 to \$40,000.00 more than the cost of the current placement.

#### **J.R. and P.R. o/b/o N.R. v. Caldwell-West Caldwell Board of Education**

The District has just been served with a Due Process Petition in this matter, whereby the parents are seeking a residential placement for their severely autistic twenty year old son. A residential placement could cost the District in excess of \$200,000.00. As the student is close to aging out of special education and the parents have not produced an expert report, the District will be asserting a vigorous defense to this action and believes a probability exists of its prevailing at a hearing. If the parents were to prevail, an attorney fee reimbursement awarded could add up to approximately \$45,000.00 to the cost of the case.

#### **L.G. and J.G. o/b/o M.G. v. Caldwell-West Caldwell Board of Education**

In this negligence action, the parents of an eight year old child with autism are suing the District for damages allegedly sustained by the child while attending an in-district program. Pretrial discovery has been completed. The District has a good defense and the protections afforded by the Tort Claims Act. A motion for summary judgment to dismiss the Complaint filed on behalf of the Board of Education was granted and the parents have appealed this determination. Recently an offer of \$100,000.00 to settle this matter was rejected by the parents of the student and presently because of the parents' failure to answer interrogatories, the Board of Education's insurance carriers counsel has made a motion to dismiss the complaint. The Board intends to continue to vigorously defend this lawsuit.

## **17. CALCULATION OF EXCESS SURPLUS**

In accordance with N.J.S.A. 18A:7F-7, the designation for Reserved Fund Balance - Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund 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. There was no excess fund balance as a result of the 2010-2011 school year.

**18. RECONCILIATION OF FUND BALANCE - GENERAL FUND**

The Surpluses are Presented on a GAAP Basis and a Reconciliation to the Budget Basis is as follows:

Unreserved and  
Designated

Balance on a Budget Basis on the General Fund Budgetary Basis Comparison

\$ 721,779.75

Less: Allocation of State Aid Payment of 0.00 Not Recognized on a GAAP Basis

Balances on a GAAP Basis on the Governmental Fund Balance Sheet

\$ 721,779.75

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**C. BUDGETARY COMPARISON SCHEDULES**

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
 Sheet #1

	Original Budget	Budget Transfers	Final Budget	Actual	Final to Actual Favorable (Unfavorable)
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 36,921,252.00	\$	\$ 36,921,252.00	\$ 36,921,252.00	\$
Transportation Fees	4,434.00		4,434.00	3,807.47	(626.53)
Interest Earned on Capital Reserve Funds	600.00		600.00	932.32	332.32
Miscellaneous	113,257.00	1,200.00	114,457.00	209,001.00	94,544.00
Total - Local Sources	<u>37,039,543.00</u>	<u>1,200.00</u>	<u>37,040,743.00</u>	<u>37,134,992.79</u>	<u>94,249.79</u>
State Sources:					
Core Curriculum Standards Aid:					
Nonpublic Transportation	430,779.00		430,779.00	36,192.00	36,192.00
Extraordinary Aid				391,111.00	(39,668.00)
TPAF Pension (On-Behalf - Nonbudgeted)				1,195,622.00	1,195,622.00
TPAF Social Security (Reimbursed - Nonbudgeted)				1,300,244.62	1,300,244.62
Total State Sources	<u>430,779.00</u>		<u>430,779.00</u>	<u>2,923,169.62</u>	<u>2,492,390.62</u>
<b>Total Revenues</b>	<u>37,470,322.00</u>	<u>1,200.00</u>	<u>37,471,522.00</u>	<u>40,058,162.41</u>	<u>2,586,640.41</u>
<b>EXPENDITURES</b>					
Current Expense:					
Regular Programs - Instruction:					
Preschool/Kindergarten - Salaries of Teachers	322,228.00		322,228.00	322,228.00	
Grades 1-5 - Salaries of Teachers	4,337,319.00	(15,000.00)	4,322,319.00	4,292,444.37	29,874.63
Grades 6-8 - Salaries of Teachers	2,489,220.00	(562.00)	2,488,658.00	2,486,436.49	2,221.51
Grades 9-12 - Salaries of Teachers	4,177,527.00	(172,382.00)	4,005,145.00	3,959,325.07	45,819.93
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000.00	(4,053.00)	10,947.00	6,685.00	4,262.00
Purchased Professional-Educational Services	15,000.00	(680.00)	14,320.00	11,645.58	2,674.42
Regular Programs - Undistributed Instruction:					
Purchased Professional-Educational Services	2,668.00		2,668.00	1,169.00	1,499.00
Other Purchased Services (400-500 Series)	103,500.00	(2,714.00)	100,786.00	95,720.50	5,065.50
General Supplies	356,689.00	193,645.79	550,334.79	511,100.12	39,234.67
Textbooks	71,929.00	31,814.00	103,743.00	92,171.11	11,571.89
Other Objects	134,522.00	33,719.00	168,241.00	129,300.68	38,940.32
<b>TOTAL REGULAR PROGRAMS - INSTRUCTION</b>	<u>12,025,602.00</u>	<u>63,787.79</u>	<u>12,089,389.79</u>	<u>11,908,225.92</u>	<u>181,163.87</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
 Sheet #2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES</b>					
<b>Current Expense:</b>					
<b>Learning and/or Language Disabilities:</b>					
Salaries of Teachers	\$ 148,710.00	\$ 2,349.00	\$ 151,059.00	\$ 151,059.00	\$ 84,370.81
Other Salaries for Instruction	226,324.00		226,324.00	141,953.19	200.00
Other Purchased Services (400-500 Series)	200.00		200.00	6,508.76	191.24
General Supplies	6,700.00		6,700.00	795.01	344.99
Textbooks	1,140.00		1,140.00	80.26	469.74
Other Objects	550.00		550.00		
<b>Total Learning and/or Language Disabilities</b>	<b>383,624.00</b>	<b>2,349.00</b>	<b>385,973.00</b>	<b>300,396.22</b>	<b>85,576.78</b>
<b>Resource Room/Resource Center:</b>					
Salaries of Teachers	2,134,208.00	23,906.00	2,158,114.00	2,158,113.30	0.70
General Supplies	7,720.00	1,351.00	9,071.00	9,070.27	0.73
Textbooks	3,725.00	(1,351.00)	2,374.00	868.86	1,505.14
Other Objects	3,400.00	3,866.00	7,266.00	7,220.24	45.76
<b>Total Resource Room/Resource Center</b>	<b>2,149,053.00</b>	<b>27,772.00</b>	<b>2,176,825.00</b>	<b>2,175,272.67</b>	<b>1,552.33</b>
<b>Preschool Disabilities - Part-Time:</b>					
Salaries of Teachers	156,710.00		156,710.00	153,866.00	2,844.00
Other Salaries for Instruction	113,925.00		113,925.00	80,392.13	33,532.87
Other Purchased Services (400-500 Series)	100.00		100.00	20.00	80.00
General Supplies	4,200.00		4,200.00	3,983.46	216.54
Other Objects	450.00		450.00		450.00
<b>Total Preschool Disabilities - Part-Time</b>	<b>275,385.00</b>		<b>275,385.00</b>	<b>238,261.59</b>	<b>37,123.41</b>
<b>Home Instruction:</b>					
Salaries of Teachers	30,000.00	19,053.00	49,053.00	49,052.50	0.50
Purchased Professional-Educational Services	12,000.00	61,972.25	73,972.25	73,972.18	0.07
<b>Total Home Instruction</b>	<b>42,000.00</b>	<b>81,025.25</b>	<b>123,025.25</b>	<b>123,024.68</b>	<b>0.57</b>
<b>TOTAL SPECIAL EDUCATION - INSTRUCTION</b>	<b>2,850,062.00</b>	<b>111,146.25</b>	<b>2,961,208.25</b>	<b>2,836,955.16</b>	<b>124,253.09</b>
<b>Basic Skills/Remedial - Instruction:</b>					
Salaries of Teachers	82,733.00	(119.00)	82,614.00	72,693.04	9,920.96
Other Salaries for Instruction	93,642.00		93,642.00	62,491.29	31,150.71
<b>Total Basic Skills/Remedial - Instruction</b>	<b>176,375.00</b>	<b>(119.00)</b>	<b>176,256.00</b>	<b>135,184.33</b>	<b>41,071.67</b>
<b>Bilingual Education - Instruction:</b>					
Salaries of Teachers	179,120.00		179,120.00	179,120.00	122.89
General Supplies	3,000.00		3,000.00	2,877.11	
Textbooks	700.00		700.00	700.00	
Other Objects	700.00		700.00	248.06	451.94
<b>Total Bilingual Education - Instruction</b>	<b>183,520.00</b>		<b>183,520.00</b>	<b>182,945.17</b>	<b>574.83</b>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
 Sheet #3

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES</b>					
Current Expense:					
School-Sponsored Cocurricular Activities - Instruction:					
Salaries	\$ 206,259.00	\$ (4,958.00)	\$ 201,301.00	\$ 183,299.98	\$ 18,001.02
Supplies and Materials	15,050.00		15,050.00	9,522.81	5,527.19
Other Objects	5,250.00		5,250.00	2,954.02	2,295.98
Transfers to Cover Deficit (Agency Funds)	3,600.00		3,600.00	3,600.00	
<b>Total School-Sponsored Cocurricular Activities - Instruction</b>	<b>230,159.00</b>	<b>(4,958.00)</b>	<b>225,201.00</b>	<b>199,376.81</b>	<b>25,824.19</b>
School-Sponsored Cocurricular Athletics - Instruction:					
Salaries	532,161.00	4,958.00	537,119.00	537,118.87	0.13
Purchased Services (300-500 Series)	30,667.00	1,199.00	31,866.00	31,197.37	668.63
Supplies and Materials	107,261.00	9,400.12	116,661.12	96,471.90	20,189.22
Other Objects	8,740.00		8,740.00	5,412.32	3,327.68
Transfers to Cover Deficit (Agency Funds)	94,822.00		94,822.00	69,960.00	24,862.00
<b>Total School-Sponsored Cocurricular Athletics - Instruction</b>	<b>773,651.00</b>	<b>15,557.12</b>	<b>789,208.12</b>	<b>740,160.46</b>	<b>49,047.66</b>
Community Services Programs/Operations:					
Salaries	77,915.00		77,915.00	57,836.90	20,078.10
<b>Total Community Services Programs/Operations</b>	<b>77,915.00</b>		<b>77,915.00</b>	<b>57,836.90</b>	<b>20,078.10</b>
<b>TOTAL INSTRUCTION</b>	<b>16,317,284.00</b>	<b>185,414.16</b>	<b>16,502,698.16</b>	<b>16,060,684.75</b>	<b>442,013.41</b>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAs Within the State - Special	688,470.00	1,265.06	689,735.06	649,898.46	39,836.60
Tuition to County Vocational School District - Regular	18,442.00		18,442.00	8,866.50	9,575.50
Tuition to County Vocational School District - Special	37,872.00		37,872.00	20,939.20	16,932.80
Tuition to CSSD and Regional Day Schools	141,868.00	(77,800.00)	64,068.00	64,000.00	68.00
Tuition to Private Schools for the Disabled - Within State	1,522,287.00	(45,029.02)	1,477,257.98	1,421,409.52	55,848.46
Tuition to Private Schools for the Disabled and Other LEA - Spl./O/S St	92,243.00	6,142.00	98,385.00	98,384.35	0.65
<b>Total Undistributed Expenditures - Instruction</b>	<b>2,501,182.00</b>	<b>(115,421.96)</b>	<b>2,385,760.04</b>	<b>2,263,498.03</b>	<b>122,262.01</b>
Undistributed Expenditures - Attendance and Social Work:					
Salaries	32,759.00		32,759.00	32,759.00	
Supplies and Materials	50.00		50.00		50.00
<b>Total Undistributed Expenditures - Attendance and Social Work</b>	<b>32,809.00</b>		<b>32,809.00</b>	<b>32,759.00</b>	<b>50.00</b>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
 Sheet #4

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES</b>					
Current Expense:					
Undistributed Expenditures - Health Services:					
Salaries	\$ 498,719.00	\$ (850.00)	\$ 497,869.00	\$ 463,393.91	\$ 34,475.09
Supplies and Materials	10,450.00		10,450.00	9,633.58	816.42
Other Objects	509,169.00	850.00	850.00	850.00	
<b>Total Undistributed Expenditures - Health Services</b>			<b>509,169.00</b>	<b>473,877.49</b>	<b>35,291.51</b>
Undistributed Expenditures - Other Support Services Students - Related Services:					
Salaries of Other Professional Staff	318,255.00		318,255.00	316,089.00	2,166.00
Purchased Professional-Educational Services	239,190.00	5,141.00	244,331.00	239,711.50	4,619.50
Supplies and Materials	1,470.00		1,470.00	1,148.51	321.49
Other Objects	1,900.00		1,900.00	1,600.00	300.00
<b>Total Undistributed Expenditures - Other Support Services Students - Related Services</b>	<b>560,815.00</b>	<b>5,141.00</b>	<b>565,956.00</b>	<b>558,549.01</b>	<b>7,406.99</b>
Undistributed Expenditures - Other Support Services Students - Extra Services:					
Salaries of Other Professional Staff	505,257.00		505,257.00	454,144.83	51,112.17
Purchased Professional-Educational Services	407,095.00	(10,317.15)	396,777.85	350,608.79	46,169.06
<b>Total Undistributed Expenditures - Other Support Services Students - Extra Services</b>	<b>912,352.00</b>	<b>(10,317.15)</b>	<b>902,034.85</b>	<b>804,753.62</b>	<b>97,281.23</b>
Undistributed Expenditures - Guidance:					
Salaries of Other Professional Staff	522,851.00		522,851.00	521,061.12	1,789.88
Purchased Professional-Educational Services	53,450.00		53,450.00	53,450.00	
Other Purchased Prof. and Technical Services	9,100.00	9,431.00	18,531.00	18,530.14	0.86
Other Purchased Services (400-500 Series)	100.00		100.00	100.00	
Supplies and Materials	1,425.00		1,425.00	1,349.58	75.42
Other Objects	3,770.00		3,770.00	3,317.03	452.97
<b>Total Undistributed Expenditures - Guidance</b>	<b>590,696.00</b>	<b>9,431.00</b>	<b>600,127.00</b>	<b>597,707.87</b>	<b>2,419.13</b>
Undistributed Expenditures - Child Study Team:					
Salaries of Other Professional Staff	841,382.00	(34,962.00)	806,420.00	804,819.22	1,600.78
Salaries of Secretarial and Clerical Assistants	104,811.00		104,811.00	103,824.88	986.12
Other Purchased Professional and Technical Services	47,075.00		47,075.00	23,231.25	23,843.75
Miscellaneous Purchased Services (400-500 Series Other than Residential Costs)	2,550.00	2,866.00	5,416.00	4,618.53	797.47
Supplies and Materials	18,394.00	254.00	18,648.00	18,647.22	0.78
Other Objects	1,850.00		1,850.00	974.00	876.00
<b>Total Undistributed Expenditures - Child Study Team</b>	<b>1,016,062.00</b>	<b>(31,842.00)</b>	<b>984,220.00</b>	<b>956,115.10</b>	<b>28,104.90</b>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
 Sheet #5

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES</b>					
Current Expense:					
Undistributed Expenditures - Improvement of Instructional Services:					
Salaries of Supervisor of Instruction	\$ 129,511.00	\$ (204.00)	\$ 129,307.00	\$ 127,643.00	\$ 1,664.00
Salaries of Other Professional Staff	2,100.00	(2,100.00)			
Other Salaries	3,350.00	2,304.00	5,654.00	5,653.16	0.84
Purchased Professional-Educational Services	1,900.00		1,900.00	1,800.00	100.00
Other Purch. Services (400-500)	200.00		200.00		200.00
Other Objects	2,850.00		2,850.00	347.00	2,503.00
<b>Total Undistributed Expenditures - Improvement of Instructional Services</b>	<b>139,911.00</b>		<b>139,911.00</b>	<b>135,443.16</b>	<b>4,467.84</b>
Undistributed Expenditures - Educational Media Services/ School Library:					
Salaries	598,893.00		598,893.00	597,870.00	1,023.00
Supplies and Materials	64,131.00	12,076.00	76,207.00	63,985.28	12,221.72
<b>Total Undistributed Expenditures - Educational Media Services/ School Library</b>	<b>663,024.00</b>	<b>12,076.00</b>	<b>675,100.00</b>	<b>661,855.28</b>	<b>13,244.72</b>
Undistributed Expenditures - Instructional Staff Training Services:					
Purchased Professional - Educational Services	12,545.00		12,545.00	10,845.00	1,700.00
Other Purchased Services (400-500 Series)	1,500.00		1,500.00	31.14	1,468.86
Other Objects	5,000.00		5,000.00	195.00	4,805.00
<b>Total Undistributed Expenditures - Instructional Staff Training Services</b>	<b>19,045.00</b>		<b>19,045.00</b>	<b>11,071.14</b>	<b>7,973.86</b>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
 Sheet #6

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES</b>					
Current Expense:					
Undistributed Expenditures - Support Services - General Administration:					
Salaries	\$ 340,066.00	\$ (8,919.00)	\$ 331,147.00	\$ 331,103.07	\$ 43.93
Legal Services	50,000.00	1,732.00	51,732.00	51,731.93	0.07
Audit Services	31,850.00	3,000.00	34,850.00	34,850.00	
Other Purchased Professional Services	21,089.00		21,089.00	17,661.31	3,427.69
Rentals		875.00	875.00	849.00	26.00
Communications/Telephone	64,816.00	(549.00)	64,267.00	64,266.89	0.11
BOE Other Purchased Services	3,280.00		3,280.00	546.90	2,733.10
Other Purchased Services (400-500 Series)	25,351.00	(3,998.00)	21,353.00	21,238.75	114.25
Architect Fee		19,635.00	19,635.00	14,409.99	5,225.01
Superintendent Travel Expense			100.00		100.00
General Supplies	7,480.00		7,480.00	4,682.08	2,797.92
Miscellaneous Expenditures	11,580.00	2,000.00	13,580.00	9,565.61	4,014.39
BOE Membership Dues and Fees	19,141.00		19,141.00	18,256.15	884.85
<b>Total Undistributed Expenditures - Support Services - General Administration</b>	<b>574,653.00</b>	<b>13,776.00</b>	<b>588,529.00</b>	<b>569,161.68</b>	<b>19,367.32</b>
Undistributed Expenditures - Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,110,930.00		1,110,930.00	1,108,808.28	2,121.72
Salaries of Secretarial and Clerical Assistants	651,803.00		651,803.00	635,245.38	16,557.62
Other Purchased Services (400-500 Series)	5,600.00		5,600.00	4,878.00	722.00
Supplies and Materials	29,942.00		29,942.00	21,683.36	8,258.64
Other Objects	18,409.00		18,409.00	12,231.50	6,177.50
<b>Total Undistributed Expenditures - Support Services - School Administration</b>	<b>1,816,684.00</b>		<b>1,816,684.00</b>	<b>1,782,846.52</b>	<b>33,837.48</b>
Undistributed Expenditures - Central Services:					
Salaries	488,695.00	(10,397.00)	478,298.00	478,297.08	0.92
Other Purchased Services (400-500 Series)	33,735.00	(2,424.00)	31,311.00	31,010.47	300.53
Supplies and Materials	16,535.00	(1,350.00)	15,185.00	15,184.56	0.44
Miscellaneous Expenditures	10,143.00	1,042.00	11,185.00	11,184.58	0.42
<b>Total Undistributed Expenditures - Central Services</b>	<b>549,108.00</b>	<b>(13,129.00)</b>	<b>535,979.00</b>	<b>535,676.69</b>	<b>302.31</b>
Undistributed Expenditures - Administration of Information Technology:					
Salaries	111,125.00	(1,074.00)	110,051.00	110,051.00	
Purchased Professional Services	164,649.00	139,436.00	304,085.00	291,652.02	12,432.98
Other Purchased Services (400-500 Series)	114,728.00	8,541.00	123,269.00	111,555.22	11,713.78
<b>Total Undistributed Expenditures - Administration of Information Technology</b>	<b>390,502.00</b>	<b>146,903.00</b>	<b>537,405.00</b>	<b>513,258.24</b>	<b>24,146.76</b>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
Sheet #7

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES</b>					
<b>Current Expense:</b>					
<b>Undistributed Expenditures - Allowable Maintenance for School Facilities:</b>					
Salaries	\$ 645,444.00	\$ (74,000.00)	\$ 571,444.00	\$ 570,840.68	\$ 603.32
Cleaning, Repair and Maintenance Services	335,376.00	127,448.37	462,824.37	357,079.34	105,745.03
General Supplies	136,466.00	106,937.32	243,403.32	237,403.79	5,999.53
Other Objects	5,000.00		5,000.00	4,559.00	441.00
<b>Total Undistributed Expenditures - Allowable Maintenance for School Facilities</b>	<b>1,122,286.00</b>	<b>160,385.69</b>	<b>1,282,671.69</b>	<b>1,169,882.81</b>	<b>112,788.88</b>
<b>Undistributed Expenditures - Other Operations and Maintenance of Plant:</b>					
Salaries	1,426,312.00	(108,873.00)	1,317,439.00	1,316,004.34	1,434.66
Cleaning, Repair and Maintenance Services	108,331.00	117.40	108,448.40	101,741.74	6,706.66
Other Purchased Property Services	28,307.00	12,346.00	40,653.00	40,611.99	41.01
Insurance	149,283.00	(2,780.00)	146,503.00	146,014.00	489.00
Miscellaneous Purchased Services (Energy Gasoline)	20,000.00	(5,500.00)	14,500.00	14,472.48	27.52
General Supplies	80,900.00		80,900.00	77,144.91	3,755.09
Energy (Energy and Electricity)	485,841.00	(27,800.00)	458,041.00	457,945.57	95.43
Energy (Natural Gas)	389,180.00	(150,705.00)	238,475.00	238,358.16	116.84
<b>Total Undistributed Expenditures - Other Operations and Maintenance of Plant</b>	<b>2,688,154.00</b>	<b>(283,194.60)</b>	<b>2,404,959.40</b>	<b>2,392,293.19</b>	<b>12,666.21</b>
<b>Undistributed Expenditures - Care and Upkeep of Grounds:</b>					
Cleaning, Repair and Maintenance Services	41,780.00	23,940.00	65,720.00	51,528.00	14,192.00
General Supplies	98,250.00	20,198.00	118,448.00	114,427.15	4,020.85
	140,030.00	44,138.00	184,168.00	165,955.15	18,212.85
<b>Total Care and Upkeep of Grounds</b>	<b>3,950,470.00</b>	<b>(78,670.91)</b>	<b>3,871,799.09</b>	<b>3,728,131.15</b>	<b>143,667.94</b>
<b>Undistributed Expenditures - Operation and Maintenance of Plant</b>					
Salaries for Pupil Transportation (Between Home and School) - Regular	5,567.00	1,153.00	6,720.00	6,719.13	0.87
Salaries for Pupil Transportation (Between Home and School) - Special	142,882.00	(21,000.00)	121,882.00	121,491.45	390.55
Salaries for Pupil Transportation (Other than Between Home and School)	29,390.00		29,390.00	21,926.03	7,463.97
Management Fees - ESC and CTSA Transportation Programs	26,287.00		26,287.00	24,647.57	1,639.43
Cleaning, Repair and Maintenance Services	4,500.00	44.00	4,544.00	4,543.74	0.26
Contract Services - (Between Home and School) - Vendors	79,816.00	16,692.00	96,508.00	96,508.00	
Contract Services (Other than Between Home and School) - Vendors	104,205.00	(13,000.00)	91,205.00	88,318.87	2,886.13
Contract Services (Special Education Students) - ESC's and CTSA	562,281.00	(25,392.00)	536,889.00	536,877.43	11.57
Contract Services - Aid in Lieu Payments	193,930.00	(24,975.00)	168,955.00	168,888.20	66.80
Miscellaneous Purchased Services - Transportation	3,980.00		3,980.00	3,980.00	
Transportation Supplies	10,850.00	4,067.00	14,917.00	14,915.79	1.21
<b>Total Undistributed Expenditures - Student Transportation Services</b>	<b>1,163,688.00</b>	<b>(62,411.00)</b>	<b>1,101,277.00</b>	<b>1,088,816.21</b>	<b>12,460.79</b>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
 Sheet #8

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
<b>EXPENDITURES</b>					
Current Expense:					
<b>UNALLOCATED BENEFITS:</b>					
Social Security Contributions	\$ 505,460.00	\$ (57,500.00)	\$ 447,960.00	\$ 447,906.04	\$ 53.96
DCRP- BD Share		4,851.00	4,851.00	4,850.72	0.28
Other Retirement Contributions - PERS	435,524.00	61,189.00	496,713.00	471,283.48	25,429.52
Other Retirement Contributions - REGULAR	92,860.00	9,840.00	102,700.00	98,636.00	4,064.00
Unemployment Compensation		100,000.00	100,000.00	100,000.00	
Workmen's Compensation	215,180.00	(13,950.00)	201,230.00	200,848.00	382.00
Health Benefits	4,620,251.00	(367,958.00)	4,252,293.00	4,244,325.36	7,967.64
Tuition Reimbursement	238,878.00	(89,600.00)	149,278.00	149,220.60	57.40
Other Employee Benefits	104,115.00	96,228.00	200,343.00	188,072.08	12,270.92
<b>TOTAL UNALLOCATED BENEFITS</b>	<u>6,212,268.00</u>	<u>(256,900.00)</u>	<u>5,955,368.00</u>	<u>5,905,142.28</u>	<u>50,225.72</u>
On-Behalf TPAF Pension Contributions (Nonbudgeted)				1,195,622.00	(1,195,622.00)
Reimbursed TPAF Social Security Contributions (Nonbudgeted)				1,300,244.62	(1,300,244.62)
<b>TOTAL ON-BEHALF CONTRIBUTIONS</b>				<u>2,495,866.62</u>	<u>(2,495,866.62)</u>
<b>TOTAL PERSONAL SERVICES - EMPLOYEE BENEFITS</b>	<u>6,212,268.00</u>	<u>(256,900.00)</u>	<u>5,955,368.00</u>	<u>8,401,008.90</u>	<u>(2,445,640.90)</u>
<b>TOTAL UNDISTRIBUTED EXPENDITURES</b>	<u>21,602,438.00</u>	<u>(381,365.02)</u>	<u>21,221,172.98</u>	<u>23,114,529.09</u>	<u>(1,893,356.11)</u>
<b>TOTAL GENERAL CURRENT EXPENSE</b>	<u>37,919,722.00</u>	<u>(195,950.86)</u>	<u>37,723,871.14</u>	<u>39,175,213.84</u>	<u>(1,451,342.70)</u>
<b>CAPITAL OUTLAY</b>					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5		145,434.00	145,434.00	145,434.00	
Grades 6-8		61,641.00	61,641.00	61,641.00	
Grades 9-12		23,716.00	23,716.00	23,716.00	
School-Sponsored and Other Instructional Program		4,120.00	4,120.00	4,120.00	4,120.00
Undistributed Expenditures - Operation of Plant Services		512,950.00	512,950.00	37,292.55	475,657.45
Total Equipment		<u>747,861.00</u>	<u>747,861.00</u>	<u>268,083.55</u>	<u>479,777.45</u>
<b>TOTAL EXPENDITURES</b>	<u>37,919,722.00</u>	<u>551,910.14</u>	<u>38,471,732.14</u>	<u>39,443,297.39</u>	<u>(971,565.25)</u>
<b>Excess (Deficiency) of Revenues</b>					
<b>Over/(Under) Expenditures</b>	<u>(449,400.00)</u>	<u>(550,710.14)</u>	<u>(1,000,210.14)</u>	<u>614,865.02</u>	<u>1,615,075.16</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-1  
 Sheet #9

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual Favorable (Unfavorable)
Other Financing Sources:					
Operating Transfers Out:					
Transfer to Capital Projects Fund		\$ (548,392.00)	\$ (548,392.00)	\$ (548,392.00)	\$ (375,000.00)
Increase in Capital Reserve	\$ (375,000.00)		(375,000.00)		(600.00)
Interest Deposit to Capital Reserve		(548,392.00)	(923,992.00)	(548,392.00)	(375,600.00)
Total Other Financing Sources	<u>(375,000.00)</u>	<u>(548,392.00)</u>	<u>(923,992.00)</u>	<u>(548,392.00)</u>	<u>(375,600.00)</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Sources (Uses)	(824,400.00)	(1,099,102.14)	(1,924,202.14)	66,473.02	1,239,475.16
Fund Balance, July 1	3,238,391.20	(1,503,874.78)	3,238,391.20	3,238,391.20	
Fund Balance, June 30	<u>\$ 2,413,991.20</u>	<u>\$ (2,602,976.92)</u>	<u>\$ 1,314,189.06</u>	<u>\$ 3,304,864.22</u>	<u>\$ 1,239,475.16</u>
Restricted Fund Balance:				\$ 713,869.89	
Capital Reserve				804,214.58	
Committed Fund Balance:				1,065,000.00	
Other Purposes				721,779.75	
Assigned Fund Balance:				3,304,864.22	
Designated for Subsequent Year's Expenditures					
Unassigned Fund Balance					
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,304,864.22</u>	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 SPECIAL REVENUE FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
<b>REVENUES:</b>					
State Sources	\$ 112,006.00	\$ 72,600.93	\$ 184,606.93	\$ 167,005.68	\$ (17,601.25)
Federal Sources	445,897.00	536,477.67	982,374.67	754,884.20	(227,490.47)
<b>Total Revenues</b>	<b>557,903.00</b>	<b>609,078.60</b>	<b>1,166,981.60</b>	<b>921,889.88</b>	<b>(245,091.72)</b>
<b>EXPENDITURES:</b>					
<b>Instruction:</b>					
Salaries of Teachers	33,943.00	34,316.30	68,259.30	68,259.30	
Other Salaries for Instruction	382,680.00	94,212.58	476,892.58	300,437.20	176,455.38
Purchased Professional and Educational Services		6,471.51	6,471.51	6,471.51	
Purchased Professional and Technical Services		12,416.46	12,416.46	12,416.46	
Tuition		19,488.00	19,488.00	19,488.00	
Supplies and Materials		33,875.83	33,875.83	33,875.83	
General Supplies	25,000.00	35,114.00	35,114.00	26,964.85	8,149.15
Textbooks		10,355.00	35,355.00	35,355.00	
<b>Total Instruction</b>	<b>441,623.00</b>	<b>246,249.68</b>	<b>687,872.68</b>	<b>503,268.15</b>	<b>184,604.53</b>
<b>Support Services:</b>					
Salaries of Program Directors		4,800.00	4,800.00	4,800.00	
Salaries of Personal Services		5,036.03	5,036.03	5,036.03	
Purchased Professional and Technical Services		29,620.08	29,620.08	29,620.08	
Purchased Professional-Educational Services	75,182.00	144,530.06	219,712.06	206,943.81	12,768.25
Other Purchased Professional Services	11,824.00	14,968.00	26,792.00	26,792.00	
Other Purchased Services		46,013.25	46,013.25	40,723.25	5,290.00
Supplies and Materials		20,536.99	20,536.99	20,536.99	
Salaries for Pupil Transportation (Other than Between Home and School)		40,746.78	40,746.78	40,746.78	
Other Employee Benefits		27,954.42	27,954.42	27,954.42	
Personal Services - Employee Benefits	29,274.00	16,912.70	46,186.70	30,549.76	15,636.94
<b>Total Support Services</b>	<b>116,280.00</b>	<b>351,118.31</b>	<b>467,398.31</b>	<b>406,911.12</b>	<b>60,487.19</b>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment		11,710.61	11,710.61	11,710.61	
<b>Total Facilities Acquisition and Construction Services</b>		<b>11,710.61</b>	<b>11,710.61</b>	<b>11,710.61</b>	
<b>Total Expenditures</b>	<b>557,903.00</b>	<b>609,078.60</b>	<b>1,166,981.60</b>	<b>921,889.88</b>	<b>245,091.72</b>
<b>Total Expenditures</b>	<b>557,903.00</b>	<b>609,078.60</b>	<b>1,166,981.60</b>	<b>921,889.88</b>	<b>245,091.72</b>
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Financing Sources (Uses)</b>	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Excess (Deficiency) of Revenues Over/(Under) Expenditures</b>	\$ -	\$ -	\$ -	\$ -	\$ -

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**BUDGET-TO-GAAP RECONCILIATION**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

C-3

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	[C-1] \$ 40,058,162.41	[C-2] \$ 921,889.88
Difference - Budget to GAAP:		
State aid payment recognized for GAAP statements in the current year previously recognized for budgetary statements.	147,829.00	
State aid payment recognized for budgetary purposes, not recognized for GAAP statements until the subsequent year.	_____	_____
Total revenues as reported on the statement of revenues, expenditures and changes in fund balances - governmental funds.	[B-2] <u>\$ 40,205,991.41</u>	[B-2] <u>\$ 921,889.88</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	[C-1] <u>\$ 39,443,297.39</u>	[C-2] <u>\$ 921,889.88</u>
Differences - Budget-to-GAAP:		
Transfers to and from other funds are presented as outflows of budgetary resources but are not expenditures for financial reporting purposes.		
Net transfers (outflows) from general fund	_____	_____
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds including transfers	[B-2] <u>\$ 39,443,297.39</u>	[B-2] <u>\$ 921,889.88</u>

**OTHER SUPPLEMENTARY INFORMATION**

**D. SCHOOL BASED BUDGET SCHEDULES (IF APPLICABLE)**

**E. SPECIAL REVENUE FUND**

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

	Auxiliary Services				Handicapped Services				Total Brought Forward	Total 2011
	Nonpublic Home Instruction	Nonpublic Compensatory Education	Nonpublic Transportation	Nonpublic Examination and Classification	Nonpublic Corrective Speech	Nonpublic Supplemental Instruction	Nonpublic Nursing			
Revenues										
State Sources	\$ 35,355.00	\$ 19,424.67	\$ 19,932.00	\$ 24,235.84	\$ 17,289.29	\$ 6,322.95	\$ 41,892.00	\$ 754,884.20	\$ 167,005.68	\$ 754,884.20
Federal Sources										
Total Revenues	\$ 35,355.00	\$ 19,424.67	\$ 19,932.00	\$ 24,235.84	\$ 17,289.29	\$ 6,322.95	\$ 41,892.00	\$ 754,884.20	\$ 921,889.88	\$ 921,889.88
Expenditures										
Instruction:										
Salaries of Teachers	\$	\$	\$	\$	\$	\$	\$	\$	\$ 68,259.30	\$ 68,259.30
Other Salaries for Instruction									300,437.20	300,437.20
Purchased Professional-Educational Services									6,471.51	6,471.51
Purchased Professional and Technical Services									12,416.46	12,416.46
Tuition									19,488.00	19,488.00
Supplies and Materials									33,875.83	33,875.83
General Supplies									26,964.85	26,964.85
Textbooks	35,355.00								35,355.00	35,355.00
Total Instruction	\$ 35,355.00								467,913.15	503,268.15
Support Services:										
Salaries of Program Directors									4,800.00	4,800.00
Salaries of Personal Services									5,036.03	5,036.03
Purchased Professional and Technical Services									29,620.08	29,620.08
Purchases Professional-Educational Services	2,553.93	19,424.67		24,235.84	17,289.29	6,322.95	41,892.00	95,225.13	206,943.81	206,943.81
Other Purchased Service								40,723.25	40,723.25	40,723.25
Supplies and Materials								20,536.99	20,536.99	20,536.99
Salaries for Pupil Transportation (Other than Between Home and School)			19,932.00					20,814.78	40,746.78	40,746.78
Other Employee Benefits								27,954.42	27,954.42	27,954.42
Personal Services - Employee Benefits								30,549.76	30,549.76	30,549.76
Total Support Services	2,553.93	19,424.67	19,932.00	24,235.84	17,289.29	6,322.95	41,892.00	275,260.44	406,911.12	406,911.12
Facilities Acquisition and Construction Services:										
Instructional Equipment									11,710.61	11,710.61
Total Expenditures	\$ 35,355.00	\$ 19,424.67	\$ 19,932.00	\$ 24,235.84	\$ 17,289.29	\$ 6,322.95	\$ 41,892.00	\$ 754,884.20	\$ 921,889.88	\$ 921,889.88

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

E-1a

	I.D.E.A. Part B-Basic Regular	I.D.E.A. Part B-Basic Summer/ Carryover	I.D.E.A. Part B Preschool	Title IIA	ARRA I.D.E.A. Part B-Basic	ARRA I.D.E.A. Preschool	Totals Carried Forward
<u>Revenues</u>							
State Sources	\$ 353,995.53	\$ 229,792.70	\$ 19,488.00	\$ 43,448.00	\$ 92,924.47	\$ 15,235.50	\$ 754,884.20
Federal Sources							
Total Revenues	\$ 353,995.53	\$ 229,792.70	\$ 19,488.00	\$ 43,448.00	\$ 92,924.47	\$ 15,235.50	\$ 754,884.20
<u>Expenditures</u>							
Instruction:							
Salaries of Teachers	\$ 252,881.20	\$ 52,621.30	\$ 19,488.00	\$ 15,638.00	\$	\$	\$ 68,259.30
Other Salaries for Instruction		47,456.00					300,437.20
Purchased Professional-Educational Services		6,471.51					6,471.51
Purchased Professional and Technical Services					12,416.46		12,416.46
Tuition			19,488.00				19,488.00
Supplies and Materials	350.85			26,614.00	27,554.73	6,321.10	33,875.83
General Supplies	253,332.05	106,548.81	19,488.00	42,252.00	39,971.19	6,321.10	26,984.85
Total Instruction							467,913.15
Support Services:							
Salaries of Program Directors		4,800.00					4,800.00
Salaries of Personal Services		5,036.03					5,036.03
Purchased Professional and Technical Services					20,705.68	8,914.40	29,620.08
Purchased Professional-Educational Service	52,490.00	42,735.13					95,225.13
Other Purchased Service	866.00	39,857.25					40,723.25
Supplies and Materials					20,536.99		20,536.99
Salaries for Pupil Transportation (Other than between Home and School)	27,954.42	20,814.78					20,814.78
Other Employee Benefits	19,353.06	10,000.70		1,196.00			27,954.42
Personal Services - Employee Benefits	100,663.48	123,243.89		1,196.00	41,242.67	8,914.40	30,549.76
Total Support Services							275,260.44
Facilities Acquisition and Construction Services:							
Instructional Equipment					11,710.61		11,710.61
Total Expenditures	\$ 353,995.53	\$ 229,792.70	\$ 19,488.00	\$ 43,448.00	\$ 92,924.47	\$ 15,235.50	\$ 754,884.20

**F. CAPITAL PROJECTS FUND**

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDING JUNE 30, 2011**

F-1

Project Title/Issue	Approval Date	Revised Budgetary Appropriation	GAAP Expenditures to Date		Unexpended Appropriation June 30, 2011
			Prior Years	Current Year	
Fire Alarm - District-Wide		\$ 769,511.25	\$ 735,812.25	\$ 33,699.00	\$
Boiler Replacement - District-Wide		2,099,536.37	2,034,667.71		64,868.66
Auditoriums Upgrade		4,483,649.71	4,278,000.91	165,857.58	39,791.22
Renovation and Creation of SIG Rooms		723,333.94	687,556.91	35,777.03	
Electrical Service Entrance - District-Wide		630,925.00	4,756.88	14,328.26	611,839.86
Jefferson School - Front Entrance Reconfiguration		159,962.18	159,962.18		
Lincoln School - Rear Playground Reconfiguration and Parking Lot Renovation		650,293.58	39,450.33	610,843.25	
Washington School - Driveway Widening		151,395.00	151,395.00		
Blacktop Resurfacing		247,148.71	247,148.71		
Kitchen Equipment Upgrade		426,885.00		151,787.06	275,097.94
Soft Costs		988,641.69	66,749.22		921,892.47
Grover Cleveland Middle School - Windows		885,864.00			885,864.00
		\$ 12,217,146.43	\$ 8,405,500.10	\$ 1,012,292.18	\$ 2,799,354.15

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**BUDGETARY BASIS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

F-2

**Revenues and Other Financing Sources:**

Transfer from General Fund	\$ 548,392.00
State Rod Grant Section 15	<u>337,472.00</u>
 Total Revenues	 <u>885,864.00</u>

**Expenditures and Other Financing Uses**

Capital Outlay:

Purchased Professional and Technical Services	170,276.42
Construction Services	<u>842,015.76</u>
Total Expenditures	<u>1,012,292.18</u>

Excess (Deficiency) of Revenues Over/(Under) Expenditures	 (126,428.18)
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Fund Balance - July 1, 2010	<u>2,925,782.33</u>
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Fund Balance - June 30, 2011	<u><u>\$ 2,799,354.15</u></u>
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**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -**  
**BUDGETARY BASIS**  
**GROVER CLEVELAND MIDDLE SCHOOL WINDOWS**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

F-2a

	<u>Prior</u> <u>Periods</u>	<u>Current</u> <u>Year</u>	<u>Totals</u>	<u>Authorized</u> <u>Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Transfer from General Fund	\$	\$ 548,392.00	\$ 548,392.00	\$ 548,392.00
State Rod Grant Section 15		337,472.00	337,472.00	337,472.00
Total Revenues		<u>885,864.00</u>	<u>885,864.00</u>	<u>885,864.00</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ -</u>	<u>\$ 885,864.00</u>	<u>\$ 885,864.00</u>	<u>\$ 885,864.00</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**FIRE ALARMS - DISTRICT-WIDE**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**F-2b**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Referendum	\$ 767,128.25	\$ 2,383.00	\$ 769,511.25	\$ 769,511.25
Total Revenues	<u>767,128.25</u>	<u>2,383.00</u>	<u>769,511.25</u>	<u>769,511.25</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	102,950.25		102,950.25	102,950.25
Construction Services	632,862.00	33,699.00	666,561.00	666,561.00
Total Expenditures	<u>735,812.25</u>	<u>33,699.00</u>	<u>769,511.25</u>	<u>769,511.25</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ 31,316.00</u>	<u>\$ (31,316.00)</u>	<u>\$ -</u>	<u>\$ -</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**BOILER REPLACEMENT - DISTRICT-WIDE**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

F-2c

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Referendum	\$2,109,174.71	\$ (9,638.34)	\$ 2,099,536.37	\$ 2,099,536.37
Total Revenues	<u>2,109,174.71</u>	<u>(9,638.34)</u>	<u>2,099,536.37</u>	<u>2,099,536.37</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	241,674.71		241,674.71	241,674.71
Construction Services	1,792,993.00		1,792,993.00	1,792,993.00
Total Expenditures	<u>2,034,667.71</u>	<u>-</u>	<u>2,034,667.71</u>	<u>2,034,667.71</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 74,507.00</u>	<u>\$ (9,638.34)</u>	<u>\$ 64,868.66</u>	<u>\$ 64,868.66</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**AUDITORIUM UPGRADES, BAND ROOM UPGRADES AND MULTI-PURPOSE ROOM UPGRADES**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**F-2d**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Referendum	\$ 4,483,649.71	\$	\$ 4,483,649.71	\$ 4,483,649.71
Total Revenues	<u>4,483,649.71</u>	<u>-</u>	<u>4,483,649.71</u>	<u>4,483,649.71</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	307,071.14	4,099.91	311,171.05	311,171.05
Construction Services	3,970,929.77	161,757.67	4,132,687.44	4,132,687.44
Total Expenditures	<u>4,278,000.91</u>	<u>165,857.58</u>	<u>4,443,858.49</u>	<u>4,443,858.49</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 205,648.80</u>	<u>\$ (165,857.58)</u>	<u>\$ 39,791.22</u>	<u>\$ 39,791.22</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**RENOVATIONS AND CREATIONS OF SIG ROOMS**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

F-2e

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Referendum	\$ 723,272.75	\$ 61.19	\$ 723,333.94	\$ 723,333.94
Total Revenues	<u>723,272.75</u>	<u>61.19</u>	<u>723,333.94</u>	<u>723,333.94</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	65,180.32	61.19	65,241.51	65,241.51
Construction Services	622,376.59	35,715.84	658,092.43	658,092.43
Total Expenditures	<u>687,556.91</u>	<u>35,777.03</u>	<u>723,333.94</u>	<u>723,333.94</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 35,715.84</u>	<u>\$ (35,715.84)</u>	<u>\$ -</u>	<u>\$ -</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**ELECTRICAL SERVICE ENTRANCE - DISTRICT-WIDE**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

F-2f

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Referendum	<u>\$ 630,925.00</u>	\$	<u>\$ 630,925.00</u>	<u>\$ 630,925.00</u>
Total Revenues	<u>630,925.00</u>		<u>630,925.00</u>	<u>630,925.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	<u>4,756.88</u>	<u>14,328.26</u>	<u>19,085.14</u>	<u>19,085.14</u>
Total Expenditures	<u>4,756.88</u>	<u>14,328.26</u>	<u>19,085.14</u>	<u>19,085.14</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ 626,168.12</u>	<u>\$(14,328.26)</u>	<u>\$ 611,839.86</u>	<u>\$ 611,839.86</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**JEFFERSON SCHOOL - FRONT ENTRANCE RECONFIGURATION**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

F-2g

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Referendum	\$ 159,962.18	\$	\$ 159,962.18	\$ 159,962.18
Total Revenues	<u>159,962.18</u>		<u>159,962.18</u>	<u>159,962.18</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	64,297.18		64,297.18	64,297.18
Construction Services	95,665.00		95,665.00	95,665.00
Total Expenditures	<u>159,962.18</u>		<u>159,962.18</u>	<u>159,962.18</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**LINCOLN SCHOOL - PLAYGROUND RENOVATION AND PARKING LOT RECONFIGURATION**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

F-2h

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Referendum	\$ 643,099.43	\$ 7,194.15	\$ 650,293.58	\$ 650,293.58
Total Revenues	<u>643,099.43</u>	<u>7,194.15</u>	<u>650,293.58</u>	<u>650,293.58</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	39,450.33		39,450.33	39,450.33
Construction Services	-	610,843.25	610,843.25	610,843.25
Total Expenditures	<u>39,450.33</u>	<u>610,843.25</u>	<u>650,293.58</u>	<u>650,293.58</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ 603,649.10</u>	<u>\$ (603,649.10)</u>	<u>\$ -</u>	<u>\$ -</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**WASHINGTON SCHOOL - DRIVEWAY WIDENING**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**F-2i**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Referendum	\$ 151,395.00	\$	\$ 151,395.00	\$ 151,395.00
Total Revenues	<u>151,395.00</u>		<u>151,395.00</u>	<u>151,395.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Construction Services	151,395.00		151,395.00	151,395.00
Total Expenditures	<u>151,395.00</u>		<u>151,395.00</u>	<u>151,395.00</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**BLACKTOP RESURFACING**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

F-2j

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Referendum	\$ 247,148.71	\$	\$ 247,148.71	\$ 247,148.71
Total Revenues	<u>247,148.71</u>		<u>247,148.71</u>	<u>247,148.71</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	17,225.71		17,225.71	17,225.71
Construction Services	229,923.00		229,923.00	229,923.00
Total Expenditures	<u>247,148.71</u>		<u>247,148.71</u>	<u>247,148.71</u>
 Excess (Deficiency) of Revenues Over/ (Under) Expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**KITCHEN EQUIPMENT UPGRADE**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**F-2k**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Referendum	\$ 426,885.00	\$	\$ 426,885.00	\$ 426,885.00
Total Revenues	<u>426,885.00</u>		<u>426,885.00</u>	<u>426,885.00</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services		151,787.06	151,787.06	151,787.06
Total Expenditures		<u>151,787.06</u>	<u>151,787.06</u>	<u>151,787.06</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ 426,885.00</u>	<u>\$(151,787.06)</u>	<u>\$ 275,097.94</u>	<u>\$ 275,097.94</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CAPITAL PROJECTS FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -**  
**BUDGETARY BASIS**  
**PROJECTED SOFT COSTS**  
**FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

F-21

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Costs</u>
<b>Revenues and Other Financing Sources:</b>				
Bond Referendum	\$ 988,641.69	\$	\$ 988,641.69	\$ 988,641.69
Total Revenues	<u>988,641.69</u>		<u>988,641.69</u>	<u>988,641.69</u>
<b>Expenditures and Other Financing Uses:</b>				
Construction Services	66,749.22		66,749.22	66,749.22
Total Expenditures	<u>66,749.22</u>		<u>66,749.22</u>	<u>66,749.22</u>
Excess (Deficiency) of Revenues Over/ (Under) Expenditures	<u>\$ 921,892.47</u>	<u>\$ -</u>	<u>\$ 921,892.47</u>	<u>\$ 921,892.47</u>

**G. PROPRIETARY FUNDS**

**ENTERPRISE FUND**

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF NET ASSETS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

G-1

	Business-Type Activities - Enterprise Funds		
	<u>Food Service</u>	<u>Continuing Education</u>	<u>Totals</u>
<b><u>ASSETS</u></b>			
Current Assets:			
Cash and Cash Equivalents	\$ 557,975.98	\$ 183,637.16	\$ 741,613.14
Accounts Receivable	31,322.15		31,322.15
Inventories	2,769.29		2,769.29
Total Current Assets	592,067.42	183,637.16	775,704.58
Noncurrent Assets:			
Furniture, Machinery and Equipment	268,540.47		268,540.47
Less Accumulated Depreciation	(251,960.50)		(251,960.50)
Total Noncurrent Assets	16,579.97		16,579.97
Total Assets	\$ 608,647.39	\$ 183,637.16	\$ 792,284.55
<b><u>LIABILITIES</u></b>			
Current Liabilities:			
Accounts Payable	\$ 41,698.04	\$	\$ 41,698.04
Prepaid Revenue	2,319.40	32,970.00	35,289.40
Total Current Liabilities	44,017.44	32,970.00	76,987.44
<b><u>NET ASSETS</u></b>			
Invested in Capital Assets, Net of Related Debt	16,579.97		16,579.97
Unrestricted	548,049.98	150,667.16	698,717.14
Total Net Assets	\$ 564,629.95	\$ 150,667.16	\$ 715,297.11

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
 PROPRIETARY FUNDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

G-2

	<b>Business-Type Activities - Enterprise Fund</b>		
	<u>Food Service</u>	<u>Continuing Education</u>	<u>Total Enterprise</u>
Operating Revenues:			
Charges for Services:			
Daily Sales - Nonreimbursable Programs	\$ 487,676.56	\$ 233,206.80	\$ 720,883.36
Special Functions	20,889.25		20,889.25
Total Operating Revenues	<u>508,565.81</u>	<u>233,206.80</u>	<u>741,772.61</u>
 Operating Expenses:			
Cost of Sales	195,488.12		195,488.12
Salaries	231,913.08	207,418.13	439,331.21
Other Purchased Professional Services	18,991.00		18,991.00
General Supplies	72,442.30		72,442.30
Depreciation	7,493.38		7,493.38
Total Operating Expenses	<u>526,327.88</u>	<u>207,418.13</u>	<u>733,746.01</u>
 Operating Gain (Loss)	<u>(17,762.07)</u>	<u>25,788.67</u>	<u>8,026.60</u>
 Nonoperating Revenues (Expenses):			
Interest and Investment Revenue	1,179.61	86.98	1,266.59
Total Nonoperating Revenues (Expenses)	<u>1,179.61</u>	<u>86.98</u>	<u>1,266.59</u>
 Change in Net Assets	(16,582.46)	25,875.65	9,293.19
 Total Net Assets - Beginning	<u>581,212.41</u>	<u>124,791.51</u>	<u>706,003.92</u>
Total Net Assets - Ending	<u>\$ 564,629.95</u>	<u>\$ 150,667.16</u>	<u>\$ 715,297.11</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**COMBINING SCHEDULE OF CASH FLOWS**  
**PROPRIETARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

G-3

	<b>Business-Type Activities - Enterprise Funds</b>		
	<b><u>Food Service</u></b>	<b><u>Continuing Education</u></b>	<b><u>Total Enterprise</u></b>
<b><u>Cash Flows from Operating Activities</u></b>			
Receipts from Customers	\$ 503,190.63	\$ 239,567.74	\$ 742,758.37
Payments to Other Operating Expenses	<u>(514,126.68)</u>	<u>(207,418.13)</u>	<u>(721,544.81)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(10,936.05)</u>	<u>32,149.61</u>	<u>21,213.56</u>
<b><u>Cash Flows from Investing Activities</u></b>			
Interest and Dividends	<u>1,179.61</u>	<u>86.98</u>	<u>1,266.59</u>
Net Cash Provided by (Used for) Investing Activities	<u>1,179.61</u>	<u>86.98</u>	<u>1,266.59</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(9,756.44)	32,236.59	22,480.15
Balances - Beginning of Year	<u>567,732.42</u>	<u>151,400.57</u>	<u>719,132.99</u>
Balances - End of Year	<u>\$ 557,975.98</u>	<u>\$ 183,637.16</u>	<u>\$ 741,613.14</u>
<b>Reconciliation of Operating Loss to Net Cash Provided by (Used for) Operating Activities:</b>			
Operating Income (Loss)	\$ (17,762.07)	\$ 25,788.67	\$ 8,026.60
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:			
Depreciation and Net Amortization	7,493.38		7,493.38
(Increase) Decrease in Accounts Receivable, Net	(6,163.02)		(6,163.02)
(Increase) Decrease in Inventories	2,163.84		2,163.84
Increase (Decrease) in Accounts Payable	2,543.98		2,543.98
Increase (Decrease) in Prepaid Revenue	<u>787.84</u>	<u>6,360.94</u>	<u>7,148.78</u>
Total Adjustments	<u>6,826.02</u>	<u>6,360.94</u>	<u>13,186.96</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (10,936.05)</u>	<u>\$ 32,149.61</u>	<u>\$ 21,213.56</u>

**INTERNAL SERVICE FUND**

## H. FIDUCIARY FUNDS

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**COMBINING STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2011**

H-1

	<u>Unemployment Compensation Trust</u>	<u>Agency Fund</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	<u>\$213,538.23</u>	<u>\$ 252,079.65</u>
Total Assets	<u><u>\$213,538.23</u></u>	<u><u>\$ 252,079.65</u></u>
<b>LIABILITIES</b>		
Accounts Payable	\$	\$ 251,810.34
Intergovernmental Accounts Payable		135.65
Payroll Deductions and Withholdings		<u>133.66</u>
Total Liabilities	<u>\$ -</u>	<u><u>\$ 252,079.65</u></u>
<b>NET ASSETS</b>		
Held in Trust for Unemployment Claims	<u><u>\$213,538.23</u></u>	

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CHANGE IN FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

H-2

	<b>Unemployment Compensation Trust</b> <hr style="width: 100%;"/>
<b>ADDITIONS:</b>	
Contributions:	
Plan Member	\$ 157,089.23
Total Contributions	<hr style="width: 100%;"/> 157,089.23
Investment Earnings:	
Interest	383.55
Net Investment Earnings	<hr style="width: 100%;"/> 383.55
Total Additions	<hr style="width: 100%;"/> 157,472.78
<b>DEDUCTIONS:</b>	
Quarterly Contribution Reports	25,151.00
Unemployment Claims	171,256.91
Total Deductions	<hr style="width: 100%;"/> 196,407.91
Change in Net Assets	(38,935.13)
Net Assets - Beginning of the Year	<hr style="width: 100%;"/> 252,473.36
Net Assets - End of the Year	<hr style="width: 100%;"/> <b>\$ 213,538.23</b>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

H-3

	<u>Balance</u> <u>June 30, 2010</u>	<u>Cash</u> <u>Receipts</u>	<u>Cash</u> <u>Disbursements</u>	<u>Balance</u> <u>June 30, 2011</u>
<b>ELEMENTARY SCHOOLS:</b>				
Jefferson	\$ 10,780.22	\$ 22,484.15	\$ 18,181.62	\$ 15,082.75
Washington	8,642.23	31,166.01	29,096.57	10,711.67
Wilson	31,822.36	21,791.19	17,934.31	35,679.24
Lincoln	<u>16,738.42</u>	<u>14,834.16</u>	<u>14,360.54</u>	<u>17,212.04</u>
Total Elementary Schools	<u>\$ 67,983.23</u>	<u>\$ 90,275.51</u>	<u>\$ 79,573.04</u>	<u>\$ 78,685.70</u>
<b>JUNIOR HIGH SCHOOL:</b>				
Grover Cleveland	<u>\$ 22,901.67</u>	<u>\$ 86,400.78</u>	<u>\$ 81,865.22</u>	<u>\$ 27,437.23</u>
Total Junior High School	<u>\$ 22,901.67</u>	<u>\$ 86,400.78</u>	<u>\$ 81,865.22</u>	<u>\$ 27,437.23</u>
<b>SENIOR HIGH SCHOOL:</b>				
James Caldwell:				
Activity Account	\$ 106,940.79	\$ 357,412.78	\$ 352,820.81	\$ 111,532.76
Athletic Account	<u>32,038.80</u>	<u>15,302.00</u>	<u>13,186.15</u>	<u>34,154.65</u>
Total Senior High School	<u>\$ 138,979.59</u>	<u>\$ 372,714.78</u>	<u>\$ 366,006.96</u>	<u>\$ 145,687.41</u>
Total All Schools	<u>\$ 229,864.49</u>	<u>\$ 549,391.07</u>	<u>\$ 527,445.22</u>	<u>\$ 251,810.34</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**PAYROLL AGENCY FUND SCHEDULE OF RECEIPTS AND DISBURSEMENTS**  
**FIDUCIARY FUNDS**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

H-4

<b><u>ASSETS</u></b>	<b><u>Balance June 30, 2010</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b><u>Balance June 30, 2011</u></b>
Cash and Cash Equivalents	\$ 484.62	\$ 26,431,083.63	\$ 26,431,298.94	\$ 269.31
Total Assets	<u>\$ 484.62</u>	<u>\$ 26,431,083.63</u>	<u>\$ 26,431,298.94</u>	<u>\$ 269.31</u>
 <b><u>LIABILITIES</u></b>				
Payroll Deductions and Withholdings	\$ 123.10	\$ 10,825,765.60	\$ 10,825,755.04	\$ 133.66
Accounts Payable		15,323,572.38	15,323,572.38	
Accrued Salaries and Wages		281,610.00	281,610.00	
Intergovernmental Accounts Payable	<u>361.52</u>	<u>135.65</u>	<u>361.52</u>	<u>135.65</u>
Total Liabilities	<u>\$ 484.62</u>	<u>\$ 26,431,083.63</u>	<u>\$ 26,431,298.94</u>	<u>\$ 269.31</u>

**I. LONG-TERM DEBT**

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011

I-1

Issue	Date of Issue	Amount of Issue	Annual Maturities		Interest Rate	Balance July 1, 2010	Retired	Balance June 30, 2011
			Date	Amount				
School	6/19/08	\$14,765,000.00				\$	\$	
			9/01/11-12	\$ 645,000.00	4.125%	\$	\$	
			9/01/13	680,000.00	4.125%			
			9/01/14-15	860,000.00	4.125%			
			9/01/16-17	940,000.00	4.125%			
			9/01/18-19	1,115,000.00	4.125%			
			9/01/20	1,200,000.00	4.125%			
			9/01/21-23	1,290,000.00	4.250%			
			9/01/24	1,250,000.00	5.000%	14,765,000.00	645,000.00	14,120,000.00
						<u>\$14,765,000.00</u>	<u>\$645,000.00</u>	<u>\$14,120,000.00</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

I-2

<u>Purpose</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Balance June 30, 2010</u>	<u>Retired</u>	<u>Balance June 30, 2011</u>
<u>Board of Education</u>					
Copier		\$ 36,000.00	\$ 24,000.00	\$ 7,200.00	\$ 16,800.00
Copier		14,220.00	9,480.00	2,844.00	6,636.00
<u>Grover Cleveland Middle School</u>					
Copier		95,100.00	63,400.00	19,020.00	44,380.00
<u>James Caldwell High School</u>					
Copier		109,834.20	73,222.80	21,956.84	51,255.96
Copier		48,900.00	32,600.00	9,780.00	22,820.00
<u>Jefferson School</u>					
Copier		51,000.00	34,000.00	10,200.00	23,800.00
<u>Lincoln School</u>					
Copier		50,100.00	33,400.00	10,020.00	23,380.00
<u>Washington School</u>					
Copier		56,100.00	37,400.00	11,220.00	26,180.00
<u>Wilson School</u>					
Copier		50,100.00	33,400.00	10,020.00	23,380.00
			<u>\$ 340,902.80</u>	<u>\$ 102,270.84</u>	<u>\$ 238,631.96</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**BUDGETARY COMPARISON SCHEDULE**  
**DEBT SERVICE FUND**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

L-3

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative) Final to Actual</u>
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 871,348.00	\$	\$ 871,348.00	\$ 871,348.00	\$
State Sources:	378,191.00		378,191.00	378,191.00	
Debt Service Aid Type II					
<b>Total Revenues</b>	<u>1,249,539.00</u>		<u>1,249,539.00</u>	<u>1,249,539.00</u>	
<b>EXPENDITURES:</b>					
Regular Debt Service:					
Interest	611,539.00		611,539.00	611,528.13	10.87
Redemption of Principal	645,000.00		645,000.00	645,000.00	
<b>Total Regular Debt Service</b>	<u>1,256,539.00</u>		<u>1,256,539.00</u>	<u>1,256,528.13</u>	<u>10.87</u>
<b>Total Expenditures</b>	<u>1,256,539.00</u>		<u>1,256,539.00</u>	<u>1,256,528.13</u>	<u>10.87</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(7,000.00)		(7,000.00)	(6,989.13)	10.87
Other Financing Sources:					
Operating Transfers In:					
Interest Earned in Capital Projects Fund	7,000.00		7,000.00	6,989.13	(10.87)
Excess (Deficiency) of Revenues and Other Financing Sources Over/(Under) Expenditures					
Fund Balance, July 1					
Fund Balance, June 30	\$ -	\$ -	\$ -	\$ -	\$ -

**STATISTICAL SECTION (UNAUDITED)**

**INTRODUCTION TO THE STATISTICAL SECTION**

## FINANCIAL TRENDS

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NET ASSETS BY COMPONENT  
LAST EIGHT FISCAL YEARS  
(Accrued Basis of Accounting)  
Unaudited

J-1

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 960,234.60	\$ 917,684.21	\$ 987,217.41	\$ 2,038,584.73	\$ 2,182,606.53	\$ 1,718,507.76	\$ 2,855,931.81	\$ 4,360,632.55
Restricted	2,203,944.85	1,873,518.67	2,149,841.95	1,516,171.68	2,095,217.57	2,169,786.01	2,263,339.71	2,083,084.47
Unrestricted	80,684.19	(7,327.36)	35,949.17	(93,306.93)	3,824.77	(72,913.77)	142,425.23	652,170.75
<b>Total Governmental Activities Net Assets</b>	<b>\$ 3,244,863.64</b>	<b>\$ 2,783,875.52</b>	<b>\$ 3,173,008.53</b>	<b>\$ 3,461,449.48</b>	<b>\$ 4,281,648.87</b>	<b>\$ 3,815,380.00</b>	<b>\$ 5,261,696.75</b>	<b>\$ 7,095,887.77</b>
<b>Business-Type Activities:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 79,901.00	\$ 70,271.35	\$ 60,354.81	\$ 50,438.27	\$ 41,113.36	\$ 32,380.00	\$ 24,073.35	\$ 16,579.97
Unrestricted	432,612.60	471,031.56	523,713.87	587,983.07	644,189.73	706,429.86	681,930.57	698,717.14
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 512,513.60</b>	<b>\$ 541,302.91</b>	<b>\$ 584,068.68</b>	<b>\$ 638,421.34</b>	<b>\$ 685,303.09</b>	<b>\$ 738,809.86</b>	<b>\$ 706,003.92</b>	<b>\$ 715,297.11</b>
<b>District-Wide:</b>								
Invested in Capital Assets, Net of Related Debt	\$ 1,040,135.60	\$ 987,955.56	\$ 1,047,572.22	\$ 2,089,023.00	\$ 2,223,719.89	\$ 1,750,887.76	\$ 2,880,005.16	\$ 4,377,212.52
Restricted	2,203,944.85	1,873,518.67	2,149,841.95	1,516,171.68	2,095,217.57	2,169,786.01	2,263,339.71	2,083,084.47
Unrestricted	513,298.79	463,704.20	559,663.04	494,676.14	648,014.50	633,516.09	824,355.80	1,350,887.89
<b>Total District-Wide Net Assets</b>	<b>\$ 3,757,377.24</b>	<b>\$ 3,325,178.43</b>	<b>\$ 3,757,077.21</b>	<b>\$ 4,099,870.82</b>	<b>\$ 4,966,951.96</b>	<b>\$ 4,554,189.86</b>	<b>\$ 5,967,700.67</b>	<b>\$ 7,811,184.88</b>

Source: CAFR Exhibit A-1

Note: Only the last eight years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2003.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
CHANGES IN NET ASSETS  
LAST EIGHT FISCAL YEARS  
(Accrual Basis of Accounting)  
Unaudited

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>Governmental Activities:</b>								
<b>Instruction:</b>								
Regular	\$ 15,231,339.06	\$ 17,210,629.56	\$ 16,694,958.60	\$ 17,733,151.47	\$ 17,639,835.99	\$ 18,084,323.30	\$ 17,620,118.30	\$ 17,288,069.78
Special Education	2,537,652.11	2,608,616.67	3,047,666.97	3,611,473.04	3,744,773.95	3,608,427.19	4,043,701.19	3,930,368.70
Other Special Instruction	251,164.71	221,004.18	203,591.85	273,581.72	299,873.04	363,706.13	482,953.14	437,846.27
Other Instruction	985,341.23	980,479.10	1,034,281.41	1,114,282.20	1,173,025.02	1,206,622.00	1,266,120.72	1,193,152.06
<b>Support Services:</b>								
Tuition	1,197,976.13	1,513,928.66	1,662,000.07	1,796,379.50	1,910,690.06	2,066,504.11	2,068,587.74	2,263,498.03
Student and Instruction Related Services	4,332,620.93	4,502,471.29	4,538,331.33	5,054,353.05	5,208,573.05	5,397,926.57	5,731,157.41	5,583,896.59
School Administrative Services	1,157,399.44	2,032,931.57	2,165,854.37	2,316,477.54	2,276,243.94	2,203,770.94	2,399,847.69	2,400,576.37
General Administrative Services	1,578,727.51	682,161.90	626,420.41	602,765.98	764,249.32	672,185.55	649,483.73	652,453.92
Central Services		527,533.41	552,088.85	577,182.83	581,209.10	568,915.69	632,243.86	655,997.03
Administration of Information Technology	3,962,240.57	283,641.60	412,599.48	425,049.57	435,932.81	508,946.84	499,753.82	540,942.65
Plant Operations and Maintenance	836,940.52	3,951,398.85	4,123,732.30	4,308,616.52	4,500,600.42	4,541,699.77	4,244,849.13	4,202,785.59
Pupil Transportation	542,588.13	826,987.00	911,485.58	1,052,179.77	1,263,233.80	1,313,869.02	1,108,586.26	1,126,594.55
Business and Other Support Services					2,560.00	127.00	657,494.26	611,528.13
Transfer to Charter School		173,283.00	147,473.00	120,773.00	92,738.00	489,045.38	41,404,897.25	40,887,699.66
Interest on Long-Term Debt	32,809,523.34	35,515,264.79	36,140,504.22	38,966,266.19	39,893,538.50	41,042,489.49		
<b>Total Governmental Activities</b>	<b>746,535.85</b>	<b>770,995.84</b>	<b>812,619.69</b>	<b>846,036.60</b>	<b>748,111.94</b>	<b>746,777.04</b>	<b>705,978.88</b>	<b>733,746.01</b>
<b>Business-Type Activities:</b>								
Enterprise Fund	746,535.85	770,995.84	812,619.69	846,036.60	748,111.94	746,777.04	705,978.88	733,746.01
Total Business-Type Activities	746,535.85	770,995.84	812,619.69	846,036.60	748,111.94	746,777.04	705,978.88	733,746.01
<b>TOTAL DISTRICT EXPENSES</b>	<b>\$ 33,556,059.19</b>	<b>\$ 36,266,260.63</b>	<b>\$ 36,953,123.91</b>	<b>\$ 39,832,302.79</b>	<b>\$ 40,641,650.44</b>	<b>\$ 41,789,266.53</b>	<b>\$ 42,110,876.13</b>	<b>\$ 41,621,435.67</b>
<b>Program Revenues:</b>								
<b>Governmental Activities:</b>								
Operating Grants and Contributions	\$ 2,990,268.29	\$ 3,245,075.33	\$ 3,507,960.68	\$ 4,727,730.26	\$ 4,860,359.60	\$ 3,253,866.58	\$ 3,883,092.12	\$ 3,417,756.50
Total Governmental Activities Program Revenues	2,990,268.29	3,245,075.33	3,507,960.68	4,727,730.26	4,860,359.60	3,253,866.58	3,883,092.12	3,417,756.50
<b>Business-Type Activities:</b>								
Charges for Services	10,650.64	15,413.22	13,436.20				664,942.23	741,772.61
Operating Grants and Contributions	10,650.64	15,413.22	13,436.20				664,942.23	741,772.61
Total Business-Type Activities Program Revenues	3,000,918.93	3,260,488.55	3,521,396.88	4,727,730.26	4,880,359.80	3,253,866.58	4,548,034.35	4,159,529.11
<b>TOTAL DISTRICT PROGRAM REVENUES</b>	<b>\$ 3,000,918.93</b>	<b>\$ 3,260,488.55</b>	<b>\$ 3,521,396.88</b>	<b>\$ 4,727,730.26</b>	<b>\$ 4,880,359.80</b>	<b>\$ 3,253,866.58</b>	<b>\$ 4,548,034.35</b>	<b>\$ 4,159,529.11</b>
<b>Net (Expense)/Revenue:</b>								
Governmental Activities	\$ (29,819,255.05)	\$ (32,270,189.46)	\$ (32,632,543.64)	\$ (34,258,535.93)	\$ (35,013,178.90)	\$ (37,788,602.91)	\$ (37,521,806.13)	\$ (37,469,933.16)
Business-Type Activities	(735,885.21)	(755,582.62)	(799,183.49)	(846,036.60)	(748,111.94)	(746,777.04)	(41,036.65)	8,026.60
<b>Total District-Wide Net Expense</b>	<b>\$ (30,555,140.26)</b>	<b>\$ (33,025,772.08)</b>	<b>\$ (33,431,727.03)</b>	<b>\$ (35,104,572.53)</b>	<b>\$ (35,761,290.84)</b>	<b>\$ (38,535,379.95)</b>	<b>\$ (37,562,841.78)</b>	<b>\$ (37,461,906.56)</b>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 CHANGES IN NET ASSETS  
 LAST EIGHT FISCAL YEARS  
 (Accrual Basis of Accounting)  
 Unaudited

J-2  
 Sheet #2

	Fiscal Year Ending June 30							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Revenues and Other Changes in Net Assets:</b>								
Governmental Activities:								
Property Taxes Levied for General Purposes, Net	\$ 27,881,338.00	\$ 28,895,135.00	\$ 30,234,720.00	\$ 31,602,576.00	\$ 32,902,816.00	\$ 34,218,929.00	\$ 35,501,924.00	\$ 36,921,252.00
Taxes Levied for Debt Service	595,420.00	620,255.00	644,739.00	657,872.00	690,243.00	718,253.00	938,970.00	871,348.00
Federal and State Aid Not Restricted	2,195,474.18	1,899,964.00	1,820,770.00	1,772,434.02	1,638,963.45	2,151,602.12	2,398,205.57	1,290,795.00
Investment Earnings	28,698.48	75,670.72	156,195.14	210,329.51	161,610.18	55,805.40	45,610.58	4,799.79
Miscellaneous Income	191,221.14	318,576.62	165,252.41	303,765.35	239,745.68	177,744.52	172,411.73	215,989.39
Total Governmental Activities	\$ 30,893,151.80	\$ 31,809,201.34	\$ 33,021,676.55	\$ 34,546,976.88	\$ 35,833,378.29	\$ 37,322,334.04	\$ 38,966,121.68	\$ 39,304,124.18
Business-Type Activities:								
Investment Earnings	2,525.54	4,199.79	12,675.42	26,373.86	21,823.75	13,739.36	4,151.53	1,266.59
Miscellaneous Income	867,717.16	780,172.14	829,273.84	874,015.40	773,169.94	786,544.45	4,079.18	-
Total Business-Type Activities	\$ 870,242.70	\$ 784,371.93	\$ 841,949.26	\$ 900,389.26	\$ 794,993.69	\$ 800,283.81	\$ 8,230.71	\$ 1,266.59
Total District-Wide	\$ 31,763,394.50	\$ 32,593,573.27	\$ 33,863,625.81	\$ 35,447,366.14	\$ 36,628,371.98	\$ 38,122,617.85	\$ 38,976,352.59	\$ 39,305,390.77
<b>Change in Net Assets:</b>								
Governmental Activities	\$ 1,073,896.75	\$ (460,968.12)	\$ 369,133.01	\$ 288,440.95	\$ 820,199.99	\$ (468,268.87)	\$ 1,446,316.75	\$ 1,894,191.02
Business-Type Activities	134,357.49	28,789.31	42,765.77	54,352.66	46,881.75	53,506.77	(32,865.94)	9,293.19
Total District	\$ 1,208,254.24	\$ (432,198.81)	\$ 431,898.78	\$ 342,793.61	\$ 867,081.74	\$ (414,762.10)	\$ 1,413,510.81	\$ 1,843,484.21

Source: CAFR Exhibit A-2

Note: Only the last eight years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2003.

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST EIGHT FISCAL YEARS**  
 (Modified Accrual Basis of Accounting)  
 Unaudited

J-3

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
<b>General Fund:</b>								
Reserved	\$ 1,340,566.27	\$ 1,733,810.67	\$ 1,432,274.53	\$ 1,486,171.68	\$ 1,349,504.81	\$ 2,169,786.01	\$ 2,263,339.71	\$ 2,083,094.47
Unreserved	560,534.19	461,554.64	434,754.17	332,153.07	1,257,352.53	555,777.23	827,222.49	1,221,779.75
<b>Total General Fund</b>	<u>\$ 1,901,100.46</u>	<u>\$ 2,195,365.31</u>	<u>\$ 1,867,028.70</u>	<u>\$ 1,818,324.75</u>	<u>\$ 2,606,857.34</u>	<u>\$ 2,725,563.24</u>	<u>\$ 3,090,562.20</u>	<u>\$ 3,304,864.22</u>
<b>All Other Governmental Funds:</b>								
Reserved	\$ 744,300.00	\$ 80,100.00	\$ 717,567.43	\$ 30,000.00	\$ 95,712.76	\$ 5,735,683.05	\$ 950,836.64	2,073,717.83
Unreserved, Reported In:								
Capital Projects Fund	119,078.58	59,608.00			14,269,635.19	3,216,125.00	1,974,945.69	725,636.32
Debt Service Fund							0.74	
<b>Total All Other Governmental Funds</b>	<u>\$ 863,378.58</u>	<u>\$ 139,708.00</u>	<u>\$ 717,567.43</u>	<u>\$ 30,000.00</u>	<u>\$ 14,365,347.95</u>	<u>\$ 8,951,808.05</u>	<u>\$ 2,925,783.07</u>	<u>\$ 2,799,354.15</u>

Source: CAFR Schedule B-1

Note: Only the last eight years of information are presented as GASB 34 was implemented during fiscal year ended June 30, 2003.

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS  
LAST EIGHT FISCAL YEARS  
(Modified Accrual Basis of Accounting)**

J-4  
Sheet #1

Unaudited

Fiscal Year Ending June 30,

	2004	2005	2006	2007	2008	2009	2010	2011
<b>Revenues:</b>								
Tax Levy	\$28,476,758.00	\$ 29,515,390.00	\$ 30,879,459.00	\$32,260,448.00	\$33,593,059.00	\$34,937,182.00	\$ 36,440,894.00	\$37,792,600.00
Transportation Fees		8,631.31	26,748.88	11,826.03	16,722.71	6,362.73	3,694.70	3,807.47
Interest Earned on Capital Reserve Funds	3,365.37	385,616.03	294,698.67	387,268.83	372,133.13	227,187.19	1,192.82	932.32
Miscellaneous	227,554.25	4,561,440.98	4,793,893.13	5,907,603.80	6,106,002.04	4,803,730.79	183,134.79	215,989.39
State Sources	4,728,989.70	583,198.35	534,837.55	592,560.48	610,821.01	601,757.91	5,037,526.83	3,953,667.30
Federal Sources	446,752.77	35,054,276.67	36,529,637.23	39,159,707.14	40,698,737.89	40,576,220.82	42,851,214.00	754,884.20
<b>Total Revenues</b>	<b>33,893,420.09</b>	<b>35,054,276.67</b>	<b>36,529,637.23</b>	<b>39,159,707.14</b>	<b>40,698,737.89</b>	<b>40,576,220.82</b>	<b>42,851,214.00</b>	<b>42,721,880.68</b>
<b>Expenditures:</b>								
Instruction:								
Regular	10,904,083.23	11,565,374.62	11,620,271.86	11,875,902.61	12,033,196.49	12,933,462.47	12,942,085.80	12,411,494.07
Special Education	1,858,625.99	1,901,579.23	2,196,598.58	2,417,742.29	2,650,704.78	2,768,103.06	2,963,223.23	2,836,955.16
Other Special Instruction	187,877.53	167,523.19	156,010.28	183,490.34	217,275.97	284,786.29	358,471.46	318,129.50
Other Instruction	853,268.39	846,442.50	885,434.83	949,463.32	999,779.43	1,034,582.69	1,073,255.01	997,374.17
Support Services:								
Tuition	1,197,976.13	1,513,928.66	1,682,000.07	1,796,379.50	1,910,690.06	2,066,504.11	2,068,587.74	2,263,498.03
Student and Instruction Related Services	3,820,074.07	3,936,482.42	3,953,823.79	4,370,055.86	4,449,128.35	4,645,881.37	4,924,001.79	4,639,042.79
General Administrative Services	1,513,151.64	1,554,269.26	1,630,970.20	1,632,857.08	1,691,764.46	1,740,209.93	1,810,620.28	569,161.68
School Administrative Services	693,566.68	626,623.75	566,703.25	602,765.98	651,376.34	576,345.81	573,706.43	1,782,846.52
Central Services		450,246.37	466,846.68	485,178.35	495,369.58	504,948.50	523,289.00	535,676.69
Administration of Information Technology		266,149.14	393,232.12	404,073.34	371,549.32	433,809.30	474,930.30	513,258.24
Plant Operations and Maintenance	3,570,267.46	3,601,115.44	3,735,947.73	3,904,497.91	3,835,900.90	3,894,147.43	3,769,387.05	3,728,131.15
Pupil Transportation	836,940.52	826,987.00	911,485.58	1,034,166.63	1,076,665.16	1,126,555.65	1,077,685.11	1,088,816.21
Business and Other Support Services	468,145.67	6,371,604.43	7,081,885.04	8,468,857.33	8,716,934.11	7,116,549.06	7,866,602.25	8,401,008.90
Employee Benefits	6,235,377.65	1,402,073.39	251,431.41	273,157.55	2,560.00	127.00	6,694,900.31	1,292,086.34
Transfer to Charter School	378,601.56				479,224.40	5,555,996.57		
Capital Outlay								
Debt Service:								
Principal	500,000.00	580,000.00	600,000.00	630,000.00	650,000.00	700,000.00	734,000.00	645,000.00
Interest	195,533.00	173,283.00	147,473.00	120,773.00	92,738.00	489,045.38	657,494.26	611,528.13
<b>Total Expenditures</b>	<b>33,213,489.52</b>	<b>35,783,682.40</b>	<b>36,280,114.42</b>	<b>39,149,361.09</b>	<b>40,324,857.35</b>	<b>45,871,054.62</b>	<b>48,512,240.02</b>	<b>42,634,007.58</b>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST EIGHT FISCAL YEARS**  
 (Modified Accrual Basis of Accounting)  
 Unaudited

J-4  
 Sheet #2

	Fiscal Year Ending June 30,							
	2004	2005	2006	2007	2008	2009	2010	2011
Excess (Deficiency) of Revenues Over/(Under) Expenditures	\$ 669,930.57	\$ (729,405.73)	\$ 249,522.81	\$ 10,346.05	\$ 373,880.54	\$ (5,294,834.00)	\$ (5,661,026.02)	\$ 87,873.10
Other Financing Sources:								
Bond Proceeds					14,765,000.00			
Operating Transfer In	676,796.73	324,522.35	866,527.00	62,641.30	15,000.00	432,232.38	42,000.00	555,380.39
Operating Transfer Out	(676,796.73)	(324,522.35)	(866,527.00)	(176,891.30)	(15,000.00)	(432,232.38)	(42,000.00)	(555,380.39)
Capital Leases (Nonbudgeted)	164,120.69	300,000.00						
Total Other Financing Sources	164,120.69	300,000.00	-	(114,250.00)	14,765,000.00	-	-	-
Net Change in Fund Balances	\$ 834,051.26	\$ (429,405.73)	\$ 249,522.81	\$ (103,903.95)	\$15,138,880.54	\$ (5,294,834.00)	\$ (5,661,026.02)	\$ 87,873.10
Debt Service as a Percentage of Noncapital Expenditures	2.1%	2.2%	2.1%	1.9%	1.9%	2.9%	3.3%	3.0%

Source: CAFR Schedule B-2

Note: Noncapital expenditures are total expenditures less capital outlay.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
GENERAL FUND OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
Unaudited

J-5

Fiscal Year Ended June 30	Tuition	Insurance Dividends	Rental of Facilities	Interest on Investments	Refund of Prior Year Expenditures	Athletic Gate Receipts	Adjustment of Prior Years' Orders	Miscellaneous	Transportation Fees	Total
2002	\$ 45,234.26	\$ 23,560.00	\$ 77,686.63	\$ 54,308.92	\$ 6,109.58	\$ 7,857.00	\$ 6,631.93	\$ 16.00	\$ 1,893.04	\$ 221,404.32
2003	8,492.00	6,472.00	64,587.74	33,130.93	28,470.35	8,468.00	6,497.82	9,159.28	3,365.37	167,171.16
2004		9,526.00	54,312.11	28,697.93	19,080.11	15,131.00	4,166.62	20,639.93	4,172.25	154,919.07
2005		17,355.00	61,222.57	84,632.03	30,801.78	9,160.00	17,277.71	300,376.00	2,859.64	524,997.34
2006		16,415.00	64,307.16	156,550.53	22,393.17	10,020.00	11,635.42	10,517.75	2,789.78	294,698.67
2007			145,496.00	210,329.51	14,629.70	7,057.00	6,844.74	122.10	3,341.23	387,268.83
2008			148,438.95	161,610.18	11,427.57	9,810.00	24,718.64	27,009.27	4,261.45	386,355.84
2009	8,757.00	35,664.00	62,900.75	56,138.39	17,674.20	31,268.00	579.19	9,306.94	3,694.70	226,549.92
2010	500.00		61,842.04	15,610.58	8,950.53	29,523.58	228.26	66,479.80	3,807.47	186,829.49
2011		3,589.00	69,877.86	4,739.79	58,341.74	36,112.60	10.90	39,510.03		215,989.39

Source: District Records

**REVENUE CAPACITY**

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS  
Unaudited**

**BOROUGH OF CALDWELL**

Fiscal Year Ended June 30,	Assessed Values		Total Assessed Value	Equalized Values		County Equalized Value	School Tax Rate/\$100 Valuation
	Real Property	Personal Property*		Real Property	Personal Property*		
2002	\$ 104,073,400	\$ 797,492	\$ 104,870,892	\$ 626,948,193	\$ 797,492	\$ 632,390,389	\$ 7.78
2003	104,238,300	803,636	105,041,936	655,586,792	803,636	661,420,362	8.21
2004	105,013,400	681,747	105,695,147	748,491,803	681,747	754,242,657	8.55
2005 * Re-evaluation	1,029,259,400	5,021,410	1,034,280,810	877,982,940	5,021,410	888,439,439	0.94
2006	1,023,566,400	5,021,410	1,028,587,810	982,120,898	5,021,410	992,726,637	1.02
2007	1,023,089,600	5,021,410	1,028,111,010	1,105,445,273	5,021,410	1,116,255,454	1.06
2008	1,025,848,700	4,009,252	1,029,857,952	1,133,158,842	4,009,252	1,143,440,806	1.09
2009	1,030,938,900	3,987,384	1,034,926,284	1,152,015,756	3,987,384	1,162,210,844	1.10
2010	1,030,989,750	4,061,607	1,035,051,357	1,121,616,351	4,061,607	1,131,875,733	1.11
2011	1,027,265,650	4,245,536	1,031,511,186	1,104,230,517	4,245,536	1,114,440,103	1.14

\* Machinery, implements, equipment and all other taxable personal property used in the business of telephone, telegraph and messenger system companies

**TOWNSHIP OF WEST CALDWELL**

Fiscal Year Ended June 30,	Assessed Values		Total Assessed Value	Equalized Values		County Equalized Value	School Tax Rate/\$100 Valuation
	Real Property	Personal Property*		Real Property	Personal Property*		
2002	\$ 1,100,942,200	\$ 1,091,400	\$ 1,102,033,600	\$ 1,372,574,741	\$ 1,091,400	\$ 1,382,767,782	\$ 1.64
2003	1,107,665,300	1,078,100	1,108,743,400	1,479,649,078	1,078,100	1,490,342,069	1.73
2004	1,112,577,600	964,900	1,113,542,500	1,623,016,193	964,900	1,633,934,445	1.79
2005	1,115,007,200	835,500	1,115,842,700	1,795,502,738	835,500	1,806,978,614	1.83
2006	1,125,525,100	723,400	1,126,248,500	1,981,907,202	723,400	1,994,032,702	1.87
2007	1,132,723,800	665,300	1,133,389,100	2,241,685,731	665,300	2,254,534,266	1.94
2008	1,138,522,900	674,800	1,139,197,700	2,370,441,183	674,800	2,384,318,194	2.02
2009	1,139,233,300	659,800	1,139,893,100	2,554,334,753	659,800	2,568,255,600	2.14
2010	1,138,173,200	688,400	1,138,861,600	2,555,395,599	688,400	2,569,566,983	2.25
2011* Re-evaluation	2,231,944,300	1,552,700	2,233,497,000	2,402,782,108	1,552,700	2,417,264,444	1.17

\* Machinery, implements, equipment and all other taxable personal property used in the business of telephone, telegraph and messenger system companies

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN FISCAL YEARS  
Unaudited**

J-7

(Rate per \$100 of Assessed Value)

**BOROUGH OF CALDWELL**

Fiscal Year Ended June 30,	Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Municipal Rate West Caldwell	County Rate Essex County	
2002	\$ 7.61	\$ 0.17	\$ 7.78	\$ 3.18	\$ 3.78	\$ 14.74
2003	8.04	0.17	8.21	3.37	3.69	15.27
2004	8.37	0.18	8.55	3.87	3.72	16.14
2005 *Re-evaluation	0.92	0.02	0.94	0.52	0.42	1.88
2006	1.00	0.02	1.02	0.60	0.42	2.04
2007	1.04	0.02	1.06	0.63	0.43	2.12
2008	1.07	0.02	1.09	0.67	0.43	2.19
2009	1.07	0.03	1.10	0.68	0.44	2.22
2010	1.08	0.03	1.11	0.69	0.45	2.25
2011	1.11	0.03	1.14	0.69	0.48	2.31

Source: District Records and Municipal Tax Collector

**TOWNSHIP OF WEST CALDWELL**

Fiscal Year Ended June 30,	Board of Education			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate	General Obligation Debt Service	Total Direct	Municipal Rate West Caldwell	County Rate Essex County	
2002	\$ 1.60	\$ 0.04	\$ 1.64	\$ 0.71	\$ 0.79	\$ 3.14
2003	1.69	0.04	1.73	0.73	0.79	3.25
2004	1.75	0.04	1.79	0.75	0.78	3.32
2005 *Re-evaluation	1.79	0.04	1.83	0.81	0.78	3.42
2006	1.83	0.04	1.87	0.85	0.78	3.50
2007	1.90	0.04	1.94	0.91	0.78	3.63
2008	1.98	0.04	2.02	0.99	0.79	3.80
2009	2.09	0.05	2.14	1.00	0.89	4.03
2010	2.20	0.05	2.25	1.03	0.93	4.21
2011	1.14	0.03	1.17	0.55	0.48	2.20

Source: District Records and Municipal Tax Collector

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO  
Unaudited**

J-8

**BOROUGH OF CALDWELL**

	2010			2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
<b>TAXPAYER</b>						
NJ Bell Atlantic	\$ 5,511,233		*	\$ 836,060	5	0.77%
Westover Associates	11,173,615		*	1,600,000	1	2.29%
Carlyle Towers, A Partnership	8,717,285		*	1,060,200	2	1.52%
Panyork Group, Inc.	7,997,189		*	990,000	3	1.01%
Caldwell Plaza, Inc.	6,594,014		*			
Hillside Realty	6,497,629		*	841,800	4	0.94%
S&S 550 Bloomfield Ave. LLC	4,988,889		*			
Parkview Commons Apartments	4,131,997		*			
Sidebrook Associates	3,601,479		*	530,900	8	0.50%
Charles Eggert, Jr.			*	615,000	6	0.59%
Rumsey Park Assoc.	3,555,082		*	581,600	7	0.55%
Wellmont Realty			*	375,000	10	0.36%
East Parkway Assoc.			*	464,800	9	0.44%
	<u>\$ 62,768,412</u>		<u>*</u>	<u>\$ 7,895,360</u>		<u>8.43%</u>

Source: Municipal Tax Assessor

\*Data not provided.

**TOWNSHIP OF WEST CALDWELL**

	2010			2001		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
<b>TAXPAYER</b>						
Lutheran Social Ministries, Inc.	\$ 81,000,000	1	7.11%	\$ 38,518,300	1	3.53%
LTS Lohmann Therapy Systems	36,152,100	3	3.17%			
GR/SS Caldwell	38,433,800	2	3.37%	\$ 16,913,600	2	1.55%
Toyota Motor Sales	32,033,900	4	2.81%	13,668,100	3	1.25%
West Caldwell Plaza	22,911,600	5	2.01%			
Ricoh of America, Inc.	13,948,500	10	1.22%	11,302,600	4	1.04%
Mountain Ridge Country Club	19,642,900	6	1.72%	8,500,000	8	0.78%
Leknarf Associates LLC	17,767,000	7	1.56%			
Henderson Drive LLC	16,943,500	8	1.49%			
Passfield Properties				8,908,900	6	0.82%
Ivers Lee				8,505,000	7	0.78%
Minnesota Mining & Manuf. Co.				8,164,000	9	0.75%
Lohman Therapy Systems				10,378,200	5	0.95%
Eagle Rock Convalescent Ctr.	16,200,000	9	1.42%	7,900,000	10	0.72%
	<u>\$ 295,033,300</u>		<u>25.91%</u>	<u>\$ 132,758,700</u>		<u>12.18%</u>

Source: Municipal Tax Assessor

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN CALENDAR YEARS  
Unaudited**

J-9

**BOROUGH OF CALDWELL**

Calendar Year Ended <u>January 31,</u>	School Taxes Levied <u>Calendar Year</u>	<u>Collected Within the Calendar Year of the Levy</u>		
		<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>
2002	\$ 8,152,758.81	\$ 8,152,758.81	100%	---
2003	8,622,957.44	8,622,957.44	100%	---
2004	9,037,498.03	9,037,498.03	100%	---
2005	9,749,932.84	9,749,932.84	100%	---
2006	10,450,401.39	10,450,401.39	100%	---
2007	10,923,559.35	10,923,559.35	100%	---
2008	11,224,298.99	11,224,298.99	100%	---
2009	11,338,538.60	11,338,538.60	100%	---
2010	11,454,860.83	11,454,860.83	100%	---
2011	11,750,553.98	11,750,553.98	100%	---

**TOWNSHIP OF WEST CALDWELL**

Calendar Year Ended <u>January 31,</u>	School Taxes Levied <u>Calendar Year</u>	<u>Collected Within the Calendar Year of the Levy</u>		
		<u>Amount</u>	<u>Percentage of Levy</u>	<u>Collections in Subsequent Years</u>
2002	\$ 18,086,189.19	\$ 18,086,189.19	100%	---
2003	19,146,527.06	19,146,527.06	100%	---
2004	19,958,575.98	19,958,575.98	100%	---
2005	20,447,491.66	20,447,491.66	100%	---
2006	21,119,552.10	21,119,552.10	100%	---
2007	22,003,194.16	22,003,194.16	100%	---
2008	23,040,821.50	23,040,821.50	100%	---
2009	24,350,499.41	24,350,499.41	100%	---
2010	25,661,886.16	25,661,886.16	100%	---
2011	26,042,046.02	26,042,046.02	100%	---

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

NOTE: School taxes are collected by the Municipal Tax Collector. Under State Statute, a municipality is required to remit to the school district the property tax amount voted upon and certified prior to the end of the school fiscal year - June 30th.

## DEBT CAPACITY

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS  
Unaudited**

J-10

Fiscal Year Ended June 30,	General Obligation Bonds	Capital Leases	Total District	Borough of Caldwell		Township of West Caldwell	
				Percentage of Personal Income	Per Capita	Percentage of Personal Income	Per Capita
2002	\$ 4,894,000.00	\$ -	\$ 4,894,000.00	Not Available	Not Available	Not Available	Not Available
2003	4,394,000.00	-	4,394,000.00	Not Available	Not Available	Not Available	Not Available
2004	3,894,000.00	125,920.00	4,019,920.00	Not Available	Not Available	Not Available	Not Available
2005	3,314,000.00	622,103.46	3,936,103.46	Not Available	Not Available	Not Available	Not Available
2006	2,714,000.00	471,043.66	3,185,043.66	Not Available	Not Available	Not Available	Not Available
2007	2,084,000.00	330,890.46	2,414,890.46	Not Available	Not Available	Not Available	Not Available
2008	16,199,000.00	191,373.99	16,390,373.99	Not Available	Not Available	Not Available	Not Available
2009	15,499,000.00	443,173.64	15,942,173.64	Not Available	Not Available	Not Available	Not Available
2010	14,765,000.00	340,902.80	15,105,902.80	Not Available	Not Available	Not Available	Not Available
2011	14,120,000.00	238,631.96	14,120,000.00	Not Available	Not Available	Not Available	Not Available

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS  
Unaudited**

J-11

**BOROUGH OF CALDWELL**

<u>Fiscal Year Ended June 30,</u>	<u>School District Population**</u>	<u>Net Assessed Valuation Taxable**</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2002	7,599	\$ 104,870,892	\$ 1,535,819	1.46%	\$ 202.11
2003	7,541	105,041,936	1,350,651	1.29%	179.11
2004	7,489	105,695,147	1,229,817	1.16%	164.22
2005	7,378	1,034,280,810	1,092,331	0.11%	148.05
2006	7,246	1,028,587,810	902,068	0.09%	124.49
2007	7,160	1,028,111,010	690,128	0.07%	96.39
2008	7,160	1,029,857,952	5,250,528	0.51%	733.31
2009	7,115	1,034,926,284	4,828,647	0.47%	678.66
2010	7,115	1,035,051,357	4,515,035	0.44%	634.58
2011	7,115	1,031,511,186	4,455,609	0.43%	626.23

**TOWNSHIP OF WEST CALDWELL**

<u>Fiscal Year Ended June 30,</u>	<u>School District Population**</u>	<u>Net Assessed Valuation Taxable**</u>	<u>Net Bonded Debt</u>	<u>Ratio of Bonded Debt to Assessed Value</u>	<u>Net Bonded Debt per Capita</u>
2002	11,155	1,102,033,600	3,358,181	0.30%	\$ 301.05
2003	11,072	1,108,743,400	3,043,349	0.27%	274.87
2004	10,934	1,113,542,500	2,664,183	0.24%	243.66
2005	10,776	1,115,842,700	2,221,669	0.20%	206.17
2006	10,597	1,126,248,500	1,811,932	0.16%	170.99
2007	10,469	1,133,389,100	1,393,872	0.12%	133.14
2008	10,391	1,139,197,700	10,948,472	0.96%	1,053.65
2009	10,407	1,139,893,100	10,670,353	0.94%	1,025.31
2010	10,407	1,138,861,600	10,249,965	0.90%	984.91
2011	10,407	2,233,497,000	9,664,391	0.43%	928.64

SOURCE: \*N.J. Department of Labor and Workplace Development, Division of Labor Planning and Analysis

\*\*Essex County Abstract of Ratables

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
 AS OF DECEMBER 31, 2011  
 Unaudited**

**J-12**

	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>		<u>Estimated Share of Overlapping Debt</u>
<b><u>Governmental Unit</u></b>				
Debt Repaid with Property Taxes:				
Net Overlapping Debt of School District:				
Township of Caldwell	\$ 15,118,535.00	100%		\$ 15,118,535.00
Township of West Caldwell	11,408,419.37	100%		11,408,419.37
County of Essex	328,930,352.20	3.81%		12,532,246.42
District Direct Debt				<u>14,765,000.00</u>
Total Direct and Overlapping Bonded Debt as of December 31, 2010				<u><u>\$ 53,824,200.79</u></u>

Source: Municipal Audit Reports

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST SEVEN FISCAL YEARS  
Unaudited**

**J-13  
Sheet #1**

<u>Year</u>	<u>Equalized Valuation Basis</u>		<u>Total</u>
	<u>Caldwell Township</u>	<u>West Caldwell Township</u>	
2010	\$ 1,112,295,241.00	\$ 2,392,311,010.00	\$ 3,504,606,251.00
2009	1,125,548,415.00	2,558,435,507.00	3,683,983,922.00
2008	1,150,336,998.00	2,553,416,728.00	<u>3,703,753,726.00</u>
			<u>\$ 10,892,343,899.00</u>
Average Equalized Valuation of Taxable Property			<u>\$ 3,630,781,299.67</u>
School Borrowing Margin (4% of \$3,627,300,917.00)			\$ 145,231,251.99
Net Bonded School Debt as of June 30, 2010			<u>(14,120,000.00)</u>
School Borrowing Margin Available			<u>\$ 131,111,251.99</u>

Source: Equalized valuation bases were provided by the Annual Report of the State of New Jersey, Department of Treasury, Division of Taxation.

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**LEGAL DEBT MARGIN INFORMATION**  
 Unaudited

J-13  
Sheet #2

	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Debt Limit	\$ 76,009,796	\$ 88,885,213	\$ 106,670,011	\$ 119,664,443	\$ 140,417,582	\$ 145,092,037	\$ 145,231,251.99
Total Net Debt Applicable to Limit	<u>3,894,000</u>	<u>3,314,000</u>	<u>2,714,000</u>	<u>16,199,000</u>	<u>15,499,000</u>	<u>14,765,000</u>	<u>14,120,000.00</u>
Legal Debt Margin	<u>\$ 72,115,796</u>	<u>\$ 85,571,213</u>	<u>\$ 103,956,011</u>	<u>\$ 103,465,443</u>	<u>\$ 124,918,582</u>	<u>\$ 130,327,037</u>	<u>\$ 131,111,252</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	5.12%	3.73%	2.54%	13.54%	11.04%	10.18%	9.72%

**DEMOGRAPHIC AND ECONOMIC INFORMATION**

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 DEMOGRAPHIC AND ECONOMIC STATISTICS  
 LAST TEN FISCAL YEARS  
 Unaudited**

**J-14**

**BOROUGH OF CALDWELL**

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2001	7,577	Not Available	Not Available	1.6%
2002	7,599	Not Available	Not Available	2.2%
2003	7,541	Not Available	Not Available	2.2%
2004	7,489	Not Available	Not Available	1.8%
2005	7,378	Not Available	Not Available	2.2%
2006	7,246	Not Available	Not Available	2.3%
2007	7,160	Not Available	Not Available	2.1%
2008	7,106	Not Available	Not Available	2.5%
2009	7,115	Not Available	Not Available	5.1%
2010	7,115	Not Available	Not Available	5.2%

**TOWNSHIP OF WEST CALDWELL**

<u>Year</u>	<u>Population</u>	<u>Personal Income</u>	<u>Per Capita Personal Income</u>	<u>Unemployment Rate</u>
2001	11,198	Not Available	Not Available	1.6%
2002	11,155	Not Available	Not Available	2.2%
2003	11,072	Not Available	Not Available	2.2%
2004	10,934	Not Available	Not Available	1.8%
2005	10,776	Not Available	Not Available	2.2%
2006	10,597	Not Available	Not Available	3.3%
2007	10,469	Not Available	Not Available	2.9%
2008	10,391	Not Available	Not Available	3.6%
2009	10,407	Not Available	Not Available	7.3%
2010	10,407	Not Available	Not Available	7.3%

\* Population information provided by the N.J. Department of Labor and Workplace Development.

\* Personal Income has been estimated based upon the Census 2000 per capita income and municipal population presented.

\* Per capita personal income by municipality source is U.S. Census Data.

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO  
Unaudited**

J-15

**BOROUGH OF CALDWELL**

<u>Employer</u>	<u>2009</u>		<u>2001</u>	
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Employees</u>	<u>Rank (Optional)</u>
Caldwell College	152	1	*	*
Borough of Caldwell	87	2	*	*
Sealfons			*	*
Foodtown			*	*
Jack's Supermarket	50	3	*	*
Congregation Agudath Israel	50	4	*	*
Saint Aloysius Church	50	5	*	*
Wachovia Bank	12	6	*	*
First Union Bank			*	*
Penn Federal	11	7	*	*
PNC Bank	10	8	*	*

**TOWNSHIP OF WEST CALDWELL**

<u>Employer</u>	<u>2011</u>		<u>2001</u>	
	<u>Employees</u>	<u>Rank (Optional)</u>	<u>Employees</u>	<u>Rank (Optional)</u>
Ricoh of America, Inc.	600	1	*	*
Vitaquest International	463	2	*	*
Caldwell-West Caldwell Board of Education	449	3	*	*
Toyota Motor Sales	340	4	*	*
Reitman Industries	325	5	*	*
Shop Rite Supermarkets	250	6	*	*
LTS Lohmann Therapy Systems	217	7	*	*
RLB Food Enterprises, Inc.	175	8	*	*
Mountain Ridge Country Club	120	9	*	*
Impact Instrumentation	110	10	*	*
Sharp Ivers-Lee			*	*
Garden State Nutritionals			*	*
Kings Supermarkets, Inc.			*	*
Minnesota Mining & Manuf. Co.			*	*
Henderson Industries			*	*
Nesor Alloy			*	*

Source: Municipal Tax Assessor

\*Information Not Available

## **OPERATING INFORMATION**

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**  
*Unaudited*

J-16

<u>Function/Program</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
Instruction:										
Regular	152.6	155.6	158.2	159.0	161.7	163.7	164.30	165.30	165.70	160.70
Special Education	26.5	34.7	35.5	39.0	41.5	42.3	43.80	43.80	45.80	43.80
Other Special Education	8.0	8.0	8.0	9.0	9.0	9.0	9.65	9.65	9.65	9.65
Other Instructional	16.6	17.4	16.4	16.6	17.6	18.6	18.95	18.95	18.95	17.95
Support Services:										
Student and Instructional Related Services	28.9	33.5	39.5	43.5	43.6	58.1	62.00	63.50	63.50	55.50
General Administration	2.0	2.0	2.0	2.0	2.0	2.0	2.00	2.00	2.00	2.00
School Administrative Service	21.4	21.4	22.4	22.4	22.0	22.0	23.00	23.00	23.00	22.50
Other Administrative Services	9.0	6.0	7.0	7.0	7.0	7.0	7.00	7.00	7.00	7.00
Central Services	6.0	6.0	6.0	6.0	6.0	6.0	6.00	6.00	6.00	6.00
Administrative Information Technology	1.0	1.0	1.0	1.0	1.0	1.0	1.00	1.00	1.00	1.00
Plant Operations and Maintenance	40.0	40.0	39.0	39.0	39.0	39.0	39.00	39.00	39.00	37.00
Pupil Transportation	2.0	2.0	3.0	3.0	2.0	2.0	3.00	3.00	3.50	3.50
<b>Total</b>	<u>314.0</u>	<u>327.6</u>	<u>338.0</u>	<u>347.5</u>	<u>352.4</u>	<u>370.7</u>	<u>379.70</u>	<u>382.20</u>	<u>385.10</u>	<u>366.60</u>

Source: District Personnel Records

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
Unaudited**

J-17

Fiscal Year Ended June 30	Enrollment	Operating Expenditures (a)	Cost per Pupil	Percentage Change	Teaching Staff	Per Pupil Ratio			Average Daily Enrollment (b)	Average Daily Attendance (c)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle	Senior High School				
2002	2,569	\$ 27,184,804	\$10,582	2.21%	203.7	14.8	14.8	14.8	2,531.6	2,405.0	3.80%	95.00%
2003	2,597	29,440,341	11,336	6.65%	215.7	14.5	17.1	13.5	2,550.1	2,441.7	0.73%	95.75%
2004	2,616	31,498,182	12,041	5.86%	218.1	15.1	16.5	13.2	2,555.9	2,471.4	0.23%	96.69%
2005	2,650	32,847,902	12,395	2.85%	223.6	15.1	16.6	13.2	2,571.8	2,477.8	0.62%	96.34%
2006	2,653	34,527,772	13,015	5.00%	229.7	15.0	15.6	13.5	2,609.5	2,521.7	1.47%	96.64%
2007	2,681	37,795,291	14,097	8.31%	233.6	15.0	15.8	13.4	2,633.4	2,505.8	0.92%	95.15%
2008	2,666	38,283,842	14,360	3.09%	233.7	15.4	16.0	13.0	2,652.5	2,511.1	0.73%	94.70%
2009	2,692	38,305,072	14,229	-0.91%	237.7	15.1	15.0	12.9	2,652.0	2,536.4	-0.01%	95.60%
2010	2,635	40,425,845	14,855	4.40%	239.7	15.0	15.1	13.4	2,573.2	2,492.3	-2.97%	96.90%
2011	2,645	40,090,092	15,157	-0.83%	232.1	15.1	15.0	14.0	2,597.1	2,492.9	0.92%	96.00%

Note: (a) Operating expenditures equal total expenditures less debt service and capital outlay.  
(b) Teaching staff includes only full-time equivalents of certified staff.  
(c) Average daily enrollment and average daily attendance are obtained from School Registry Summary.

Source: District Records

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS  
Unaudited**

<u>FACILITY</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>
<b>Elementary</b>										
Jefferson School (1954):										
Square Feet	37,369	37,369	37,369	37,369	37,369	37,369	37,369	37,369	37,369	37,369
Functional Capacity	350	350	350	350	350	350	350	350	350	350
Enrollment	265	251	246	285	274	284	283	293	305	295
Lincoln School (1915):										
Square Feet	35,461	35,461	35,461	35,461	35,461	35,461	35,461	35,461	35,461	35,461
Functional Capacity	350	350	350	350	350	350	350	350	350	350
Enrollment	253	256	251	247	229	230	220	227	235	234
Washington School (1948):										
Square Feet	46,319	46,319	46,319	46,319	46,319	46,319	46,319	46,319	46,319	46,319
Functional Capacity	523	523	523	523	523	523	523	523	523	523
Enrollment	387	382	410	397	414	425	404	401	375	367
Wilson School (1958):										
Square Feet	35,996	35,996	35,996	35,996	35,996	35,996	35,996	35,996	35,996	35,996
Functional Capacity	350	350	350	350	350	350	350	350	350	350
Enrollment	231	220	237	227	230	234	244	239	239	251
<b>Middle School</b>										
Grover Cleveland (1925):										
Square Feet	114,670	114,670	114,670	114,670	114,670	114,670	114,670	114,670	114,670	114,670
Functional Capacity	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256
Enrollment	615	643	626	634	625	621	627	613	631	634
<b>High School</b>										
James Caldwell (1960):										
Square Feet	127,023	127,023	127,023	127,023	127,023	127,023	127,023	127,023	127,023	127,023
Functional Capacity	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265
Enrollment	756	796	803	809	828	809	819	848	788	791
<b>Other</b>										
Harrison School Building:										
Square Feet	35,759	35,759	35,759	35,759	35,759	35,759	35,759	35,759	35,759	35,759
Enrollment - PSD	17	18	20	19	23	23	33	35	18	20
Maintenance Shop:										
Square Feet	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250
Field House:										
Square Feet	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Number of Schools as of June 30, 2006:										
Elementary = 4										
Middle School = 1										
High School = 1										
Other = 3										

Source: District Maintenance Office

Note: Year of original construction is shown in parentheses.

Enrollment is based on annual October District count.

Harrison School Building was an elementary school that was closed in 1985 and now houses Pre-School Disabled classes.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE EXPENDITURES BY SCHOOL FACILITY  
LAST TEN FISCAL YEARS

J-19

Unaudited

UNDISTRIBUTED EXPENDITURES -  
REQUIRED MAINTENANCE FOR  
SCHOOL FACILITIES  
11-000-261-XXX

School Facilities	Project #	2011	2010	2009	2008	2007	2006	2005	2004	2003	2002
James Caldwell High School	N/A	\$ 439,534.44	\$ 429,048.20	\$ 453,131.25	\$ 521,985.41	\$ 421,924.93	\$ 374,301.26	\$ 347,109.73	\$ 302,654.30	\$ 361,321.03	\$ 363,579.07
Grover Cleveland Middle School	N/A	221,610.94	255,584.99	252,946.25	217,582.11	231,524.41	182,401.41	180,860.89	256,388.51	269,590.09	269,059.70
Harrison Elementary School	N/A	89,458.91	98,130.34	113,509.64	77,355.87	80,555.64	86,958.93	68,539.57	70,287.18	78,570.98	55,928.04
Jefferson Elementary School	N/A	90,236.80	109,704.62	99,844.57	75,019.17	93,170.12	91,545.48	73,320.22	79,871.62	82,629.93	78,300.30
Lincoln Elementary School	N/A	112,879.33	101,257.71	85,543.14	69,732.96	71,130.71	70,758.98	62,183.38	94,266.36	113,622.42	74,088.93
Washington Elementary School	N/A	126,004.47	107,298.38	112,508.37	91,487.09	101,074.03	92,080.83	78,773.97	117,842.54	98,847.87	91,766.29
Wilson Elementary School	N/A	90,157.92	73,887.44	99,367.65	80,209.83	84,532.81	72,484.76	76,060.19	163,700.99	105,912.84	78,248.40
		<u>\$ 1,169,882.81</u>	<u>\$ 1,174,911.68</u>	<u>\$ 1,216,950.87</u>	<u>\$ 1,133,352.44</u>	<u>\$ 1,083,912.65</u>	<u>\$ 970,531.65</u>	<u>\$ 896,847.95</u>	<u>\$ 1,085,010.90</u>	<u>\$ 1,110,495.16</u>	<u>\$ 1,010,970.73</u>

**CALDWELL-WEST CALDWELL BOARD OF EDUCATION  
INSURANCE SCHEDULE  
JUNE 30, 2011  
Unaudited**

**J-20  
Sheet #1**

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund (SAIF) Property - Blanket Property	\$ 250,000,000	\$ 1,000 Per Claim

All Risk (subject to certain exclusions) including equipment breakdowns, demolition and increased cost of construction, EDP equipment, extra expenses and newly acquired equipment

**Sub-Limits:**

Newly Acquired Property	\$	25,000,000	
Builder's Risk		25,000,000	
Property-in-Transit		25,000,000	
Demolition and Increased Cost of Construction		25,000,000	
Flood		10,000,000	
Earthquakes		25,000,000	
Loss of Rents		500,000	
Boiler and Machinery		100,000,000	
Terrorism		100,000,000	
Unnamed Locations		25,000,000	
Loss of Revenues		200,000	
Accounts Receivable		2,500,000	
Fine Arts		2,500,000	
Trees/Shrubs/Plants		1,000,000	
Vehicles		Actual Cash Value	
		(\$1,000 Deductible/\$75,000 per Vehicle for Hired Vehicles)	

Blanket Dishonesty Bond (Includes Faithful Performance Elected Officials):		
Per Loss	500,000	1,000
Theft, Disappearance and Destruction:		
Per Person Inside the Premises	50,000.00	1,000
Per Loss Outside the Premises	50,000.00	1,000
Computer Fraud:		
Per Loss	50,000	1,000
Forgery and Alteration:		
Per Loss	50,000	1,000
Commercial Casualty Coverage:		
Per Occurrence, Bodily and Personal Injury, Property Damage	5,000,000	
Sexual Molestation Sub-Limit Each Loss/Per Member	5,000,000	

**Includes:**

Comprehensive General Liability  
Business Automobile Liability  
Employee Benefits Liability

**CALDWELL-WEST CALDWELL BOARD OF EDUCATION**  
**INSURANCE SCHEDULE**  
**JUNE 30, 2011**  
**Unedited**

**J-20**  
**Sheet #2**

	<u>Coverage</u>	<u>Deductible</u>
Medical Expense:		
Per Person	\$ 5,000	\$
Environmental Impairment Liability:		
Per Occurrence	1,000,000	5,000
Fungi Sublimit	500,000	50,000
School Leaders Professional Liability:		
Education Legal Liability Each Claim/Each Member	5,000,000	5,000
Employment Practices Liability Each Claim/Each Member	5,000,000	
Excess Liability:		
Excess of Auto, General Liability and School Leaders Professional	5,000,000	
		Per Occurrence/Aggregate Member Limit
Workers' Compensation and Employers Liability:		
Workers' Compensation	Statutory Limits	
Employers Liability	5,000,000	

**SINGLE AUDIT SECTION**

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE  
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED  
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

The Honorable President and Members  
of the Board of Education  
Caldwell-West Caldwell School District  
County of Essex  
West Caldwell, New Jersey 07006

We have audited the financial statements of the Board of Education of the Caldwell-West Caldwell School District, in the County of Essex, State of New Jersey, as of and for the fiscal year ended June 30, 2011 and have issued our report thereon dated October 31, 2011. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and 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 Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

**Internal Control Over Financial Reporting**

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

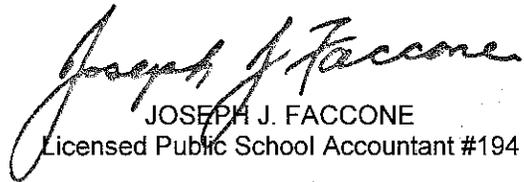
A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or a combination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

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Caldwell-West Caldwell Board of Education'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* and audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey.

This report is intended solely for the information and use of the audit committee, management, the Caldwell-West Caldwell Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
JOSEPH J. FACCONI  
Licensed Public School Accountant #194

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
October 26, 2011

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**REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL  
EFFECT ON EACH MAJOR STATE AND FEDERAL PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND STATE OF  
NEW JERSEY OMB CIRCULAR LETTER 04-04**

The Honorable President and Members  
of the Board of Education  
Caldwell-West Caldwell School District  
County of Essex  
West Caldwell, New Jersey 07006

**Compliance**

We have audited the compliance of the Board of Education of the Caldwell-West Caldwell School District, in the County of Essex, State of New Jersey, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement*, and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2011. Caldwell-West Caldwell Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Caldwell-West Caldwell Board of Education's management. Our responsibility is to express an opinion on the Caldwell-West Caldwell Board of Education's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Division of Finance and Regulatory Compliance, Department of Education, State of New Jersey; OMB Circular A-133, *Audits of States, Local Governments, and Nonprofit Organizations*; and New Jersey OMB's Circular 04-04, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Those standards, OMB Circular A-133 and New Jersey OMB's Circular 04-04, require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above 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 Caldwell-West Caldwell Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Caldwell-West Caldwell Board of Education's compliance with those requirements.

In our opinion, the Board of Education of the Caldwell-West Caldwell School District, in the County of Essex, State of New Jersey, complied, in all material respects, with the 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, 2011.

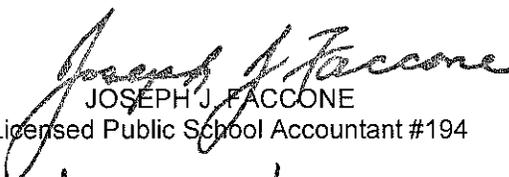
## Internal Control Over Compliance

The management of the Board of Education of the Caldwell-West Caldwell School District is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Caldwell-West Caldwell Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Caldwell-West Caldwell Board of Education'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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the audit committee, management, the Caldwell-West Caldwell Board of Education, the New Jersey State Department of Education, and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

  
JOSEPH J. FACCONE  
Licensed Public School Accountant #194

  
SAMUEL KLEIN AND COMPANY  
CERTIFIED PUBLIC ACCOUNTANTS

Newark, New Jersey  
October 26, 2011

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

SCHEDULE A

Federal CFDA Number	Grant Period	Award Amount	Balance at June 30, 2010 (Accounts Receivable)	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	(Accounts Receivable)	June 30, 2011 Deferred Revenue	Due to Grantor
		\$ 675,705.00	\$ (431,893.53)	\$ 499,552.00	\$ 92,924.47	\$	(25,266.00)	\$	\$
	9-01-09 to 8-31-10	24,454.00	(9,218.50)	24,454.00	15,235.50				
	9-01-09 to 8-31-10	571,179.00	(106,964.30)	106,964.30	353,995.53		(131,649.53)		
	9-01-10 to 8-31-11	229,792.70		229,792.70	229,792.70				
	9-01-10 to 8-31-11	19,488.00		19,488.00	19,488.00				
	9-01-08 to 8-31-09	43,448.00	(8,744.00)	43,448.00	43,448.00				
	9-01-09 to 8-31-10	43,746.00	(463.00)	8,744.00					
	9-01-09 to 8-31-10	4,614.00	(559,283.33)	1,157,252.00	754,884.20	-	(156,915.53)	-	-
	Total Special Revenue Fund		\$ (559,283.33)	\$ 1,157,252.00	\$ 754,884.20	\$ -	\$ (156,915.53)	\$ -	\$ -
	Total Federal Financial Assistance		\$ (559,283.33)	\$ 1,157,252.00	\$ 754,884.20	\$ -	\$ (156,915.53)	\$ -	\$ -

US Department of Education:  
 Passed-Through State Department of  
 Education:

- Special Revenue Fund:
- ARRA IDEA Part B, Basic
- ARRA IDEA Part B, Preschool
- IDEA Part B, Basic Regular
- IDEA Part B, Basic Regular
- IDEA Part B, Basic Summer
- IDEA Part B, Preschool
- Title I/A
- Title II/A
- Title IV
- Total Special Revenue Fund

Total Federal Financial Assistance

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

SCHEDULE B

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
 SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2011

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2010		Cash Received	Budgetary Expenditures	Repayment of Prior Year Balance	Balance at June 30, 2011		Due to Grantor	MEMO	
				(Accounts Receivable)	Deferred Revenue				(Accounts Receivable)	Deferred Revenue		Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>													
<b>General Fund:</b>													
Special Education Aid	10-495-034-5120-089	7-01-08 to 6-30-10	\$ 977,172.00	\$ (127,952.40)	\$ -	\$ 127,862.40	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 977,172.00
Transportation Aid	10-495-034-5120-014	7-01-08 to 6-30-10	270,170.00	(30,020.00)	-	30,020.00	-	-	-	-	-	-	270,170.00
Nonpublic Transportation Aid	11-495-034-5120-014	7-01-08 to 6-30-11	36,192.00	(534,567.00)	-	534,567.00	-	-	-	-	-	-	30,020.00
Extraordinary Aid	11-495-034-5120-078	7-01-08 to 6-30-11	391,111.00	(19,866.60)	-	19,866.60	-	-	-	-	-	-	36,192.00
Security Aid	10-495-034-5120-084	7-01-08 to 6-30-10	198,866.00	(66,280.70)	-	66,280.70	-	-	-	-	-	-	534,567.00
Reimbursed TPAF Pension Contribution	11-495-034-5095-001	7-01-08 to 6-30-11	1,195,622.00	(66,280.70)	-	1,195,622.00	-	-	-	-	-	-	391,111.00
Reimbursed TPAF Social Security	10-495-034-5095-002	7-01-08 to 6-30-10	66,280.70	(66,280.70)	-	66,280.70	-	-	-	-	-	-	198,866.00
Reimbursed TPAF Social Security	11-495-034-5095-002	7-01-10 to 6-30-11	1,300,244.62	(650,714.30)	-	1,300,244.62	-	-	-	-	-	-	2,352,098.00
<b>Total General Fund</b>			<b>3,208,413.13</b>	<b>(650,714.30)</b>	<b>-</b>	<b>2,892,189.62</b>	<b>-</b>	<b>-</b>	<b>(66,130.19)</b>	<b>-</b>	<b>-</b>	<b>(483,433.19)</b>	<b>6,094,840.61</b>
<b>Special Revenue Fund:</b>													
<b>N. J. Nonpublic Aid:</b>													
Textbook Aid	10-100-034-5120-064	7-01-08 to 6-30-10	42,120.00	-	-	35,855.00	-	-	-	-	-	-	77,475.00
Nursing	11-100-034-5120-070	7-01-10 to 6-30-11	41,892.00	-	-	41,892.00	-	-	-	-	-	-	41,892.00
<b>Auxiliary Services (C. 192):</b>													
Compensatory Education	10-100-034-5120-067	7-01-08 to 6-30-10	30,710.00	-	-	26,792.00	8,348.89	-	-	-	-	-	22,361.01
Basic Skills	11-100-034-5120-067	7-01-10 to 6-30-11	26,792.00	-	-	2,287.18	-	-	-	7,367.33	-	-	19,424.67
Home Instruction	10-100-034-5120-067	7-01-08 to 6-30-10	2,287.18	(2,287.18)	-	-	-	-	-	-	-	-	2,287.18
Home Instruction	11-100-034-5120-067	7-01-10 to 6-30-11	2,553.93	-	-	2,553.93	-	-	-	-	-	-	2,553.93
English as a Second Language	10-100-034-5120-067	7-01-08 to 6-30-10	978.00	-	-	978.00	978.00	-	-	-	-	-	32,852.00
Transportation	10-100-034-5120-068	7-01-08 to 6-30-10	19,932.00	-	-	19,932.00	-	-	-	-	-	-	19,932.00
<b>Handicapped Services (C. 193):</b>													
Supplemental Instruction	10-100-034-5120-068	7-01-08 to 6-30-10	11,950.00	-	-	11,950.00	4,300.56	-	-	-	-	-	13,986.39
Examination and Classification	10-100-034-5120-066	7-01-08 to 6-30-10	36,917.00	-	-	33,600.00	12,607.05	-	-	-	-	-	48,545.79
Corrective Speech	10-100-034-5120-066	7-01-08 to 6-30-10	27,798.00	-	-	22,687.00	6,187.53	-	-	-	-	-	38,689.76
Nursing Services Aid	10-100-034-5120-070	7-01-08 to 6-30-10	48,948.00	-	-	48,948.00	-	-	-	-	-	-	48,948.00
Retromen Special Purpose Grant	10-100-034-5120-070	7-01-08 to 6-30-10	2,434.27	-	-	194,695.18	-	-	-	-	-	-	2,434.27
<b>Total Special Revenue Fund</b>			<b>243,423.13</b>	<b>(2,287.18)</b>	<b>-</b>	<b>167,005.68</b>	<b>32,423.13</b>	<b>-</b>	<b>(2,553.93)</b>	<b>-</b>	<b>21,966.25</b>	<b>-</b>	<b>302,622.00</b>
<b>Debt Service Fund:</b>													
<b>Debt Service Aid - State Support</b>													
Total State Financial Assistance			410,525.00	(653,001.48)	-	3,403,108.34	3,030,175.90	32,423.13	(483,687.12)	-	27,966.25	-	763,147.00

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

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE**  
**JUNE 30, 2011**

**1. GENERAL**

The accompanying Schedules of Expenditures of Federal Awards and State Financial Assistance includes the activity of all federal awards and state financial assistance programs of the Board of Education, Caldwell-West Caldwell School District. The Board of Education is defined in Note 1 to the Board's basic financial statements. All federal and state financial assistance received directly from federal and state agencies, as well as federal awards and state financial assistance passed-through other government agencies is included on the Schedules of Federal Awards and State Financial Assistance.

**2. BASIS OF ACCOUNTING**

The accompanying schedules of expenditures of federal awards and state financial assistance are presented 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 2 to the Board's basic financial statements.

The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and New Jersey OMB's Circular 04-04. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of basic financial statements.

**3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

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

The general fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the one or more deferred June state aid payment in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes payments are not recognized until the subsequent budget year due to the state deferral and recording of the one or more June state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the one or more state aid June payments in the current budget year, consistent with N.J.S.A. 18A:22-4.2.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT

NOTES TO THE SCHEDULES OF AWARDS AND FINANCIAL ASSISTANCE

JUNE 30, 2011

(Continued)

3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Continued)

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(30,630.00) for the general fund. See Exhibit "C-3" (the Notes to Required Supplementary Information) for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$	\$ 3,070,998.62	\$ 3,070,998.62
Special Revenue Fund	754,884.20	167,005.68	921,889.88
Debt Service Fund		378,191.00	378,191.00
Total Financial Assistance	<u>\$ 754,884.20</u>	<u>\$ 3,616,195.30</u>	<u>\$ 4,371,079.50</u>

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.

5. OTHER

The amount reported as TPAF Pension Contributions represents the amount paid by the State on-behalf of the District for the year ended June 30, 2011. TPAF Social Security Contributions represents the amount reimbursed by the state for the employer's share of social security contributions for TPAF members for the year ended June 30, 2011.

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**Section I - Summary of Auditor's Results**

**Financial Statements Section**

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

- 1) Material weakness(es) identified?        Yes   √   No
- 2) Significant deficiencies identified that are not considered to be material weaknesses?        Yes   √   None Reported

Noncompliance material to basic financial statements noted?        Yes   √   No

**Federal Awards Section**

Type of auditor's report issued on compliance for major programs: Unqualified

Internal control over major programs:

- 1) Material weakness(es) identified?        Yes   √   No
- 2) Significant deficiencies identified that are not considered to be material weaknesses?        Yes   √   None Reported

Any audit findings disclosed that are required to be reported in accordance with Section .510(a) of Circular A-133?        Yes   √   No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.027	IDEA Part B
84.391	ARRA IDEA Part B
84.367	Title II A

Dollar threshold used to distinguish between Type A and Type B Programs: \$300,000.00

Auditee qualified as low-risk auditee?   √   Yes        No

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**Section I - Summary of Auditor's Results  
(Continued)**

**State Awards Section**

Type of auditor's report issued on compliance for major programs:

Unqualified

Internal control over major programs:

1) Material weakness(es) identified?

\_\_\_\_\_ Yes      √      No

2) Significant deficiencies identified that are not considered to be material weaknesses?

\_\_\_\_\_ Yes      √      None Reported

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular Letter 04-04?

\_\_\_\_\_ Yes      √      No

Identification of major programs:

<u>GMIS Number(s)</u>	<u>Name of State Program</u>
11-100-034-5120-067	Nonpublic Auxiliary Services Aid
11-100-034-5120-066	Nonpublic Handicapped Services Aid
11-495-034-5095-002	TPAF Social Security
11-495-034-5095-001	TPAF Pension

Dollar threshold used to distinguish between Type A and Type B Programs:

\$300,000.00

Auditee qualified as low-risk auditee?

  √      Yes    \_\_\_\_\_    No

**Section II - Financial Statement Findings**

NONE

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011  
(Continued)**

**Section III:**

**a) Federal Award Findings and Questioned Costs:**

NONE

**b) State Award Findings and Questioned Costs:**

NONE

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2011**

**THERE WERE NO PRIOR YEAR AUDIT FINDINGS.**

