

**CALDWELL-WEST CALDWELL  
SCHOOL DISTRICT**

**Caldwell-West Caldwell School District  
West Caldwell, New Jersey**

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

**Comprehensive Annual  
Financial Report**

**of the**

**Caldwell-West Caldwell School District  
Board of Education**

**West Caldwell, New Jersey**

**For the Fiscal Year Ended June 30, 2015**

**Prepared by**

**Caldwell-West Caldwell School District  
Board Office**

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2015

INTRODUCTORY SECTION (UNAUDITED)

Letter of Transmittal .....	1
Organizational Chart.....	5
Roster of Officials.....	8
Consultants and Advisors .....	9

FINANCIAL SECTION ..... 10

Independent Auditors' Report .....	11
------------------------------------	----

Required Supplementary Information .....	14
Management's Discussion and Analysis (Unaudited).....	15

Basic Financial Statements (Sections A and B).....	25
--	----

A. District-Wide Financial Statements .....	26
A-1 Statement of Net Position.....	27
A-2 Statement of Activities .....	28

B. Fund Financial Statements .....	30
B-1 Balance Sheet – Governmental Funds.....	31
B-2 Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds .....	33
B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	35
B-4 Statement of Net Position – Proprietary Funds .....	37
B-5 Statement of Revenue, Expenses and Changes in Net Position – Proprietary Funds .....	38
B-6 Statement of Cash Flows – Proprietary Funds .....	39
B-7 Statement of Fiduciary Net Position – Fiduciary Funds.....	40
B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	41

Notes to the Basic Financial Statements .....	42
---	----

Required Supplementary Information (Unaudited)

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited).....	75
L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System .....	75
L-2 Schedule of District Contributions – Public Employees Retirement System.....	76
L-3 Schedule of District's Proportionate Share of the Net Pension Liability – Teachers' Pension and Annuity Fund .....	77
L-4 Schedule of District's Proportionate Share of the Net Pension Liability – Board of Education Employees' Pension Fund of Essex County .....	78
L-5 Schedule of District Contributions – Board of Education Employees' Pension Fund of Essex County .....	79
Notes to Required Supplementary Information.....	80

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Unaudited) (Cont'd)

C. Budgetary Comparison Schedules (Unaudited) .....	81
C-1 Budgetary Comparison Schedule – General Fund .....	82
C-2 Budgetary Comparison Schedule - Special Revenue Fund .....	96
C-3 Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI .....	97

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable) .....	99
E. Special Revenue Fund.....	100
E-1 Combining Schedule of Program Revenue and Expenditures - Special Revenue Fund – Budgetary Basis .....	101
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund .....	104
F-1 Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budgetary Basis .....	105
F-1A Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Lincoln Elementary School Windows Project .....	106
F-1B Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Jefferson Elementary School HVAC and Boiler Replacement Project.....	107
F-1C Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – 2015 Referendum – Various School Facilities Improvements.....	108
G. Proprietary Funds (Enterprise Fund).....	109
G-1 Combining Statement of Net Position .....	110
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position .....	111
G-3 Combining Statement of Cash Flows .....	112
H. Fiduciary Funds.....	113
H-1 Combining Statement of Net Position.....	114
H-2 Statement of Changes in Fiduciary Net Position.....	115
H-3 Payroll Agency Fund Schedule of Receipts and Disbursements.....	116
H-4 Student Activity Agency Fund Schedule of Receipts and Disbursements .....	117
H-5 Student Activity Agency Fund Statement of Activity.....	118
I. Long-Term Debt.....	119
I-1 Schedule of Serial Bonds.....	120
I-2 Schedule of Obligations Under Capital Leases .....	121
I-3 Debt Service Fund Budgetary Comparison Schedule (Unaudited) .....	122

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
TABLE OF CONTENTS  
FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

STATISTICAL SECTION (UNAUDITED)

J.	Statistical Schedules (Unaudited).....	123
J-1	Net Position by Component.....	124
J-2	Changes in Net Position .....	125
J-3	Fund Balances - Governmental Funds .....	127
J-4	Changes in Fund Balances - Governmental Funds.....	128
J-5	General Fund Other Local Revenue by Source.....	130
J-6	Assessed Value and Actual Value of Taxable Property .....	131
J-7	Direct and Overlapping Property Tax Rates.....	132
J-8	Principal Property Taxpayers, Current Year and Nine Years Ago.....	134
J-9	Property Tax Levies and Collections .....	136
J-10	Ratios of Outstanding Debt by Type .....	137
J-11	Ratios of Net General Bonded Debt Outstanding .....	138
J-12	Ratios of Overlapping Governmental Activities Debt .....	139
J-13	Legal Debt Margin Information .....	140
J-14	Demographic and Economic Statistics .....	141
J-15	Principal Employers, Current Year and Nine Years Ago.....	143
J-16	Full-time Equivalent District Employees by Function/Program .....	144
J-17	Operating Statistics.....	145
J-18	School Building Information .....	146
J-19	Schedule of Required Maintenance.....	148
J-20	Insurance Schedule.....	149

SINGLE AUDIT SECTION

K.	Single Audit .....	150
K-1	Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	151
K-2	Independent Auditors' Report on Compliance For Each Major Federal and State Program and on Internal Control over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08 .....	153
	Schedule of Expenditures of Federal Awards .....	155
	Schedule of Expenditures of State Awards .....	156
	Notes to the Schedules of Expenditures of Federal and State Awards.....	158
	Schedule of Findings and Questioned Costs .....	160
	Summary Schedule of Prior Audit Findings .....	162

INTRODUCTORY SECTION

**BOARD OF EDUCATION CALDWELL-WEST CALDWELL**

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

**Thomas J. Lambe  
Business Administrator/Board Secretary**

**(973) 228-3360**

November 20, 2015

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

Dear Board Members:

The comprehensive annual report of the Caldwell-West Caldwell School District for the fiscal year ended June 30, 2015 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. 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 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 Independent Auditor's Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected 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 Amendments of 1996 and the U.S. Office of Management and Budget Circular A-133, *"Audits of State, Local Governments, and Non-Profit Organizations"*, and New Jersey's OMB Circulars 04-04 and 15-08, *"Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid"*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and recommendations are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District's enrollment was 2,643 students, based on the annual October 15, 2014 ASSA count, which is an increase of 6 students from the previous year's enrollment.

The Honorable President and Members of  
 the Board of Education  
 Caldwell-West Caldwell School District  
 Page 2  
 November 20, 2015

## 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 Borough 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: During the 2014-15 school year, the district completed Year Four of its Five Year Curriculum Plan. This work included completion of the Industrial Arts and Technology curriculum; continued revision of 7-12 Social Studies and World Languages curricula, and implementation of K-12 Music/Visual/Performing Arts and Media Literacy. K-5 Social Studies, originally slated for 2014-15, will be completed in 2015-16.

We also continued our work in implementation of the Writers Workshop model in K-5 Language Arts. This work has required continued purchase of additional DRA 2 assessment materials, as well as Lucy Calkins' Units of Study.

2014-15 was the initial implementation of the new state-wide assessment system, known as PARCC. The Partnership for the Assessment of Readiness for College and Career (PARCC) is the consortium in which the state of New Jersey is participating for these state assessments. In order to fully comply with the new system, which is completely online, we continued to purchase Chromebooks, as well as teacher laptops as needed.

In Professional Development, the district continued its work in design-based pedagogy, which has applications to all grade levels and subject areas. We also developed a new consortium, to begin in 2015-16, with The College of New Jersey and several other districts interested in this approach to learning. Professional development was also provided in elementary and middle school mathematics, as well as in Google Apps for Education.



The Honorable President and Members of  
the Board of Education  
Caldwell-West Caldwell School District  
Page 3  
November 20, 2015

Fiscal year 2014-15 marked the second year of implementation for AchieveNJ, the new state Observation and Evaluation system. Training sessions on Student Growth Objectives (SGOs) occurred mainly through the building-level teacher meetings.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control 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 system is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control system is also subject to periodic evaluation by the District's management.

As part of the District's single audit described earlier, tests are made to determine the adequacy of the internal control system, including that portion related to 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 Board of Education. Annual appropriated budgets are adopted for the general, special revenue and the debt service funds. 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 cancelled or are re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments or assignments of fund balance at June 30, 2015.

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. These funds are explained in "Notes to the Basic Financial Statements", Note 1.

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

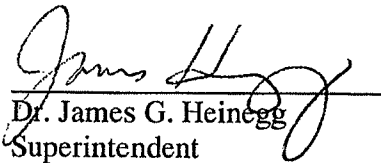
8) RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision hazard and theft insurance on property and contents, and fidelity bonds. A complete listing of the District's insurance is located in the Statistical Section of this report on Exhibit J-20.


The Honorable President and Members of  
the Board of Education  
Caldwell-West Caldwell School District  
Page 4  
November 20, 2015

9) OTHER INFORMATION: State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia, LLP completed this year's audit. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08. The auditors' report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The auditor's reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

10) ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Caldwell-West Caldwell School District 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.

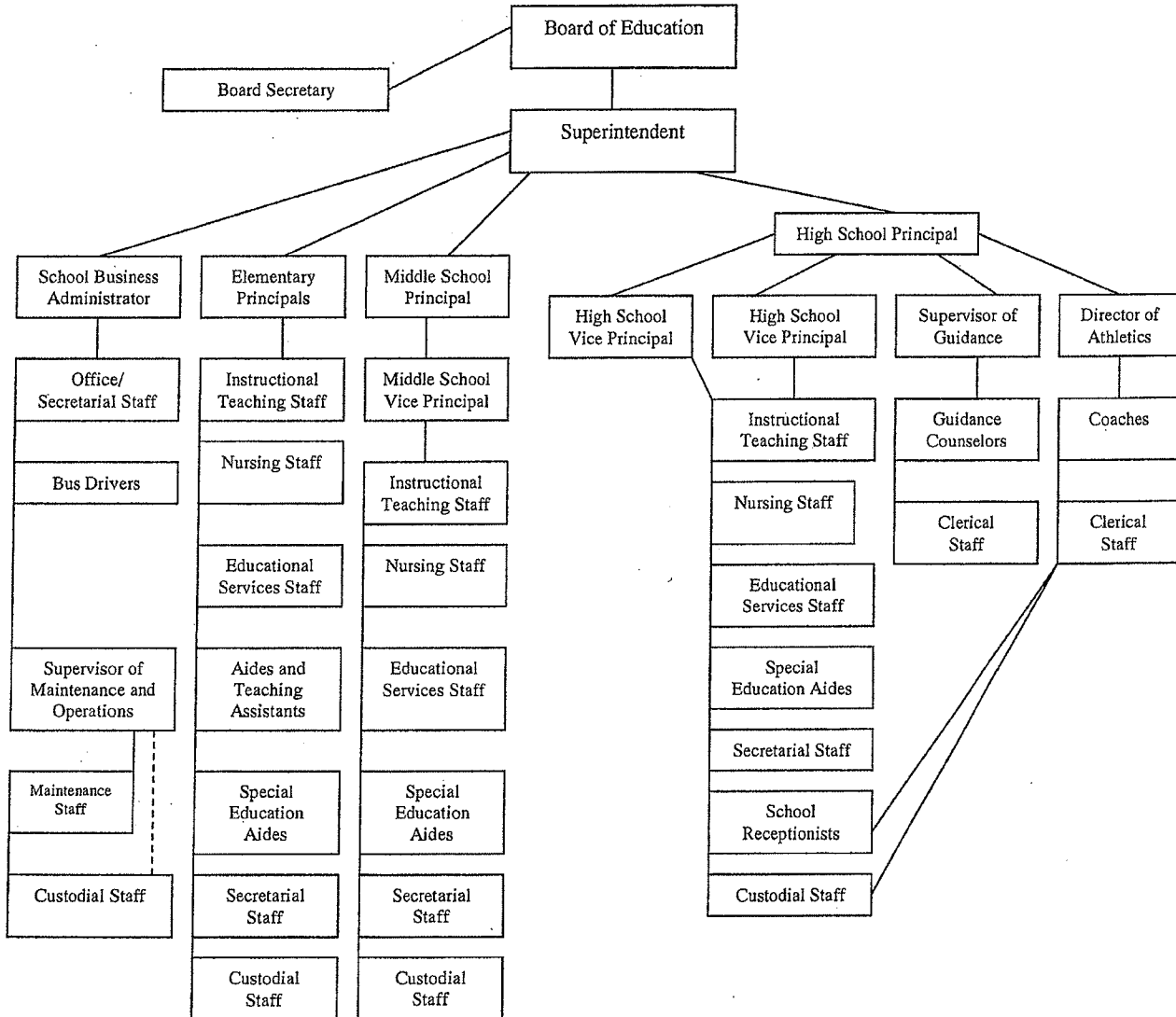
Respectfully submitted,

  
\_\_\_\_\_  
Dr. James G. Heinegg  
Superintendent

  
\_\_\_\_\_  
Thomas J. Lambe  
Business Administrator/Board Secretary

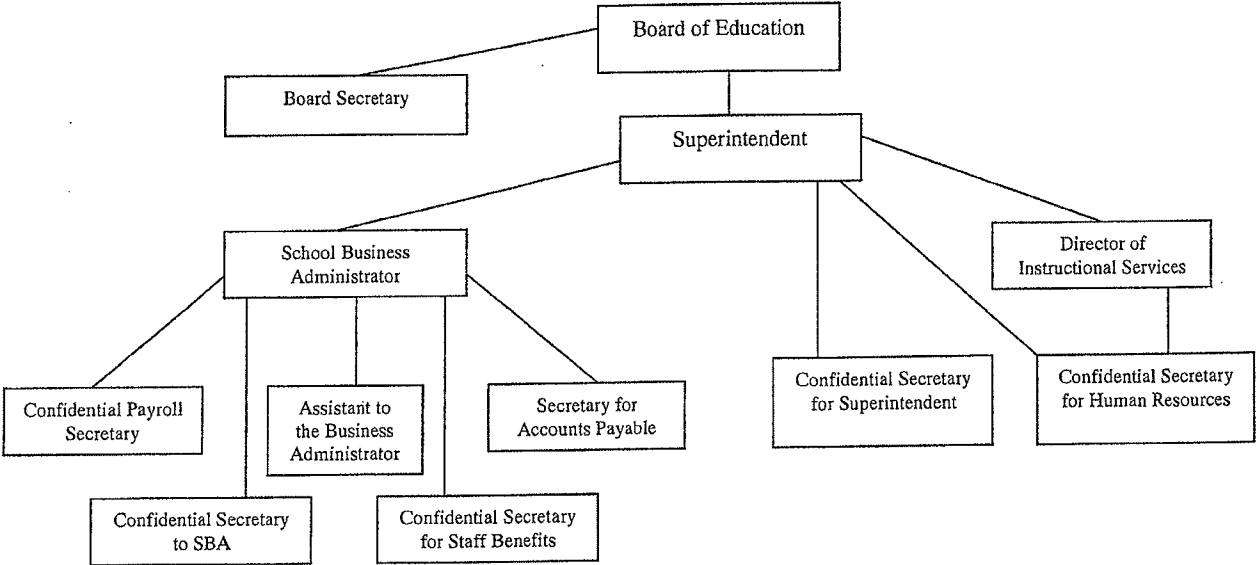
# CALDWELL-WEST CALDWELL BOARD OF EDUCATION

## ORGANIZATIONAL CHART



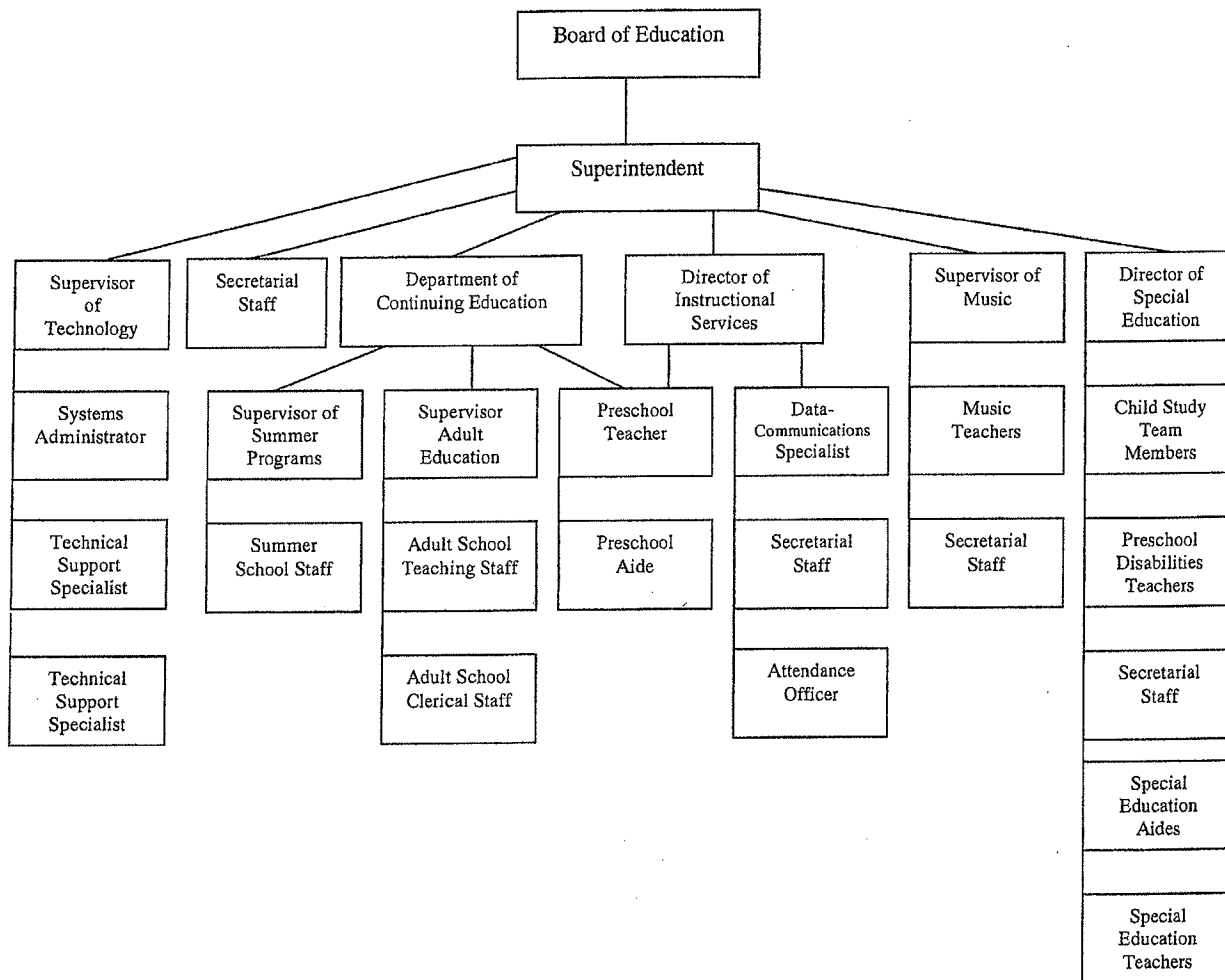
# CALDWELL-WEST CALDWELL BOARD OF EDUCATION

## Human Resources and Business Functions



# CALDWELL-WEST CALDWELL BOARD OF EDUCATION

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



**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Paula Getty, President	12/2015
Thomas Adams, Vice President	12/2015
Daniel Cipoletti	12/2016
Marie Lanfrank	12/2016
John King	12/2017

Other OfficersTitle

Dr. James G. Heinegg	Superintendent of Schools
Thomas Lambe	Business Administrator/Board Secretary
Michael Falkowski	Treasurer of School Monies
Frank Pomaco, Esq.	School Board Attorney

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT**  
Consultants and Advisors

**Architect**

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

**Audit Firm**

Nisivoccia LLP, CPAs  
Mount Arlington Corporate Center  
200 Valley Road Suite 300  
Mount Arlington, New Jersey 07856-1320

**Attorney**

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

**Official Depositories**

Lakeland Bank  
49-53 Bloomfield Avenue  
Caldwell, New Jersey 07006  
&  
995 Bloomfield Avenue  
West Caldwell, New Jersey 07006

Wells Fargo  
333 Bloomfield Avenue  
Caldwell, New Jersey 07006

PNC Bank  
875 Bloomfield Avenue  
West Caldwell, New Jersey 07006

FINANCIAL SECTION





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

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

## Independent Auditors' Report

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

### **Report on the Financial Statements**

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

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

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

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

The Honorable President and Members  
of the Board of Education  
Caldwell-West Caldwell School District  
Page 2

### ***Opinions***

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

### ***Emphasis of Matter***

As discussed in Note 17 to the basic financial statements, the District implemented Governmental Accounting Standards Board (“GASB”) Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment to GASB Statement No. 27*, and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68* during the fiscal year ended June 30, 2015. Our opinions are not modified with respect to this matter. The implementation resulted in the restatement of certain balances on the Statement of Net Position and the ending balance for Net Position for the Governmental Activities as of June 30, 2014 as detailed in Note 17 to the basic financial statements.

### ***Other Matters***

#### ***Required Supplementary Information***

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

#### ***Other Information***

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

The Honorable President and Members  
of the Board of Education  
Caldwell-West Caldwell School District  
Page 3

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

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

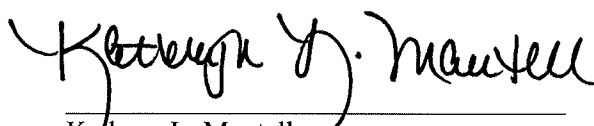
#### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 20, 2015 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



NISIVOCCIA, LLP

November 20, 2015  
Mount Arlington, New Jersey



Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

REQUIRED SUPPLEMENTARY INFORMATION  
MANAGEMENT'S DISCUSSION AND ANALYSIS

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)**

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

### Financial Highlights

- The District's financial status improved \$936,599 on a district-wide basis.
- Overall revenue was \$51,833,558 during the fiscal year.
- Overall expenses were \$50,896,959 during the fiscal year.
- The District issued \$18,205,000 of School Bonds in connection with a referendum which was approved by the voters for the construction of various improvements to school facilities.

### Overview of the Financial Statements

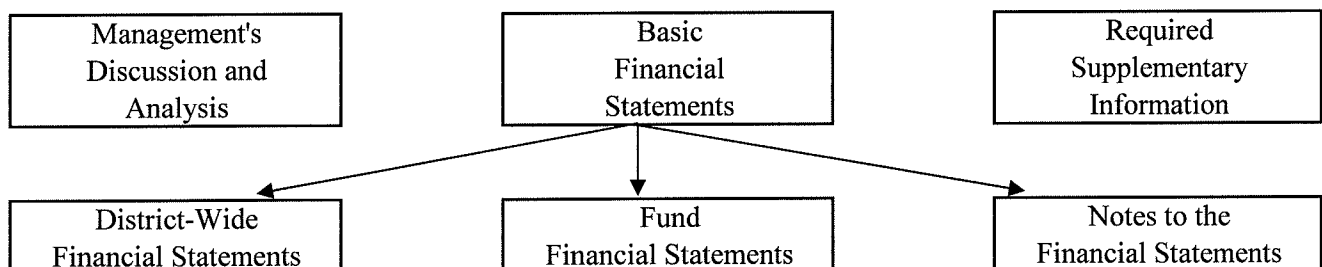
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

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

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

**Figure A-1**

### Organization of the School District's Financial Report



**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)**

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

**Figure A-2**

*Major Features of the District-Wide and Fund Financial Statements*

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

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)**

***District-wide Statements***

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

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

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

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

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

***Fund Financial Statements***

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

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

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information at the bottom of the governmental funds statements explains the relationship (or difference) between them.
- *Proprietary funds*: Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the District-wide statements. The District's *enterprise funds* (one type of proprietary fund) are the same as its business-type activities but provide more detail and additional information, such as cash flows. *Internal service funds* (the other kind of proprietary fund) report activities that provide supplies and services for other programs and activities. The District currently does not maintain any internal service funds.

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)**

***Fund Financial Statements***

- *Fiduciary funds*: The District is the trustee, or *fiduciary*, for assets that belong to others, such as scholarship funds and the student activities funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. The District excludes these activities from the District-wide financial statements because it cannot use these assets to finance its operations.

*Notes to the Basic Financial Statements*: Provide additional information essential to a full understanding of the District-wide and fund financial statements.

**Financial Analysis of the District as a Whole**

*Net Position*. The District's combined net position increased by \$936,599. Net position from governmental activities increased by \$980,392 and net position from business-type activities decreased by \$43,793. Net investment in capital assets increased by \$1,433,564, restricted net position decreased by \$750,195, and unrestricted net position increased by \$253,230.

**Figure A-3  
Condensed Statement of Net Position**

	Government Activities		Business-Type Activities		Total School District		Percentage
	2014/15	(Restated) 2013/14	2014/15	2013/14	2014/15	(Restated) 2013/14	Change 2014/15
<b>Assets:</b>							
Current and							
Other Assets	\$22,020,289	\$ 4,891,403	\$ 309,823	\$ 270,749	\$22,330,112	\$ 5,162,152	332.57%
Net Capital Assets	19,719,305	18,534,854	244,969	269,565	19,964,274	18,804,419	6.17%
Total Net Assets	41,739,594	23,426,257	554,792	540,314	42,294,386	23,966,571	76.47%
Deferred Outflows of Resources	349,474						100.00%
<b>Liabilities:</b>							
Long-Term Debt							
Outstanding	42,735,794	26,026,229			42,735,794	26,026,229	64.20%
Other Liabilities	1,128,403	1,088,420	65,475	7,204	1,193,878	1,095,624	8.97%
Total Liabilities	43,864,197	27,114,649	65,475	7,204	43,929,672	27,121,853	61.97%
Deferred Inflows of Resources	932,871						100.00%
<b>Net Position:</b>							
Net Investment in							
Capital Assets	7,617,899	6,159,739	244,969	269,565	7,862,868	6,429,304	22.30%
Restricted	1,349,827	2,100,022			1,349,827	2,100,022	-35.72%
Unrestricted/(Deficit)	(11,675,726)	(11,948,153)	244,348	263,545	(11,431,378)	(11,684,608)	2.17%
Total Net Position	<u>\$ (2,708,000)</u>	<u>\$ (3,688,392)</u>	<u>\$ 489,317</u>	<u>\$ 533,110</u>	<u>\$ (2,218,683)</u>	<u>\$ (3,155,282)</u>	29.68%



**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)**

*Changes in Net Position.* The District's combined net position was \$(2,218,683) on June 30, 2015, an increase of \$936,599 or 29.68% over the previous year. (See Figure A-3). Net Investment in Capital Assets increased by \$1,433,564 due to the maturity of \$860,000 of serial bonds payable and \$139,227 of capital leases payable, and \$1,147,942 in capital assets additions (\$1,633,460 of additions less \$485,518 of the 2015 referendum construction in progress); offset by \$473,605 in depreciation expense and a new capital lease of \$240,000. Restricted net position decreased by \$750,195 due to a decrease of \$1,170,145 in the Capital Reserve account offset by an increase of \$100,000 in the Maintenance Reserve account, \$300,000 increase in excess surplus and an increase of \$19,950 in the Debt Service Fund. Unrestricted net position increased by \$253,230 due to a \$728,380 increase in Capital Projects Fund committed fund balance, a net decrease in compensated absences of \$36,774 an increase in deferred inflows of resources of \$932,871, changes in pension assumptions of \$349,474, an increase in General Fund Unassigned fund balance of \$56,036 and a decrease of net pension liability of \$699,434 offset by a decrease of \$508,322 of General Fund fund balance utilized in the current year budget, a decrease in General Fund encumbrances of \$63,764, an increase in accrued interest of \$92,714 from its governmental activities, changes in proportion in pensions of \$304,657, a decrease in investment gains in pensions of \$628,224 and a decrease of \$19,197 from its business-type activities.

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

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	
Revenue:							
Program Revenue:							
Charges for Services	\$ 36,262	\$ 28,601	\$ 637,363	\$ 596,366	\$ 673,625	\$ 624,967	7.79%
Operating Grants and Contributions	10,444,942	5,904,622	71,518	48,462	10,516,460	5,953,084	76.66%
Capital Grants and Contributions	112,896	12,544			112,896	12,544	800.00%
General Revenue:							
Property Taxes	39,801,143	38,293,269			39,801,143	38,293,269	3.94%
Unrestricted State and Federal Aid	496,927	401,759			496,927	401,759	23.69%
Other	232,498	209,238	9	13	232,507	209,251	11.11%
Total Revenue	<u>51,124,668</u>	<u>44,850,033</u>	<u>708,890</u>	<u>644,841</u>	<u>51,833,558</u>	<u>45,494,874</u>	13.93%
Expenses:							
Instruction	28,176,896	24,075,361			28,176,896	24,075,361	17.04%
Pupil & Instruction Services	10,437,369	8,871,152			10,437,369	8,871,152	17.66%
Administrative & Business	5,112,675	4,795,907			5,112,675	4,795,907	6.60%
Maintenance & Operations	4,457,300	5,241,904			4,457,300	5,241,904	-14.97%
Transportation	1,184,797	1,186,701			1,184,797	1,186,701	-0.16%
Other	775,239	695,337	752,683	717,404	1,527,922	1,412,741	8.15%
Total Expenses	<u>50,144,276</u>	<u>44,866,362</u>	<u>752,683</u>	<u>717,404</u>	<u>50,896,959</u>	<u>45,583,766</u>	11.66%
Special Item:							
Insurance Recovery		807,788				807,788	-100.00%
Disposal of Capital Assets				(233)		(233)	100.00%
Transfers		6,871				6,871	-100.00%
Increase/(Decrease) in Net Position	<u>\$ 980,392</u>	<u>\$ 798,330</u>	<u>\$ (43,793)</u>	<u>\$ (72,796)</u>	<u>\$ 936,599</u>	<u>\$ 725,534</u>	29.09%

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)**

*Revenue Sources.* The District's total revenue for the 2014/15 school year was \$51,833,558. (See Figure A-4). Property taxes and state formula aid accounted for most of the District's revenue, with local taxes accounting for \$39,801,143 of the total, or 76.78 percent. (See Figure A-5). Another 21.47 percent came from state and federal aid and the remaining 1.75% from tuition, miscellaneous sources and charges for services.

**Figure A-5  
Sources of Revenue for Fiscal Year 2015 and 2014**

	<u>2015</u>	<u>Percentage</u>	<u>2014</u>	<u>Percentage</u>
Sources of Income:				
Grants and Contributions	\$ 10,629,356	20.51%	\$ 5,965,628	13.13%
Property Taxes	39,801,143	76.78%	38,293,269	84.17%
Unrestricted Federal and State Aid	496,927	0.96%	401,759	0.88%
Charges for Services	673,625	1.30%	624,967	1.36%
Other	232,507	0.45%	209,251	0.46%
	<u>\$ 51,833,558</u>	<u>100.00%</u>	<u>\$ 45,494,874</u>	<u>100.00%</u>

The total cost of all programs and services was \$50,896,959. The District's expenses are predominantly related to Instructing and providing Pupil Services (75.87 percent) which increased from 72.28 percent in 2013-2014. (See Figure A-6). Other significant cost areas include Administrative and Business activities (10.04 percent) and Maintenance and Operations (8.76 percent). The District operates six schools and a field house. It is important to note that expenses for the year include \$473,605 of depreciation expense attributable to its governmental and business-type activities. Other expenses include \$176,037 of unallocated depreciation, \$591,939 of interest in long-term debt, \$7,263 of capital outlay and \$752,683 of expenses for its continuing education and food service business-type activities.

**Figure A-6  
Expenses for Fiscal Year 2015 and 2014**

	<u>2015</u>	<u>Percentage</u>	<u>2014</u>	<u>Percentage</u>
Expense Category:				
Instruction	\$ 28,176,896	55.36%	\$ 24,075,361	52.82%
Pupil and Instruction Services	10,437,369	20.51%	8,871,152	19.46%
Administrative and Business	5,112,675	10.04%	4,795,907	10.52%
Maintenance and Operations	4,457,300	8.76%	5,241,904	11.50%
Transportation	1,184,797	2.33%	1,186,701	2.60%
Other	1,527,922	3.00%	1,412,741	3.10%
	<u>\$ 50,896,959</u>	<u>100.00%</u>	<u>\$ 45,583,766</u>	<u>100.00%</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)**

**Governmental Activities**

The financial position of the District improved significantly. However, maintaining existing programs while experiencing an increase in enrollment, combined with rising salary and benefits costs, places great demands on the District's resources.

The District continues to pursue and implement cost savings strategies in order to sustain its financial health. Some examples are:

- Participation in multiple cooperative purchasing programs for district supplies.
- Shared service agreements with other public entities for busing services for special education students, athletics and field trips.
- The District participates in several cooperative purchasing programs for construction services. We have been able to significantly increase the scope of facility improvement projects by implementing a strategy of bidding and using cooperative purchasing to procure the most favorable prices for construction projects.
- The use of state contracts for reduced pricing in purchasing.
- Participation in the ACES cooperative energy purchasing program.
- Membership in the School Alliance Insurance Fund (SAIF), a joint insurance fund comprised of dozens of school districts that provides liability, workers compensation and automobile insurance. The pooling of resources, experiences and claims with other school districts reduces the risk of the District, resulting in lower claims and more reasonable premiums.
- Agreement with ENERNOC to gain revenue in return for access to demand response for the district's electrical utilities capacity.

The District will continue its practice of examining all expenses carefully and being mindful of pressure to reduce taxes while maintaining and/or expanding programs.

Figure A-7 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation, and other. The table also shows each activity's net cost (total cost less fees generated by the activities and intergovernmental aid provided for specific programs).

The net cost shows the financial burden placed on the District's taxpayers by each of these functions:

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

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2014/15	2014/15	2013/14	2013/14
Instruction	\$ 28,176,896	\$ 20,097,090	\$ 24,075,361	\$ 19,526,036
Pupil and Instruction Services	10,437,369	8,864,654	8,871,152	7,880,775
Administrative and Business	5,112,675	4,390,010	4,795,907	4,498,093
Maintenance and Operations	4,457,300	4,344,404	5,241,904	5,229,360
Transportation	1,184,797	1,078,779	1,186,701	1,090,994
Other	775,239	775,239	695,337	695,337
	<u>\$ 50,144,276</u>	<u>\$ 39,550,176</u>	<u>\$ 44,866,362</u>	<u>\$ 38,920,595</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)**

**Business-Type Activities**

Net position from the District's business-type activity decreased by \$43,793. (Refer to Figure A-4). Factors contributing to these results included:

- Continuing Education Fund revenues exceeded expenses by \$50,949 and Food Service Fund expenses exceeded revenues by \$94,742, which caused the decrease in the net position of the business-type activities.
- The decrease in the Food Service Fund net position was attributable to an increase in expenses for lunchroom aides and other costs.

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

The District's financial position improved on a fund basis despite difficult economic times. The weak economy and State budget problems have had a direct impact upon the District's revenue sources. The largest part of the operating budget comes from the local tax levy, which makes up 83.67% of the total revenues. The increasing reliance on local tax levy is caused by the lack of increased State funding and Federal funding.

All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District will continue to practice sound fiscal management, including efficiency/cost containment practices, evaluation of services and programs, energy conservation, and seeking additional sources of revenues.

**General Fund Budgetary Highlights**

Over the course of the year, the District revised the annual operating budget several times. These budget amendments are due to:

- Changes made within budgetary line items for changes in school-based needs for programs, supplies and equipment.
- Increased need to upgrade technology in preparation for PARCC testing.

**Capital Asset and Debt Administration**

**Figure A-8**

**Capital Assets (Net of Depreciation)**

	Government Activities		Business-Type Activities		Total School District		Percentage
	2014/15	2013/14	2014/15	2013/14	2014/15	2013/14	Change 2014/15
Sites	\$ 229,918	\$ 229,918			\$ 229,918	\$ 229,918	0.00%
Site Improvements	3,843,232	2,722,733			3,843,232	2,722,733	41.15%
Construction in Progress	798,118	1,284,846			798,118	1,284,846	-37.88%
Buildings & Building Improvements	11,846,377	11,440,663			11,846,377	11,440,663	3.55%
Machinery and Equipment	3,001,660	2,856,694	\$ 244,969	\$ 269,565	3,246,629	3,126,259	3.85%
<b>Total Capital Assets</b>	<b>\$19,719,305</b>	<b>\$18,534,854</b>	<b>\$ 244,969</b>	<b>\$ 269,565</b>	<b>\$19,964,274</b>	<b>\$18,804,419</b>	<b>6.17%</b>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)**

**Capital Asset and Debt Administration (Cont'd)**

During the fiscal year, the District acquired or constructed \$1,633,460 in capital asset additions and expensed \$473,605 in depreciation (\$449,009 from its governmental activities and \$24,596 from its business-type activities). (More detailed information about the District's capital assets is presented in Note 6 to the financial statements.)

**Long-term Debt**

The District's long term debt increased by \$16,709,565 or 64.20% – as shown in Figure A-9. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.)

**Figure A-9**

**Outstanding Long-Term Debt**

	Total School District		Percentage Change 2014/15
	2014/15	(Restated) 2013/14	
General Obligation Bonds (Financed with Property Taxes)	\$ 29,495,000	\$ 12,150,000	142.76%
Net Pension Liability	12,194,247	12,893,681	-5.42%
Other Long-Term Debt	1,046,547	982,548	6.51%
	<u>\$ 42,735,794</u>	<u>\$ 26,026,229</u>	64.20%

- The voters approved a referendum and issued \$18,205,000 of School Bonds for the construction of various improvements to school facilities.
- The District continued to pay down its bonded debt, retiring \$860,000 of outstanding bonds.
- Net Pension Liability decreased by \$699,434.
- Compensated absences payable decreased by a net amount of \$36,774.
- The District entered into a new lease purchase for Chromebooks for \$240,000.
- The District paid down \$139,227 in lease principal during the fiscal year.

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

At the time these financial statements were prepared and audited, the District was aware of existing circumstances that could significantly affect its financial health in the future:

- There are several staff members with many years of service in education. It is reasonable to expect some changes in the future, which will be viewed as an opportunity to review resource allocation and structure.
- The District remained in the State Health Benefits Plan for health insurance. By pooling the medical experiences with school employees statewide, enrollment in this plan allows the District to reduce the risk of having high cost experiences result in high rate increases. The result is lower volatility and more predictability of the rate increases. Additionally, a reduction in the number of employees covered due to the state restriction on dual coverage, and state mandated carrier restrictions also provided some savings. Lastly, the 2014-2015 year was the fourth year of increasing employee insurance premium contributions required by NJ state legislation, which reduced the Board share of medical costs. The District continues to seek new opportunities for efficiencies and expense reduction.
- The District's contract with its various bargaining units expired on June 30, 2015 and negotiations for new contracts are either completed or are nearly completed for each of the four bargaining units. The result of the settlements will have a significant impact on future budgets.

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Unaudited)**

**Contacting the District's Financial Management**

This financial report is designed to provide the District's citizens, taxpayers, customers and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Board of Education Office, Gray Street, West Caldwell, New Jersey, 07006.

**BASIC FINANCIAL STATEMENTS**

DISTRICT-WIDE FINANCIAL STATEMENTS



Exhibit A-1

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2015

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 20,517,821	\$ 301,037	\$ 20,818,858
Interfund Receivable - Flexible Spending Trust	9,027		9,027
Receivables from State Government	718,094	237	718,331
Receivables from Federal Government	197,927	5,260	203,187
Other Accounts Receivables	16,722		16,722
Internal Balances	2,728	(2,728)	
Inventories		6,017	6,017
Restricted Cash and Cash Equivalents	557,970		557,970
Capital Assets, Net:			
Sites (Land) and Construction in Progress	1,028,036		1,028,036
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	18,691,269	244,969	18,936,238
Total Assets	<u>41,739,594</u>	<u>554,792</u>	<u>42,294,386</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
Changes in Assumptions - Pensions	349,474		
Total Deferred Outflows of Resources	<u>349,474</u>		
<b>LIABILITIES</b>			
<b>Current Liabilities:</b>			
Accounts Payable	791,365	44,976	836,341
Accrued Interest Payable	308,115		308,115
Payable to State Government	22,568		22,568
Unearned Revenue	6,355	20,499	26,854
<b>Noncurrent Liabilities:</b>			
Due Within One Year	999,997		999,997
Due Beyond One Year	41,735,797		41,735,797
Total Liabilities	<u>43,864,197</u>	<u>65,475</u>	<u>43,929,672</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
Investment Gains - Pensions	628,224		
Changes in Proportion - Pensions	304,647		
Total Deferred Inflows of Resources	<u>932,871</u>		
<b>NET POSITION</b>			
Net Investment in Capital Assets	7,617,899	244,969	7,862,868
Restricted for:			
Capital Projects	457,970		457,970
Debt Service	91,857		91,857
Other Purposes	800,000		800,000
Unrestricted/(Deficit)	<u>(11,675,726)</u>	<u>244,348</u>	<u>(11,431,378)</u>
Total Net Position	<u>\$ (2,708,000)</u>	<u>\$ 489,317</u>	<u>\$ (2,218,683)</u>

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental Activities:</b>							
Instruction:							
Regular	\$ 20,725,346	\$ 30,114	\$ 4,712,171		\$ (15,983,061)		\$ (15,983,061)
Special Education	5,426,362		2,929,212		(2,497,150)		(2,497,150)
Other Special Instruction	307,121		70,138		(236,983)		(236,983)
Other Instruction	1,718,067		338,171		(1,379,896)		(1,379,896)
Support Services:							
Tuition	2,760,285				(2,760,285)		(2,760,285)
Student and Instruction Related Services	7,677,084		1,572,715		(6,104,369)		(6,104,369)
General Administrative Services	795,701		114,156		(681,545)		(681,545)
School Administrative Services	2,724,898		427,131		(2,297,767)		(2,297,767)
Central Services	849,090		181,378		(667,712)		(667,712)
Administrative Information Technology	742,986				(742,986)		(742,986)
Plant Operations and Maintenance	4,457,300			\$ 112,896	(4,344,404)		(4,344,404)
Pupil Transportation	1,184,797	6,148	99,870		(1,078,779)		(1,078,779)
Unallocated Depreciation	176,037				(176,037)		(176,037)
Interest on Long-Term Debt	591,939				(591,939)		(591,939)
Capital Outlay	7,263				(7,263)		(7,263)
Total Governmental Activities	50,144,276	36,262	10,444,942	112,896	(39,550,176)		(39,550,176)
<b>Business-Type Activities:</b>							
Continuing Education	204,636	255,585				\$ 50,949	50,949
Food Service Fund	548,047	381,778	71,518			(94,751)	(94,751)
Total Business-Type Activities	752,683	637,363	71,518			(43,802)	(43,802)

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<u>Functions/Programs</u>	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Total Primary Government	<u>\$ 50,896,959</u>	<u>\$ 673,625</u>	<u>\$ 10,516,460</u>	<u>\$ 112,896</u>	<u>\$ (39,550,176)</u>	<u>\$ (43,802)</u>	<u>\$ (39,593,978)</u>
General Revenues, Special Items and Transfers:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					38,851,019		38,851,019
Taxes Levied for Debt Service					950,124		950,124
Federal, State and Local Aid not Restricted					496,927		496,927
Interest Earnings					23,164	9	23,173
Miscellaneous Income					209,334		209,334
Total General Revenues, Special Items and Transfers					<u>40,530,568</u>	<u>9</u>	<u>40,530,577</u>
Change in Net Position					980,392	(43,793)	936,599
Net Position - Beginning (Restated)					<u>(3,688,392)</u>	<u>533,110</u>	<u>(3,155,282)</u>
Net Position - Ending					<u>\$ (2,708,000)</u>	<u>\$ 489,317</u>	<u>\$ (2,218,683)</u>

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

FUND FINANCIAL STATEMENTS

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	<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	\$ 1,916,030		\$ 18,529,884	\$ 71,907	\$ 20,517,821
Interfund Receivable	222,288			19,950	242,238
Receivables From State Government	571,922	\$ 33,276	112,896		718,094
Receivables From Federal Government		197,927			197,927
Other Accounts Receivable	2,296	14,426			16,722
Restricted Cash and Cash Equivalents	557,970				557,970
<b>Total Assets</b>	<u>\$ 3,270,506</u>	<u>\$ 245,629</u>	<u>\$ 18,642,780</u>	<u>\$ 91,857</u>	<u>\$ 22,250,772</u>
<b>LIABILITIES AND FUND BALANCES</b>					
<b>Liabilities:</b>					
Interfund Payable		\$ 210,533	\$ 19,950		\$ 230,483
Accounts Payable - Vendors	\$ 785,192	6,173			791,365
Payable to State Government		22,568			22,568
Unearned Revenue		6,355			6,355
<b>Total Liabilities</b>	<u>785,192</u>	<u>245,629</u>	<u>19,950</u>		<u>1,050,771</u>
<b>Fund Balances:</b>					
<b>Restricted:</b>					
Capital Reserve Account	457,970				457,970
Maintenance Reserve	100,000				100,000
Excess Surplus - For 2015-2016	400,000				400,000
Excess Surplus - For 2016-2017	300,000				300,000
Capital Projects			17,719,482		17,719,482
Debt Service				91,857	91,857

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2015

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Fund Balances:					
Committed:					
Capital Projects			\$ 903,348		903,348
Assigned:					
Other Purposes	\$ 304,976				\$ 304,976
For Subsequent Year's Expenditures	51,178				51,178
Unassigned	871,190				871,190
 Total Fund Balances	 <u>2,485,314</u>		 <u>18,622,830</u>	 <u>\$ 91,857</u>	 <u>21,200,001</u>
 Total Liabilities and Fund Balances	 <u><u>\$ 3,270,506</u></u>	 <u><u>\$ 245,629</u></u>	 <u><u>\$ 18,642,780</u></u>	 <u><u>\$ 91,857</u></u>	

Amounts reported for *Governmental Activities* in the Statement of Net Position (Exhibit 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 \$44,461,517 and the accumulated depreciation is \$24,742,212.	19,719,305
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(308,115)
Certain Amounts Related to the Net Pension Liability are Deferred and Amortized in the Statement of Activities and are not Reported in the Governmental Funds:	
Change in Assumptions - Pensions	349,474
Investment Gains - Pensions	(628,224)
Change in Proportions - Pensions	(304,647)
Long-Term Liabilities, including Bonds Payable, Capital Leases Payable, Net Pension Liability for PERS and the Plan, are not due and payable in the current period and therefore are not reported as liabilities in the Funds.	<u>(42,735,794)</u>
Net Position of Governmental Activities (Exhibit A-1)	<u><u>\$ (2,708,000)</u></u>

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

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

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES:</b>					
Local Sources:					
Local Tax Levy	\$ 38,851,019			\$ 950,124	\$ 39,801,143
Tuition from Other LEAs	4,592				4,592
Tuition from Individuals	25,522				25,522
Transportation Fees From Individuals	6,148				6,148
Rents & Royalties	76,785				76,785
Interest Earned on Capital Reserve Funds	3,214				3,214
Other Restricted Miscellaneous Revenue	103,687				103,687
Unrestricted Miscellaneous Revenue	28,862	\$ 49,392	\$ 19,950		98,204
<b>Total - Local Sources</b>	<b>39,099,829</b>	<b>49,392</b>	<b>19,950</b>	<b>950,124</b>	<b>40,119,295</b>
State Sources	5,201,670	217,953	112,896	409,101	5,941,620
Federal Sources		797,730			797,730
<b>Total Revenues</b>	<b>44,301,499</b>	<b>1,065,075</b>	<b>132,846</b>	<b>1,359,225</b>	<b>46,858,645</b>
<b>EXPENDITURES:</b>					
Current:					
Regular Instruction	12,869,575	246,096			13,115,671
Special Education Instruction	2,981,019	559,305			3,540,324
Other Special Instruction	186,693				186,693
School-Sponsored/Other Instruction	1,137,496				1,137,496
Support Services and Undistributed Costs:					
Tuition	2,760,285				2,760,285
Student/Other Instruction Related Services	5,153,357	259,674			5,413,031
General Administrative Services	524,083				524,083
School Administrative Services	1,790,915				1,790,915
Central Services	542,591				542,591
Administrative Information Technology	629,266				629,266

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

EXPENDITURES:	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Plant Operations and Maintenance	\$ 3,954,120				\$ 3,954,120
Student Transportation	1,118,579				1,118,579
Unallocated Benefits	10,467,706				10,467,706
Capital Outlay	496,061		\$ 1,085,982		1,582,043
Debt Service:					
Principal				\$ 860,000	860,000
Interest and Other Charges				499,225	499,225
<b>Total Expenditures</b>	<b>44,611,746</b>	<b>\$ 1,065,075</b>	<b>1,085,982</b>	<b>1,359,225</b>	<b>48,122,028</b>
<b>Excess/(Deficit) of Revenue Over/(Under)</b>					
Expenditures	(310,247)		(953,136)		(1,263,383)
<b>Other Financing Sources/(Uses):</b>					
Serial Bonds Issued			18,205,000		18,205,000
Capital Leases (Non-budgeted)	240,000				240,000
Transfers	(1,215,948)		1,195,998	19,950	
<b>Total Other Financing Sources/(Uses)</b>	<b>(975,948)</b>		<b>19,400,998</b>	<b>19,950</b>	<b>18,445,000</b>
<b>Excess of Revenues and Other Financing Sources</b>					
<b>Over Expenditures and Other Financing Uses</b>	<b>(1,286,195)</b>		<b>18,447,862</b>	<b>19,950</b>	<b>17,181,617</b>
<b>Fund Balance - July 1</b>	<b>3,771,509</b>		<b>174,968</b>	<b>71,907</b>	<b>4,018,384</b>
<b>Fund Balance - June 30</b>	<b>\$ 2,485,314</b>	<b>\$ -0-</b>	<b>\$ 18,622,830</b>	<b>\$ 91,857</b>	<b>\$ 21,200,001</b>

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



CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ 17,181,617

(Exhibit A-2) are different because:

Capital outlays are reported in Governmental Funds as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation differs from capital outlays in the period.

Depreciation Expense	\$ (449,009)	
Capital Outlays	<u>1,633,460</u>	1,184,451

In the Statement of Activities, interest on Long-Term Debt in the Statement of Activities is accrued, regardless of when due. In the Governmental Funds, interest is reported when due. When accrued interest exceeds the interest paid, the difference is a reduction in the reconciliation (-); when the interest paid exceeds the accrued interest, the difference is an addition to the reconciliation (+). (92,714)

Proceeds from debt issues are a financing source in the governmental funds, they are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position. (18,205,000)

Repayment of serial bonds is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities. 860,000

Leases entered into by the District are an other financing source in the Governmental Funds, but the acquisition increases Long-Term Liabilities in the Statement of Net Position and not reported in the Statement of Activities. (240,000)

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

<p>Repayment of capital leases is an expenditure in the Governmental Funds, but the repayment reduces Long-Term Liabilities in the Statement of Net Position and is not reported in the Statement of Activities.</p>	\$ 139,227
<p>The net pension liability reported in the statement of activities does not require the use of current financial resources and is not reported as an expenditure in the Governmental Funds:</p>	
Change in Net Pension Liability	699,434
Deferred Outflows:	
Changes in Assumptions	349,474
Deferred Inflows:	
Changes in Proportion	(304,647)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	(628,224)
<p>In the Statement of Activities, certain operating expenses, e.g., compensated absences 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 (+).</p>	<hr style="width: 100%;"/> 36,774
<p>Change in Net Position of Governmental Activities (Exhibit A-2)</p>	<hr style="width: 100%;"/> \$ 980,392

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

Exhibit B-4

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2015

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Funds</u>	<u>Major Fund Food Service</u>	<u>Total Enterprise Funds</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 246,776	\$ 54,261	\$ 301,037
Intergovernmental Accounts Receivable:			
State		237	237
Federal		5,260	5,260
Inventories		6,017	6,017
Total Current Assets	<u>246,776</u>	<u>65,775</u>	<u>312,551</u>
Non-Current Assets:			
Capital Assets		533,480	533,480
Less: Accumulated Depreciation		<u>(288,511)</u>	<u>(288,511)</u>
Total Non-Current Assets		<u>244,969</u>	<u>244,969</u>
Total Assets	<u>246,776</u>	<u>310,744</u>	<u>557,520</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Accounts Payable - Vendors		44,976	44,976
Interfund Payable - General Fund	2,728		2,728
Prepaid Sales		19,673	19,673
Unearned Revenue		<u>826</u>	<u>826</u>
Total Current Liabilities	<u>2,728</u>	<u>65,475</u>	<u>68,203</u>
<u>NET POSITION:</u>			
Net Investment in Capital Assets		244,969	244,969
Unrestricted	<u>244,048</u>	<u>300</u>	<u>244,348</u>
Total Net Position	<u>\$ 244,048</u>	<u>\$ 245,269</u>	<u>\$ 489,317</u>

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		
	Non-Major Funds	Major Fund Food Service	Total
Operating Revenue:			
Local Sources:			
Daily Sales		\$ 378,690	\$ 378,690
Program Fees	\$ 255,585		255,585
Miscellaneous Revenue		3,088	3,088
Total Operating Revenue	255,585	381,778	637,363
Operating Expenses:			
Cost of Sales		245,080	245,080
Salaries, Benefits & Payroll Taxes	148,499	221,956	370,455
Purchased Professional and Technical Services		30,300	30,300
Other Purchased Services	50,777		50,777
Supplies and Materials	5,360	15,871	21,231
Miscellaneous Expense		10,244	10,244
Depreciation Expense		24,596	24,596
Total Operating Expenses	204,636	548,047	752,683
Operating Income/(Loss)	50,949	(166,269)	(115,320)
Non-Operating Revenue:			
Local Sources:			
Interest Income		9	9
State Sources:			
State School Lunch Program		2,688	2,688
Federal Sources:			
National School Lunch Program		58,800	58,800
Food Distribution Program		10,030	10,030
Total Non-Operating Revenue		71,527	71,527
Change in Net Position	50,949	(94,742)	(43,793)
Net Position - Beginning of Year	193,099	340,011	533,110
Net Position - End of Year	\$ 244,048	\$ 245,269	\$ 489,317

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

Exhibit B-6

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Business-Type Activities - Enterprise Funds		
	Non-Major Funds	Major Fund Food Service	Total Enterprise Funds
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 249,100	\$ 401,451	\$ 650,551
Payments to Food Service Contractors		(458,681)	(458,681)
Payments for Salaries, Payroll Taxes and Benefits	(145,771)		(145,771)
Payments to Suppliers	(56,137)	(11,250)	(67,387)
Net Cash Provided by/(Used for) Operating Activities	47,192	(68,480)	(21,288)
Cash Flows from Investing Activities:			
Interest Income		9	9
Net Cash Provided by Investing Activities		9	9
Cash Flows from Noncapital & Financing Activities:			
State Sources		2,567	2,567
Federal Sources		56,497	56,497
Net Cash Provided by Noncapital & Financing Activities		59,064	59,064
Net Increase/(Decrease) in Cash and Cash Equivalents	47,192	(9,407)	37,785
Cash and Cash Equivalents, July 1	199,584	63,668	263,252
Cash and Cash Equivalents, June 30	\$ 246,776	\$ 54,261	\$ 301,037
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 50,949	\$ (166,269)	\$ (115,320)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation		24,596	24,596
Food Distribution Program		10,030	10,030
Changes in Assets and Liabilities:			
Increase in Interfund Payable	2,728		2,728
(Increase) in Inventory		(1,593)	(1,593)
Increase in Accounts Payable		44,675	44,675
Increase in Prepaid Sales		19,673	19,673
Increase (Decrease) in Unearned Revenue	(6,485)	408	(6,077)
Net Cash Provided by/(Used for) Operating Activities	\$ 47,192	\$ (68,480)	\$ (21,288)

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities through the Food Distribution Program Valued at \$10,438 and Utilized Commodities Valued at \$10,030.

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

Exhibit B-7

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
JUNE 30, 2015

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 366,669	\$ 86,636	\$ 18,594
Investments	14,195		
Total Assets	<u>380,864</u>	<u>86,636</u>	<u>18,594</u>
<u>LIABILITIES:</u>			
Interfund Payable - General Fund			9,027
Payroll Deductions and Withholdings	85,804		
Due to Student Groups	295,047		
Accrued Salaries and Wages	13		
Total Liabilities	<u>380,864</u>		<u>9,027</u>
<u>NET POSITION:</u>			
Held in Trust for:			
Unemployment Claims		86,636	
Flexible Spending Claims			9,567
Total Net Position	<u>\$ -0-</u>	<u>\$ 86,636</u>	<u>\$ 9,567</u>

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

Exhibit B-8

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Trust	Flexible Spending Trust
	<u>                    </u>	<u>                    </u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 65,792	\$ 35,822
	<u>65,792</u>	<u>35,822</u>
Total Contributions		
	<u>65,792</u>	<u>35,822</u>
Investment Earnings:		
Interest	11	
	<u>11</u>	
Net Investment Earnings		
	<u>11</u>	
Total Additions	<u>65,803</u>	<u>35,822</u>
DEDUCTIONS:		
Unemployment Benefit Claims	16,388	
Flexible Spending Claims		28,221
Quarterly Unemployment Contributions	82,840	
	<u>99,228</u>	<u>28,221</u>
Total Deductions		
	<u>99,228</u>	<u>28,221</u>
Change in Net Position	(33,425)	7,601
Net Position - Beginning of the Year	120,061	1,966
	<u>120,061</u>	<u>1,966</u>
Net Position - End of the Year	<u>\$ 86,636</u>	<u>\$ 9,567</u>

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

B. Basis of Presentation:

District-Wide Financial Statements:

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

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



CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

B. Basis of Presentation (Cont'd)

Fund Financial Statements:

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

The District reports the following governmental funds:

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

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

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

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

Debt Service Fund: The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

B. Basis of Presentation (Cont'd)

The District reports the following proprietary fund:

Enterprise Funds: The Enterprise Funds account for all revenue and expenses pertaining to the Board's Food Service and Continuing Education programs. The Food Service and Continuing Education programs are utilized to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that the cost (i.e., expenses including depreciation and indirect costs) of providing goods or services to the students and community on a continuing basis are financed or recovered primarily through user charges.

Additionally, the District reports the following fund type:

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

C. Measurement Focus and Basis of Accounting

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

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

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

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

D. Budgets/Budgetary Control

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

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

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

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

The Capital Projects Fund budgetary revenue differs from GAAP revenue due to a difference in the recognition of SDA grants. These grants are recognized on the budgetary basis in full when they are awarded but recognized on the GAAP basis only to the extent of expenditures which have been submitted for reimbursement.

Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenue and Expenditures:

	General Fund	Special Revenue Fund
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 44,312,480	\$ 1,066,229
Differences - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not.		
Current Year Encumbrances		(1,154)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	66,246	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(77,227)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 44,301,499	\$ 1,065,075

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 44,611,746	\$ 1,066,229
Differences - Budget to GAAP:		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes, but in the year the supplies are received for financial reporting purposes.		
Current Year Encumbrances		(1,154)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 44,611,746	\$ 1,065,075
		<u>Capital Projects Fund</u>
	Revenue	Fund Balance
Revenue/Committed Fund Balance	\$ 607,745	\$ 19,210,625
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue/Receivable Recognized/(Not Recognized) on GAAP Basis:		
Prior Year	112,896	
Current Year	(587,795)	(587,795)
Revenue/Fund Balance per Governmental Funds (GAAP)	\$ 132,846	\$ 18,622,830

E. Cash and Cash Equivalents and Investments

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

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

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

F. Interfund Transactions:

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

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

G. Allowance for Uncollectible Accounts:

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

H. Encumbrances:

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

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

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

I. Short-term Interfund Receivables/Payables:

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

J. 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.

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

K. Capital Assets:

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

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

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

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

L. Long Term Liabilities:

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

M. Accrued Salaries and Wages:

The District does not allow employees who provide services over the ten-month academic year the option to have their salaries evenly distributed during the entire twelve-month year; therefore, there are no accrued salaries and wages as of June 30, 2015.

N. Compensated Absences:

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

N. Compensated Absences: (Cont'd)

District employees are granted varying amounts of vacation and sick leave in accordance with the District's various employee contracts/agreements. Upon termination, employees are paid for accrued vacation. The District's various employee contracts/agreements permit 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 various employee contracts/agreements.

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

O. Unearned Revenue:

Unearned revenue in the special revenue fund represents cash which has been received but not yet earned.

P. Fund Balance Appropriated:

General Fund: Of the \$2,485,314 General Fund fund balance at June 30, 2015, \$304,976 is assigned for year-end encumbrances; \$457,970 is restricted in the capital reserve account; \$100,000 is restricted in the maintenance reserve account; \$51,178 of assigned fund balance has been appropriated and included as anticipated revenue for the fiscal year ending June 30, 2016; \$300,000 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2017; \$400,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2016; and \$871,190 is unassigned, which is \$77,227 less than the calculated unassigned fund balance, on a GAAP basis, due to the last two state aid payments, which are not recognized until the fiscal year ended June 30, 2016.

Capital Projects Fund: Of the \$18,622,830 fund balance in the Capital Projects Fund at June 30, 2015, \$17,719,482 is restricted and \$903,348 is committed.

Debt Service Fund: The \$91,857 fund balance in the Debt Service Fund at June 30, 2015 is restricted.

Calculation of Excess Surplus: In accordance with N.J.S.A. 18A:7F-7, as amended by P.L. 2004, C.73 (s1701), the designation for Restricted 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 restrict General Fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The District has excess surplus at June 30, 2015 as indicated above.

P.L. 2003, C.97 provides that in the event state school aid payments are not made until the following school budget year, districts must record the last state aid payments as revenue, for budget purposes only, in the current school budget year. The bill provides legal authority for school districts to recognize this revenue in the current budget year. For intergovernmental transactions, GASB Statement No. 33 requires that recognition (revenue, expenditure, asset, liability) should be in symmetry, i.e., if one government recognizes an asset, the other government recognizes a liability. Since the State is recording the last two state aid payments in the subsequent fiscal year, the school district cannot recognize these last state aid payments on the GAAP financial statements until the year the State records the payable. The excess surplus calculation is calculated using the fund balance reported on the Budgetary Comparison Schedule, including the last two state aid payments and not the fund balance reported on the fund statement which excludes the last two state aid payments noted above.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

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

Q. Deficit Net Position

The District has a deficit in unrestricted net position of \$11,675,726 in governmental activities, which is primarily due to accrued interest payable of \$308,115, \$720,659 of compensated absences payable, investment gains in pensions of \$628,224, changes in proportion in pensions of \$304,647 and net pension liability of \$12,194,247; net of \$51,178 of fund balance assigned for subsequent year's expenditures, \$304,976 assigned for encumbrances, \$903,348 committed to capital projects, changes in pension assumptions of \$349,474 and unassigned fund balance of \$871,190. This deficit does not indicate that the District is in financial difficulties and is a permitted practice under generally accepted accounting principles.

R. Net Position:

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

A deferred outflow of resources is a consumption of net position by the District that is applicable to a future reporting period. A deferred inflow of resources is an acquisition of net position by the District that is applicable to a future reporting period. The District had deferred outflows of resources at June 30, 2015 for changes in assumptions in pensions.

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

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

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

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

Fund balance restrictions have been established for excess surplus, a capital reserve, a maintenance reserve, the capital projects fund and the debt service fund.



CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

S. Fund Balance Restrictions, Commitments and Assignments: (Cont'd)

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had \$903,348 of committed resources at June 30, 2015 in the Capital Projects Fund.

The assignment of resources is generally made by the District Board of Education through a motion or a resolution passed by a majority of the Members of the Board of Education. These resources are intended to be used for a specific purpose. The process is not as restrictive as the commitment of resources and the Board of Education may allow an official of the District to assign resources through policies adopted by the Board of Education. The District has \$304,976 of assigned resources for year-end encumbrances and \$51,178 for subsequent year's expenditures in the General Fund at June 30, 2015.

T. Revenue - Exchange and Nonexchange Transactions:

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

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

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

U. Operating Revenue and Expenses:

Operating revenue are those revenues that are generated directly from the primary activities of the Enterprise Funds. These revenues are sales for Food Service, and program fees for Continuing Education. Operating expenses are necessary costs incurred to provide the services that are the primary activities of the Enterprise Funds.

V. Management Estimates:

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

W. Pensions

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

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

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

NOTE 3. CASH AND CASH EQUIVALENTS AND INVESTMENTS

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

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

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

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

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

Deposits:

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
 (Continued)

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

Deposits: (Cont'd)

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, the Federal Home Loan Bank Board, or a banking institution that is a member of the Federal Reserve System and has capital funds of not less than \$25,000,000.

Investments:

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

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

Investments:

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

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

Investments: (Cont'd)

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

	Restricted Cash and Cash Equivalents		Cash and Cash Equivalents	Investments	Total
	Capital Reserve	Maintenance Reserve			
Checking/Money Market Accounts	\$ 457,970	\$ 100,000	\$ 21,290,757		\$ 21,848,727
Certificate of Deposits				\$ 14,195	14,195
	\$ 457,970	\$ 100,000	\$ 21,290,757	\$ 14,195	\$ 21,862,922

During the period ended June 30, 2015, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents and investments at June 30, 2015, was \$21,862,922 and the bank balance was \$23,439,538.

NOTE 4. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the District by inclusion of \$200,000 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 State Department of Education, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts, or both.

A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-5.1(d)7, the balance in the account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

Beginning Balance, July 1, 2014	\$ 1,628,115
Add: Interest Earnings	3,214
Transfer from Unassigned Fund Balance as per Board Resolution - June 8, 2015	122,429
Less: Budgeted Withdrawal from Capital Reserve	(79,840)
Withdrawal as per Board Resolution	(1,215,948)
Ending Balance, June 30, 2015	\$ 457,970

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 5. MAINTENANCE RESERVE ACCOUNT

A maintenance reserve account in the amount of \$100,000 was established by Board resolution on June 8, 2015. These funds may be used for specific activities necessary for the purpose of keeping a school facility open and safe for use or in its original condition, and for keeping its constituent buildings systems fully and efficiently functional and for keeping their warranties valid but cannot be used for routine or capital maintenance. The purpose of the reserve is to provide funds for anticipated expenditures required to maintain a building.

Pursuant to N.J.A.C. 6A:26A-4.2 funds may be deposited into the maintenance reserve account at any time by board resolution to meet the required maintenance of the District by transferring unassigned general fund balance or by transferring excess unassigned general fund balance that is anticipated to be deposited during the current fiscal year in the advertised recapitulation of balances of the subsequent fiscal year’s budget that is certified for taxes. Funds may be withdrawn from the maintenance reserve account and appropriated into the required maintenance account lines at budget time or any time during the fiscal year by Board resolution for use on required maintenance activities by school facility as reported in the comprehensive maintenance plan.

Funds withdrawn from the maintenance reserve account are restricted to required maintenance appropriations and may not be transferred to any other line-item account. In any fiscal year that maintenance reserve account funds are withdrawn, unexpended required maintenance appropriations, up to the amount of maintenance reserve account funds withdrawn, shall be restored to the maintenance reserve account at fiscal year-end. At no time, shall the maintenance reserve account have a balance that exceeds four percent of the replacement cost of the current fiscal year of the District’s school facilities. If the account exceeds this maximum amount at June 30, the excess shall be restricted and designated in the subsequent fiscal year’s budget. The maintenance reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

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

Beginning Balance, July 1, 2014	\$ - 0 -
Add: Transfer from Unassigned Fund Balance as per Board Resolution - June 8, 2015	<u>100,000</u>
Ending Balance, June 30, 2015	<u><u>\$ 100,000</u></u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 6. CAPITAL ASSETS

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

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Governmental Activities:				
Capital Assets not Being Depreciated:				
Sites (Land)	\$ 229,918			\$ 229,918
Construction in Progress	1,284,846	\$ 1,085,982	\$ (1,572,710)	798,118
Total Capital Assets Not Being Depreciated	<u>1,514,764</u>	<u>1,085,982</u>	<u>(1,572,710)</u>	<u>1,028,036</u>
Capital Assets Being Depreciated:				
Site Improvements	5,376,597		1,259,110	6,635,707
Buildings and Building Improvements	28,794,056	127,628	313,600	29,235,284
Machinery and Equipment	7,142,640	419,850		7,562,490
Total Capital Assets Being Depreciated	<u>41,313,293</u>	<u>547,478</u>	<u>1,572,710</u>	<u>43,433,481</u>
Governmental Activities Capital Assets	<u>42,828,057</u>	<u>1,633,460</u>		<u>44,461,517</u>
Less Accumulated Depreciation for:				
Site Improvements	\$ (2,653,864)	\$ (138,611)		\$ (2,792,475)
Buildings and Building Improvements	(17,353,393)	(35,514)		(17,388,907)
Machinery and Equipment	(4,285,946)	(274,884)		(4,560,830)
	<u>(24,293,203)</u>	<u>(449,009)</u>		<u>(24,742,212)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 18,534,854</u>	<u>\$ 1,184,451</u>	<u>\$ -0-</u>	<u>\$ 19,719,305</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 533,480			\$ 533,480
Less: Accumulated Depreciation	(263,915)	\$ (24,596)		(288,511)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 269,565</u>	<u>\$ (24,596)</u>	<u>\$ -0-</u>	<u>\$ 244,969</u>

During the fiscal year, the District acquired or constructed \$1,633,460 in capital asset additions, expensed \$473,605 in depreciation (\$449,009 from its governmental activities and \$24,596 from its business-type activities), and transferred \$1,572,710 of construction in progress to depreciable capital assets for capital projects which were completed during the fiscal year.

The District has \$20,008,743 in active construction projects as of June 30, 2015.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 100,362
Special Education Instruction	22,031
Student and Other Instruction Related Services	4,380
General Administration	61,321
School Administration	8,760
Central Services	8,760
Administrative Information Technology	4,380
Operations and Maintenance of Plant	36,434
Student Transportation	26,544
Unallocated	176,037
	<u>\$ 449,009</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2015, the District transferred \$5,000 (net) to capital outlay accounts. Transfers consisted of \$56,292 to equipment line items which did not require approval from the County Superintendent and \$51,292 from facilities acquisition and construction services.

NOTE 8. LONG-TERM LIABILITIES

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

	(Restated) Balance 6/30/2014	Accrued	Retired	Balance 6/30/2015
Serial Bonds Payable	\$ 12,150,000	\$ 18,205,000	\$ 860,000	\$ 29,495,000
Net Pension Liability:				
PERS	11,705,401		591,705	11,113,696
Essex County	1,188,280		107,729	1,080,551
Capital Leases Payable	225,115	240,000	139,227	325,888
Compensated Absences Payable	757,433	40,114	76,888	720,659
	<u>\$ 26,026,229</u>	<u>\$ 18,485,114</u>	<u>\$ 1,775,549</u>	<u>\$ 42,735,794</u>

A. Bonds Payable:

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

On June 19, 2008, the District issued serial bonds in the amount of \$14,765,000 to finance the referendum project approved by the voters in December of 2007. The bonds were issued with interest rates ranging from 4.125% to 5.000%. The bonds mature on September 1, 2010 through 2024.

On March 19, 2015, the District issued serial bonds in the amount of \$18,205,000 to finance the referendum project approved by the voters in December of 2014. The bonds were issued with interest rates ranging from 2.50% to 3.00%. The bonds mature on March 15, 2017 through 2033.

The District had bonds outstanding as of June 30, 2015 as follows:

Final Maturity Date	<u>Serial Bonds</u> Interest Rate	Amount
09/01/24	4.125%-5.000%	\$ 11,290,000
03/15/33	2.500%-3.000%	18,205,000
		<u>\$ 29,495,000</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

A. Bonds Payable: (Cont'd)

Principal and interest due on serial bonds outstanding will be liquidated through the Debt Service Fund and are as follows:

<u>Year Ending June 30,</u>	<u>Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2016	\$ 860,000	\$ 975,624	\$ 1,835,624
2017	1,940,000	944,250	2,884,250
2018	1,775,000	880,475	2,655,475
2019	1,975,000	817,216	2,792,216
2020	2,005,000	747,572	2,752,572
Thereafter 5 Years (2021-2025)	11,230,000	2,573,925	13,803,925
Thereafter 5 Years (2026-2030)	5,770,000	1,118,850	6,888,850
Thereafter 3 Years (2031-2033)	3,940,000	238,950	4,178,950
	<u>\$ 29,495,000</u>	<u>\$ 8,296,862</u>	<u>\$ 37,791,862</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2015, the Board had \$394 of bonds authorized but not issued related to the 2015 referendum for various school facility improvements.

C. Capital Leases Payable:

The District has \$539,142 in lease purchase obligations for district-wide copiers and chromebooks. The capital leases are for terms of three to five years. The following is a schedule of the future minimum lease payments under the capital lease, and the present value of the net minimum lease payments at June 30, 2015.

<u>Year</u>	<u>Amount</u>
2016	\$ 147,171
2017	147,171
2018	44,072
	<u>338,414</u>
Less: Amount Representing Interest	<u>(12,526)</u>
Present Value Net of Minimum Lease Payments	<u>\$ 325,888</u>

The current portion of capital leases payable at June 30, 2015 is \$139,997 and the long-term portion is \$185,891. The General Fund will be used to liquidate the capital leases payable.

D. Compensated Absences Payable:

The liability for compensated absences of the Governmental fund types is recorded in the current and long-term liabilities. There is no current portion, so the entire \$720,659 compensated absences balance is recorded in long-term liabilities of the governmental funds and will be liquidated through the General Fund.

There is no liability for compensated absences in the Proprietary fund types.



CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

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

E. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$11,113,696. See Note 9 for further information on the PERS.

The Board of Education Employees' Pension Fund of Essex County's (the Plan) net pension liability of the governmental fund types are recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2015 is \$-0- and the long-term portion is \$1,080,551. See Note 9 for further information on the Plan.

NOTE 9. PENSION PLANS

Substantially all of the Board's employees participate in one of the two contributory, defined benefit public employee retirement systems: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employee's Retirement System (PERS) of New Jersey; or the Defined Contribution Retirement Program (DCRP). A small number of the District's retirees participate in the Board of Education Employees' Pension Fund of Essex County (the "Plan").

A. Public Employees' Retirement System (PERS)

Plan Description

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

Benefits Provided

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

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

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$490,124 for fiscal year 2015.

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

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

At June 30, 2015, the District reported a liability of \$11,113,696 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.059%, which was a decrease of 0.002% from its proportion measured as of June 30, 2013.

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$516,249. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	\$ 349,474	
Changes in Proportion		\$ 304,647
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments		662,316
	<u>\$ 349,474</u>	<u>\$ 966,963</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2015	\$ (101,337)
2016	(101,337)
2017	(101,337)
2018	(101,337)
2019	64,242
Thereafter	28,264
	\$ (312,842)

Actuarial Assumptions

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

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

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

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

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

Discount Rate

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

	<u>Fiscal Year Ended June 30, 2014</u>		
	1%	Current	1%
	Decrease (4.39%)	Discount Rate (5.39%)	Increase (6.39%)
District's proportionate share of the Net Pension Liability	\$ 13,981,408	\$ 11,113,696	\$ 8,705,547

Pension plan Fiduciary Net Position

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

B. Teachers' Pension and Annuity Fund (TPAF)

Plan Description

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

Benefits Provided

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

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Contributions

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

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers, such as the District. This note discloses the portion of the District's total proportionate share of the net pension liability that is associated with the District. During the fiscal year ended 2015, the State of New Jersey contributed \$932,899 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$5,198,922.

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

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

At June 30, 2015, the State's proportionate share of the net pension liability associated with the District was \$96,617,385. The net pension liability was measured as of June 30, 2014, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2013 which was rolled forward to June 30, 2014. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2014, the District's proportion was 0.181%, which was a decrease of 0.002% from its proportion measured as of June 30, 2013.

District's Proportionate Share of the Net Pension Liability	\$	-0-
State's Proportionate Share of the Net Pension Liability Associated with the District		96,617,385
Total	\$	96,617,385

For the fiscal year ended June 30, 2014, the State recognized pension expense on behalf of the District in the amount of \$5,198,922 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2015 financial statements.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

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

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

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

Fiscal Year Ending June 30,	Total
2016	\$ (130,688,498)
2017	(130,688,498)
2018	(130,688,498)
2019	(130,688,498)
2020	304,620,646
Thereafter	761,551,612
	\$ 543,418,266

Actuarial Assumptions

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

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Actuarial Assumptions (Cont'd)

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

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

Long Term Expected Rate of Return

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

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



CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Discount Rate – TPAF

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

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

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

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

Pension Plan Fiduciary Net Position - TPAF

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

C. Defined Contribution Retirement Program (DCRP)

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

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

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

For DCRP, the District recognized pension expense of \$7,369 for the fiscal year ended June 30, 2015. Employee contributions to DCRP amounted to \$13,511 for the fiscal year ended June 30, 2015.

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

Plan Description

The Board of Education Employees' Pension Fund of Essex County (the "Plan"), is a multiple-employer contributory defined benefit pension plan that provides pension and life insurance benefits to employees of the Boards of Education within Essex County employed before July 1, 1981, except temporary employees and employees eligible for coverage under any New Jersey State administered pension plan created under prior New Jersey laws. The ECPF became effective April 16, 1929. The Plan provides for retirement, service, and non-service connected death and disability benefits for its members. The Plan is governed by New Jersey Statutes under Title 18A, and is administered by a Board of Trustees for the Plan who is also responsible for the management and investment of Plan assets. The Board of Trustees consists of one active and five retired elected Plan members.

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

Benefits Provided

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

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

Contributions

Contributions are made by the members at 3%, the maximum contribution rate required by statute, of their annual compensation. Contributions made by the Boards are determined annually based upon actuarial valuations. The Boards are required to reimburse the Plan for administrative expenses and cost of living increases associated with its retirees. Plan provisions and contribution requirements are established by New Jersey state statute assets. District contributions to the Plan amounted to \$164,185 for fiscal year 2015.

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

At June 30, 2015, the District reported a liability of \$1,080,551 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2015. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating members, actuarially determined. At June 30, 2015, the District's proportion was 2.805%, which was an increase of 0.176% from its proportion measured as of June 30, 2014.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$22,363. At June 30, 2015, the District reported deferred outflows of resources related to pensions from the following source. There were no deferred inflows of resources.

	Deferred Outflows of Resources
Net Difference Between Projected and Actual	
Investment Earnings on Pension Plan Investments	\$ 34,092
	\$ 34,092

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

Fiscal Year Ending June 30,	Total
2016	\$ 6,818
2017	6,818
2018	6,818
2019	6,819
2020	6,819
	\$ 34,092

Actuarial Assumptions

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

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

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

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

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

\* - Net of 2.6% inflation assumption

Discount Rate

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

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

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

	Fiscal Year Ended June 30, 2015		
	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
	District's proportionate share of the Net Pension Liability	\$ 1,470,505	\$ 1,080,551

Pension Plan Fiduciary Net Position

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

(Continued)

NOTE 10. POST-RETIREMENT BENEFITS

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

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

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$1,480,979, \$1,253,894 and \$1,333,750 for 2015, 2014 and 2013, respectively. These amounts have been included in the District-wide financial statements and the fund-based statements as revenues and expenditures in accordance with GASB Statement No. 24.

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets, errors and omissions; injuries to employees; and natural disasters. The District obtained its health benefit coverage through the New Jersey State Health Benefits Program.

Property and Liability Insurance

The Caldwell-West Caldwell School District is a member of the School Alliance Insurance Fund (the "Fund"). This public entity risk management pool provides general liability, property and automobile coverage and workers' compensation for its members. A complete schedule of insurance coverage can be found in the Statistical Section of this Comprehensive Annual Financial Report.

The Fund is a risk-sharing public entity risk pool that is an insured and self-administered group of school boards established for the purpose of providing low-cost insurance for its respective members in order to keep local property taxes to a minimum. Each member appoints an official to represent their respective entity for the purpose of creating a governing body from which officers for the Fund are elected.

As a member of this Fund, the District could be subject to supplemental assessments in the event of deficiencies. If the assets of the Fund were to be exhausted, members would become responsible for their respective shares of the Fund's liabilities. The Fund can declare and distribute dividends to members upon approval of the State of New Jersey Department of Banking and Insurance. These distributions are divided among the members in the same ratio as their individual assessment related to the total assessment of the membership body.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 11. RISK MANAGEMENT (Cont'd)Property and Liability Insurance (Cont'd)

The June 30, 2015 audit report for the Fund is not available as of the date of this report. Selected, summarized financial information for the Fund as of June 30, 2014 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	\$ 33,508,569
Net Position	\$ 5,114,269
Total Revenue	\$ 33,869,258
Total Expenses	\$ 37,253,827
Change in Net Position	\$ (3,384,569)
Members Dividends	\$ -0-

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

Public Entity Group Administrative Services  
51 Everett Drive  
Suite B-40  
West Windsor, NJ 08550

New Jersey Unemployment Compensation Insurance

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

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2014-2015	\$ -0-	\$ 11	\$ 65,792	\$ 99,228	\$ 86,636
2013-2014	-0-	11	65,314	69,902	120,061
2012-2013	-0-	11	63,946	80,575	124,638

NOTE 12. ECONOMIC DEPENDENCY

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 222,288	
Special Revenue Fund		\$ 210,533
Capital Projects Fund		19,950
Debt Service Fund	19,950	
Enterprise Fund - Continuing Education		2,728
Fiduciary Fund - Flexible Spending Trust		9,027
	<u>\$ 242,238</u>	<u>\$ 242,238</u>

The interfund payable in the Special Revenue Fund represents funds advanced from the General Fund while awaiting reimbursements of expenditures from grantors. The interfund payable in the Capital Projects Fund is interest earnings that are due to the Debt Service Fund. The interfunds payable in the Continuing Education Enterprise Fund and Flexible Spending Trust is June payroll and unclaimed employee contributions due to the General Fund.

NOTE 14. DEFERRED COMPENSATION

The Board offers its employees a choice of the following deferred compensation plans created in accordance with Internal Revenue Code Sections 403(b) and 457. The plans, which are administered by the entities listed below, permit participants to defer a portion of their salary until future years. Amounts deferred under the plans are not available to employees until termination, retirement, death or unforeseeable emergency.

The plan administrators are as follows:

Variable Annuity Life (VALIC)	NJ Pension Supplemental Annuity
AXA Equivest	Vanguard Group
Pennserv	

AXA Equivest and Vanguard Group are the plan administrators for the District's Internal Revenue Code Section 457 plans.

NOTE 15. TAX CALENDAR

Property taxes are levied as of January 1 on property values assessed as of the previous calendar year. The tax levy is divided into two billings. The first billing is an estimate of the current year's levy based on the prior year's taxes. The second billing reflects adjustments to the current year's actual levy. The final tax bill is usually mailed on or before June 14th, along with the first half estimated tax bills for the subsequent year.

The first half estimated taxes are divided into two due dates, February 1 and May 1. The final tax bills are also divided into two due dates, August 1 and November 1. A ten-day grace period is usually granted before the taxes are considered delinquent and there is an imposition of interest charges. A penalty may be assessed for any unpaid taxes in excess of \$10,000 at December 31 of the current year. Unpaid taxes of the current and prior year may be placed in lien at a tax sale held after December 10. Taxes are collected by the constituent municipality and are remitted to the local school district on a predetermined mutually agreed-upon schedule.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

Encumbrances

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

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
\$ 304,976	\$ 4,216	\$ 2,693,490	\$ 3,002,682

On the District's Governmental Funds Balance Sheet as of June 30, 2015, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. On the GAAP basis, encumbrances are not recognized and are reflected as either a reduction in grants receivable or an increase in unearned revenue in the Special Revenue Fund. On the GAAP basis, the year-end encumbrances of \$2,693,490 in the Capital Projects Fund are included in the \$17,719,482 restricted and \$903,348 committed fund balances.

NOTE 17. PRIOR PERIOD ADJUSTMENTS

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

	Balance 6/30/14 as Previously Reported	Retroactive Adjustments	Balance 6/30/14 as Restated
<u>Statement of Net Assets:</u>			
<u>Governmental Activities:</u>			
Statement of Net Position:			
Liabilities:			
Non-Current Liabilities	\$ 13,132,548	\$ 12,893,681	\$ 26,026,229
Total Liabilities	14,220,968	12,893,681	27,114,649
Net Position:			
Unrestricted/(Deficit)	945,528	(12,893,681)	(11,948,153)
Total Net Position	9,205,289	(12,893,681)	(3,688,392)



SCHEDULES OF REQUIRED  
SUPPLEMENTARY INFORMATION

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

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	0.0612463848%	0.0593593597%
District's Proportionate Share of the Net Pension Liability	\$ 11,705,401	\$ 11,113,696
District's Covered Employee Payroll	\$ 3,913,666	\$ 3,914,297
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	299.09%	283.93%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	48.72%	52.08%

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES  
SCHEDULE OF DISTRICT CONTRIBUTIONS  
PUBLIC EMPLOYEES RETIREMENT SYSTEM  
LAST TWO FISCAL YEARS  
UNAUDITED

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually Required Contribution	\$ 461,479	\$ 489,350
Contributions in Relation to the Contractually Required Contribution	<u>(461,479)</u>	<u>(489,350)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ 3,913,666	\$ 3,914,297
Contributions as a Percentage of Covered Employee Payroll	11.79%	12.50%

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

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

	Fiscal Year Ending June 30,	
	2014	2015
State's Proportion of the Net Pension Liability Attributable to the District	0.1825458815%	0.1807731877%
State's Proportionate Share of the Net Pension Liability attributable to the District	\$ 92,257,253	\$ 96,617,385
District's Covered Employee Payroll	\$ 18,137,733	\$ 18,859,397
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	508.65%	512.30%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.76%	33.64%

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

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

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
District's Proportion of the Net Pension Liability	2.9809319%	2.8052491%
District's Proportionate Share of the Net Pension Liability	\$ 1,188,280	\$ 1,080,551
District's Covered Employee Payroll	\$ -0-	\$ -0-
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%
Plan Fiduciary Net Position (*) as a Percentage of the Total Pension Liability	75.92%	76.05%

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

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

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

	<u>Fiscal Year Ending June 30,</u>	
	<u>2014</u>	<u>2015</u>
Contractually Required Contribution	\$ 140,443	\$ 164,185
Contributions in Relation to the Contractually Required Contribution	<u>(140,443)</u>	<u>(164,185)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ 119,946	\$ 122,268
Contributions as a Percentage of Covered Employee Payroll	117.09%	134.28%

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

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

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

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

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

Benefit Changes

There were none.

Changes of Assumptions

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

BUDGETARY COMPARISON SCHEDULES



CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 38,851,019		\$ 38,851,019	\$ 38,851,019	
Tuition From Other LEAs				4,592	\$ 4,592
Tuition From Individuals		\$ 14,000	14,000	25,522	11,522
Transportation Fees From Individuals	1,800		1,800	6,148	4,348
Rents & Royalties		43,666	43,666	76,785	33,119
Interest Earned on Capital Reserve Funds	200		200	3,214	3,014
Unrestricted Miscellaneous Revenue	47,750	(15,500)	32,250	28,862	(3,388)
Other Restricted Miscellaneous Revenue	98,592	(42,166)	56,426	103,687	47,261
Total - Local Sources	<u>38,999,361</u>		<u>38,999,361</u>	<u>39,099,829</u>	<u>100,468</u>
State Sources:					
Special Education Aid	848,871		848,871	848,871	
Security Aid	40,034		40,034	40,034	
Transportation Aid	72,385		72,385	72,385	
PARCC Readiness Aid	26,025		26,025	26,025	
Per Pupil Growth Aid	26,025		26,025	26,025	
Extraordinary Special Education Costs Aid	391,111		391,111	473,712	82,601
Excess Nonpublic School Transportation Costs				28,014	28,014
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				932,899	932,899
TPAF Post Retirement Medical Benefits Contributions (On-Behalf - Non-Budgeted)				1,480,979	1,480,979
TPAF Social Security (Reimbursed - Non-Budgeted)				1,283,707	1,283,707
Total State Sources	<u>1,404,451</u>		<u>1,404,451</u>	<u>5,212,651</u>	<u>3,808,200</u>
Federal Sources:					
Medicaid Assistance Program	15,334		15,334		(15,334)
Total - Federal Sources	<u>15,334</u>		<u>15,334</u>		<u>(15,334)</u>
Total Revenues	<u>40,419,146</u>		<u>40,419,146</u>	<u>44,312,480</u>	<u>3,893,334</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 259,689	\$ 33,442	\$ 293,131	\$ 293,131	
Grades 1-5 - Salaries of Teachers	4,564,712	61,150	4,625,862	4,625,862	
Grades 6-8 - Salaries of Teachers	2,668,452	62,147	2,730,599	2,730,599	
Grades 9-12 - Salaries of Teachers	4,176,519	(103,329)	4,073,190	4,073,190	
Regular Programs - Home Instruction:					
Salaries of Teachers	15,000	(10,053)	4,947	4,947	
Purchased Professional-Educational Services	15,000	(4,008)	10,992	10,992	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	96,000	(47,997)	48,003	48,003	
Purchased Professional-Educational Services	7,700	2,146	9,846	9,021	\$ 825
Other Purchased Services	107,796	95,587	203,383	200,451	2,932
General Supplies	489,337	190,242	679,579	636,726	42,853
Textbooks	125,876	16,671	142,547	97,357	45,190
Other Objects	133,053	11,656	144,709	139,296	5,413
Total Regular Programs - Instruction	<u>12,659,134</u>	<u>307,654</u>	<u>12,966,788</u>	<u>12,869,575</u>	<u>97,213</u>
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	170,228	(18,039)	152,189	152,189	
General Supplies	4,105	1,100	5,205	5,205	
Total Learning and/or Language Disabilities	<u>174,333</u>	<u>(16,939)</u>	<u>157,394</u>	<u>157,394</u>	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Special Education - Instruction:					
Resource Room/Resource Center:					
Salaries of Teachers	\$ 2,379,074	\$ 12,789	\$ 2,391,863	\$ 2,391,863	
General Supplies	12,956	6,541	19,497	19,474	\$ 23
Textbooks	5,100	(4,345)	755	755	
Other Objects	2,850	(1,137)	1,713	1,713	
Total Resource Room/Resource Center	<u>2,399,980</u>	<u>13,848</u>	<u>2,413,828</u>	<u>2,413,805</u>	<u>23</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	169,843		169,843	169,753	90
Other Salaries for Instruction	150,034	63,173	213,207	213,207	
General Supplies	3,000	(29)	2,971	2,971	
Total Preschool Disabilities - Part-Time	<u>322,877</u>	<u>63,144</u>	<u>386,021</u>	<u>385,931</u>	<u>90</u>
Home Instruction:					
Salaries of Teachers	35,000	(19,725)	15,275	15,275	
Purchased Professional-Educational Services	5,203	3,411	8,614	8,614	
Total Home Instruction	<u>40,203</u>	<u>(16,314)</u>	<u>23,889</u>	<u>23,889</u>	
Total Special Education - Instruction	<u>2,937,393</u>	<u>43,739</u>	<u>2,981,132</u>	<u>2,981,019</u>	<u>113</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	63,947	15,244	79,191	79,191	
Other Salaries for Instruction		1,320	1,320	1,320	
Total Basic Skills/Remedial - Instruction	<u>63,947</u>	<u>16,564</u>	<u>80,511</u>	<u>80,511</u>	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 114,407	\$ (11,414)	\$ 102,993	\$ 102,993	
General Supplies	2,600	589	3,189	3,189	
Textbooks	200	(200)			
Other Objects	300	(300)			
Total Bilingual Education - Instruction	<u>117,507</u>	<u>(11,325)</u>	<u>106,182</u>	<u>106,182</u>	
School Sponsored Cocurricular Activities:					
Salaries	249,253	(50,762)	198,491	198,439	\$ 52
Purchased Services	8,056	14,285	22,341	21,081	1,260
Supplies and Materials	15,913	(1,200)	14,713	14,706	7
Other Objects	5,200	(2,720)	2,480	1,560	920
Transfers to Cover Deficit (Agency Funds)	3,600	(3,594)	6		6
Total School-Sponsored Cocurricular Activities	<u>282,022</u>	<u>(43,991)</u>	<u>238,031</u>	<u>235,786</u>	<u>2,245</u>
School-Sponsored Athletics:					
Salaries	596,566	23,684	620,250	620,250	
Purchased Services	100,668	(11,021)	89,647	89,174	473
Supplies and Materials	118,626	(2,815)	115,811	111,149	4,662
Other Objects	8,590	7,716	16,306	15,060	1,246
Transfers to Cover Deficit (Agency Funds)	7,765	(7,765)			
Total School-Sponsored Athletics	<u>832,215</u>	<u>9,799</u>	<u>842,014</u>	<u>835,633</u>	<u>6,381</u>
Community Services Programs:					
Salaries	75,000	(7,399)	67,601	66,077	1,524
Total Community Services Programs	<u>75,000</u>	<u>(7,399)</u>	<u>67,601</u>	<u>66,077</u>	<u>1,524</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Total Instruction	\$ 16,967,218	\$ 315,041	\$ 17,282,259	\$ 17,174,783	\$ 107,476
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Special	303,142	154,818	457,960	385,756	72,204
Tuition to County Vocational School - Regular	12,295	655	12,950	12,950	
Tuition to County Vocational School - Special	13,255	(2,240)	11,015	10,699	316
Tuition to Private Schools for the Handicapped Within State	2,274,925	3,850	2,278,775	2,278,775	
Tuition to Private Schools for the Handicapped Outside State	72,499		72,499	72,105	394
Total Undistributed Expenditures - Instruction	<u>2,676,116</u>	<u>157,083</u>	<u>2,833,199</u>	<u>2,760,285</u>	<u>72,914</u>
Undistributed Expenditures - Attendance and Social Work Services:					
Salaries	41,681	(23,231)	18,450	18,450	
Total Undistributed Expenditures - Attendance and Social Work Services	<u>41,681</u>	<u>(23,231)</u>	<u>18,450</u>	<u>18,450</u>	
Undistributed Expenditures:					
Health Services:					
Salaries	489,855	6,909	496,764	496,764	
Purchased Professional and Technical Services	17,000	(5,406)	11,594	11,594	
Supplies and Materials	13,000	2,137	15,137	15,137	
Other Objects	12,889		12,889	12,889	
Total Health Services	<u>532,744</u>	<u>3,640</u>	<u>536,384</u>	<u>536,384</u>	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Speech, OT, PT & Related Services:					
Salaries	\$ 289,670	\$ (18,367)	\$ 271,303	\$ 271,303	
Purchased Professional - Educational Services	274,117	43,081	317,198	317,197	\$ 1
Supplies and Materials	5,000	(2,811)	2,189	2,180	9
Other Objects	5,300	(3,554)	1,746	1,746	
Total Speech, OT, PT & Related Services	<u>574,087</u>	<u>18,349</u>	<u>592,436</u>	<u>592,426</u>	<u>10</u>
Other Support Services - Extraordinary Services:					
Salaries	560,061	131,663	691,724	691,724	
Purchased Professional - Educational Services	488,769	2,809	491,578	491,578	
Total Other Support Services - Extraordinary Services	<u>1,048,830</u>	<u>134,472</u>	<u>1,183,302</u>	<u>1,183,302</u>	
Guidance:					
Salaries of Other Professional Staff	500,675	4,517	505,192	505,192	
Purchased Professional-Educational Services	165,000		165,000	165,000	
Other Purchased Services	18,244	(4,751)	13,493	13,493	
Supplies and Materials	5,100	(1,004)	4,096	4,051	45
Other Objects	6,004	(553)	5,451	4,554	897
Total Guidance	<u>695,023</u>	<u>(1,791)</u>	<u>693,232</u>	<u>692,290</u>	<u>942</u>
Child Study Team:					
Salaries of Other Professional Staff	797,921	(2,357)	795,564	795,564	
Salaries of Secretarial and Clerical Assistants	101,794	5,094	106,888	106,888	
Other Purchased Professional and Technical Services	45,435	6,880	52,315	48,825	3,490

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Child Study Team: (Cont'd)					
Miscellaneous Purchased Services	\$ 5,700	\$ (391)	\$ 5,309	\$ 4,754	\$ 555
Residential Costs	255,590	(1,080)	254,510	254,510	
Supplies and Materials	21,773	(5,558)	16,215	16,215	
Other Objects	2,400		2,400	1,720	680
Total Child Study Team	<u>1,230,613</u>	<u>2,588</u>	<u>1,233,201</u>	<u>1,228,476</u>	<u>4,725</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	131,560		131,560	131,560	
Salaries of Other Professional Staff	400	(400)			
Other Salaries	4,000	(1,896)	2,104	2,104	
Purchased Professional - Educational Services	13,000	39,903	52,903	29,308	23,595
Other Purchased Services	200	(200)			
Supplies and Materials		1,200	1,200	1,200	
Other Objects	2,700	(1,718)	982	982	
Total Improvement of Instructional Services	<u>151,860</u>	<u>36,889</u>	<u>188,749</u>	<u>165,154</u>	<u>23,595</u>
Educational Media Services/School Library:					
Salaries	622,049	30,751	652,800	652,800	
Supplies and Materials	69,716	(3,663)	66,053	65,612	441
Total Educational Media Services/School Library	<u>691,765</u>	<u>27,088</u>	<u>718,853</u>	<u>718,412</u>	<u>441</u>
Instructional Staff Training Services:					
Purchased Professional - Educational Services	7,345	7,167	14,512	14,512	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Instructional Staff Training Services: (Cont'd)					
Other Purchased Services	\$ 1,600	\$ (475)	\$ 1,125	\$ 1,125	
Other Objects	11,941	(7,076)	4,865	2,826	\$ 2,039
Total Instructional Staff Training Services	<u>20,886</u>	<u>(384)</u>	<u>20,502</u>	<u>18,463</u>	<u>2,039</u>
General Administration:					
Salaries	295,941	4,000	299,941	298,669	1,272
Legal Services	65,000	(25,247)	39,753	29,336	10,417
Audit Fees	35,000	13,175	48,175	48,175	
Architectural/Engineering Services	20,000	(13,489)	6,511		6,511
Other Purchased Professional Services	4,600	19,354	23,954	23,954	
Communications/Telephone	75,925	(5,260)	70,665	58,220	12,445
BOE Other Purchased Services	1,100		1,100	500	600
Miscellaneous Purchased Services (400-500)	32,000	(636)	31,364	26,368	4,996
General Supplies	7,200	(177)	7,023	5,332	1,691
Miscellaneous Expenditures	13,350	6,228	19,578	15,273	4,305
BOE Membership Dues and Fees	19,000		19,000	18,256	744
Total General Administration	<u>569,116</u>	<u>(2,052)</u>	<u>567,064</u>	<u>524,083</u>	<u>42,981</u>
School Administration:					
Salaries of Principals/Assistant Principals	1,137,827	211	1,138,038	1,138,038	
Salaries of Secretarial and Clerical Assistants	671,076	(56,356)	614,720	614,616	104
Other Salaries	3,600	797	4,397	4,076	321
Other Purchased Services	2,200		2,200	178	2,022
Supplies and Materials	30,400	2,074	32,474	20,501	11,973



CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
School Administration: (Cont'd)					
Other Objects	\$ 17,770	\$ (732)	\$ 17,038	\$ 13,506	\$ 3,532
Total School Administration	<u>1,862,873</u>	<u>(54,006)</u>	<u>1,808,867</u>	<u>1,790,915</u>	<u>17,952</u>
Central Services:					
Salaries	433,179	41,366	474,545	474,545	
Miscellaneous Purchased Services	22,710	29,128	51,838	49,926	1,912
Supplies and Materials	12,150	(880)	11,270	11,050	220
Miscellaneous Expenditures	8,750	867	9,617	7,070	2,547
Total Central Services	<u>476,789</u>	<u>70,481</u>	<u>547,270</u>	<u>542,591</u>	<u>4,679</u>
Administrative Information Technology:					
Salaries	291,741	79,337	371,078	371,078	
Purchased Professional Services	90,639	13,750	104,389	102,781	1,608
Purchased Technical Services	2,640	(2,640)			
Other Purchased Services	291,200	(124,961)	166,239	155,407	10,832
Total Administrative Information Technology	<u>676,220</u>	<u>(34,514)</u>	<u>641,706</u>	<u>629,266</u>	<u>12,440</u>
Required Maintenance for School Facilities:					
Salaries	628,859	21,062	649,921	642,784	7,137
Cleaning, Repair and Maintenance Services	573,481	38,014	611,495	479,861	131,634
General Supplies	191,245	31,272	222,517	206,703	15,814
Other Objects	6,250	52	6,302	6,292	10
Total Required Maintenance for School Facilities	<u>1,399,835</u>	<u>90,400</u>	<u>1,490,235</u>	<u>1,335,640</u>	<u>154,595</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Custodial Services:					
Salaries	\$ 1,317,178	\$ (38,640)	\$ 1,278,538	\$ 1,258,145	\$ 20,393
Cleaning, Repair and Maintenance Services	112,807	(21,304)	91,503	82,989	8,514
Other Purchased Property Services	73,400	28,759	102,159	95,208	6,951
Insurance	213,450	2,848	216,298	214,148	2,150
General Supplies	105,100	(4,697)	100,403	96,283	4,120
Energy (Natural Gas)	255,200	(37,289)	217,911	190,332	27,579
Energy (Electricity)	467,500	3,907	471,407	459,468	11,939
Energy (Gasoline)	25,000		25,000	15,492	9,508
Other Objects	2,175		2,175	370	1,805
Total Custodial Services	<u>2,571,810</u>	<u>(66,416)</u>	<u>2,505,394</u>	<u>2,412,435</u>	<u>92,959</u>
Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	120,000	(6,924)	113,076	87,913	25,163
General Supplies	101,500	16,727	118,227	118,132	95
Total Care & Upkeep of Grounds	<u>221,500</u>	<u>9,803</u>	<u>231,303</u>	<u>206,045</u>	<u>25,258</u>
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	6,300	3,407	9,707	9,707	
Between Home and School - Special Education	127,810	(13,762)	114,048	113,546	502
Other than Between Home and School	29,240		29,240	21,514	7,726
Contracted Services:					
Management Fees - ESC Transportation Programs	27,000	808	27,808	27,808	
Cleaning, Repair and Maintenance Services	7,500		7,500	6,431	1,069

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Student Transportation Services: (Cont'd)					
Contracted Services: (Cont'd)					
Between Home and School -Vendors	\$ 91,000	\$ (571)	\$ 90,429	\$ 90,418	\$ 11
Other than Between Home and School -Vendors	106,985	(900)	106,085	90,330	15,755
Special Education Students - ESCs & CTSA's	703,505	(105,349)	598,156	598,156	
Aid in Lieu of Payments for Nonpublic School Students	152,000	(8,788)	143,212	138,346	4,866
Miscellaneous Purchased Services - Transportation	6,000	3,710	9,710	9,710	
General Supplies	6,500		6,500	3,130	3,370
Transportation Supplies	18,000		18,000	9,483	8,517
Total Student Transportation Services	<u>1,281,840</u>	<u>(121,445)</u>	<u>1,160,395</u>	<u>1,118,579</u>	<u>41,816</u>
Unallocated Benefits:					
Social Security Contributions	533,010	2,258	535,268	529,749	5,519
Other Retirement Contributions - PERS	540,000	(49,876)	490,124	490,124	
Other Retirement Contributions - Regular	171,185	(17,668)	153,517	153,517	
Workmen's Compensation	240,000	(6,460)	233,540	233,540	
Health Benefits	5,692,754	(546,905)	5,145,849	5,145,849	
Tuition Reimbursement	173,228	(46,177)	127,051	97,562	29,489
Other Employee Benefits	22,700	97,833	120,533	119,780	753
Total Unallocated Benefits	<u>7,372,877</u>	<u>(566,995)</u>	<u>6,805,882</u>	<u>6,770,121</u>	<u>35,761</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

EXPENDITURES:	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
On-Behalf Contributions (Non-budgeted):					
TPAF Pension Contributions				\$ 932,899	\$ (932,899)
TPAF Post Retirement Medical Benefits Contributions				1,480,979	(1,480,979)
Reimbursed TPAF Social Security Contributions				1,283,707	(1,283,707)
Total On-Behalf Contributions (Non-Budgeted)				<u>3,697,585</u>	<u>(3,697,585)</u>
 Total Employee Benefits	<u>\$ 7,372,877</u>	<u>\$ (566,995)</u>	<u>\$ 6,805,882</u>	<u>10,467,706</u>	<u>(3,661,824)</u>
 Total Undistributed Expenditures	<u>24,096,465</u>	<u>(320,041)</u>	<u>23,776,424</u>	<u>26,940,902</u>	<u>(3,164,478)</u>
 TOTAL GENERAL CURRENT EXPENSE	<u>41,063,683</u>	<u>(5,000)</u>	<u>41,058,683</u>	<u>44,115,685</u>	<u>(3,057,002)</u>
CAPITAL OUTLAY:					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12		72,131	72,131	24,283	47,848
School-Sponsored and Other Instructional Program	38,665	307	38,972	13,407	25,565
Required Maint for School Fac.	102,961	(16,146)	86,815	85,266	1,549
Total Equipment	<u>141,626</u>	<u>56,292</u>	<u>197,918</u>	<u>122,956</u>	<u>74,962</u>
 Facilities Acquisition and Construction Services:					
Construction Services	216,240	(51,292)	164,948	127,628	37,320

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
EXPENDITURES:					
CAPITAL OUTLAY (Cont'd):					
Facilities Acquisition and Construction Services (Cont'd):					
Assessment for Debt Service on SDA Funding	\$ 5,477		\$ 5,477	\$ 5,477	
Total Facilities Acquisition and Construction Services	<u>221,717</u>	<u>\$ (51,292)</u>	<u>170,425</u>	<u>133,105</u>	<u>\$ 37,320</u>
Assets Acquired Under Capital Leases (Non-Budgeted):					
Regular Programs - Equipment				240,000	(240,000)
Total Assets Acquired Under Capital Leases (Non-Budgeted)				<u>240,000</u>	<u>(240,000)</u>
TOTAL CAPITAL OUTLAY	<u>363,343</u>	<u>5,000</u>	<u>368,343</u>	<u>496,061</u>	<u>(127,718)</u>
TOTAL EXPENDITURES	<u>41,427,026</u>		<u>41,427,026</u>	<u>44,611,746</u>	<u>(3,184,720)</u>
Excess/(Deficit) of Revenues Over/(Under) Expenditures	<u>(1,007,880)</u>		<u>(1,007,880)</u>	<u>(299,266)</u>	<u>708,614</u>
Other Financing Sources/(Uses):					
Capital Reserve - Transfer to Capital Projects Fund	(188,160)	(1,215,948)	(1,404,108)	(1,215,948)	188,160
Capital Leases (Non-budgeted)				240,000	240,000
Total Other Financing Sources/(Uses)	<u>(188,160)</u>	<u>(1,215,948)</u>	<u>(1,404,108)</u>	<u>(975,948)</u>	<u>428,160</u>
Excess/(Deficit) of Revenues and Other Financing Sources/(Uses) Over/(Under) Expenditures	<u>(1,196,040)</u>	<u>(1,215,948)</u>	<u>(2,411,988)</u>	<u>(1,275,214)</u>	<u>1,136,774</u>
Fund Balance, July 1	<u>3,837,755</u>		<u>3,837,755</u>	<u>3,837,755</u>	
Fund Balance, June 30	<u>\$ 2,641,715</u>	<u>\$ (1,215,948)</u>	<u>\$ 1,425,767</u>	<u>\$ 2,562,541</u>	<u>\$ 1,136,774</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 457,970	
Maintenance Reserve				100,000	
Excess Surplus - Restricted For 2015-2016				400,000	
Excess Surplus - Restricted For 2016-2017				300,000	
Assigned Fund Balance:					
Year End Encumbrances				304,976	
Designated for Subsequent Year's Expenditures				51,178	
Unassigned Fund Balance				948,417	
				2,562,541	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(77,227)	
Fund Balance per Governmental Funds (GAAP)				\$ 2,485,314	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES:</b>					
Local Sources		\$ 50,127	\$ 50,127	\$ 49,392	\$ (735)
State Sources	\$ 212,370	29,500	241,870	217,953	(23,917)
Federal Sources	804,069	16,680	820,749	798,884	(21,865)
<b>Total Revenues</b>	<u>1,016,439</u>	<u>96,307</u>	<u>1,112,746</u>	<u>1,066,229</u>	<u>(46,517)</u>
<b>EXPENDITURES:</b>					
Instruction:					
Salaries of Teachers	90,536	50,662	141,198	141,198	
Other Salaries for Instruction	33,357		33,357	33,357	
Tuition	390,591	18,166	408,757	408,757	
General Supplies	127,761	44,650	172,411	171,314	1,097
Textbooks	31,518		31,518	31,518	
Other Objects	19,916	7,500	27,416	19,784	7,632
<b>Total Instruction</b>	<u>693,679</u>	<u>120,978</u>	<u>814,657</u>	<u>805,928</u>	<u>8,729</u>
Support Services:					
Salaries of Other Professional Staff	14,000	(14,000)			
Other Salaries for Instruction	13,668		13,668	13,668	
Personal Services - Employee Benefits	1,950	1,005	2,955	1,999	956
Purchased Professional and Technical Services	243,573	(13,716)	229,857	195,231	34,626
Other Purchased Services	32,069	2,291	34,360	33,962	398
Supplies and Materials	17,500	(1,196)	16,304	14,746	1,558
Other Objects		945	945	695	250
<b>Total Support Services</b>	<u>322,760</u>	<u>(24,671)</u>	<u>298,089</u>	<u>260,301</u>	<u>37,788</u>
<b>Total Expenditures</b>	<u>\$ 1,016,439</u>	<u>\$ 96,307</u>	<u>\$ 1,112,746</u>	<u>\$ 1,066,229</u>	<u>\$ 46,517</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 44,312,480	\$ 1,066,229
Difference - Budget to GAAP:		
Grant Accounting Budgetary Basis Differs from GAAP in that the Budgetary Basis Recognizes Encumbrances as Expenditures and Revenue, Whereas the GAAP Basis does not:		
Current Year Encumbrances		(1,154)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	66,246	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(77,227)	
	<u>\$ 44,301,499</u>	<u>\$ 1,065,075</u>
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds		
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 44,611,746	\$ 1,066,229
Differences - Budget to GAAP		
Encumbrances for Supplies and Equipment Ordered but Not Received are Reported in the Year the Order is Placed for Budgetary Purposes, but in the Year the Supplies are Received for Financial Reporting Purposes:		
Current Year Encumbrances		(1,154)
	<u>\$ 44,611,746</u>	<u>\$ 1,065,075</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds		

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



CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

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

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

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

SCHOOL LEVEL SCHEDULES  
(NOT APPLICABLE)

SPECIAL REVENUE FUND

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

	I.D.E.A.		No Child Left Behind			IIS Competitive Grant (Race to the Top - Phase III) 2014-15
	Basic 2014-15	Preschool 2014-15	Title I 2014-15	Title IIA 2014-15	Title III 2014-15	
<b>REVENUES:</b>						
Local Sources						
State Sources						
Federal Sources	\$ 594,213	\$ 16,839	\$ 45,151	\$ 35,365	\$ 8,546	\$ 98,770
<b>Total Revenues</b>	<b>594,213</b>	<b>16,839</b>	<b>45,151</b>	<b>35,365</b>	<b>8,546</b>	<b>98,770</b>
<b>EXPENDITURES:</b>						
Instruction:						
Salaries of Teachers	87,035		12,163	8,000		4,500
Other Salaries for Instruction	33,357					
Purchased Professional and Technical Services						
Tuition	399,731	9,026				
General Supplies	22,343	7,813	23,628		719	58,201
Textbooks						
Other Objects						12,769
<b>Total Instruction</b>	<b>542,466</b>	<b>16,839</b>	<b>35,791</b>	<b>8,000</b>	<b>719</b>	<b>75,470</b>
Support Services:						
Other Salaries for Instruction	13,668					
Personal Services - Employee Benefits			1,999			
Purchased Professional and Technical Services	24,155		5,945	27,365		23,300
Other Purchased Services	594				7,827	
Supplies and Materials	13,330		1,416			
Other Objects						
<b>Total Support Services</b>	<b>51,747</b>		<b>9,360</b>	<b>27,365</b>	<b>7,827</b>	<b>23,300</b>
<b>Total Expenditures</b>	<b>\$ 594,213</b>	<b>\$ 16,839</b>	<b>\$ 45,151</b>	<b>\$ 35,365</b>	<b>\$ 8,546</b>	<b>\$ 98,770</b>

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

	<u>Nonpublic Auxiliary Services</u>			<u>Nonpublic Handicapped Services</u>		
	<u>Compensatory Education</u>	<u>Transportation</u>	<u>Home Instruction</u>	<u>Supplementary Instruction</u>	<u>Examination and Classification</u>	<u>Corrective Speech</u>
REVENUES:						
Local Sources						
State Sources	\$ 13,168	\$ 25,541	\$ 3,776	\$ 9,025	\$ 29,360	\$ 8,962
Federal Sources						
Total Revenues	<u>13,168</u>	<u>25,541</u>	<u>3,776</u>	<u>9,025</u>	<u>29,360</u>	<u>8,962</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Other Salaries for Instruction						
Purchased Professional and Technical Services						
Tuition						
General Supplies						
Textbooks						
Other Objects						
Total Instruction						
Support Services:						
Other Salaries for Instruction						
Personal Services - Employee Benefits						
Purchased Professional and Technical Services	13,168		3,776	9,025	29,360	8,962
Other Purchased Services		25,541				
Supplies and Materials						
Other Objects						
Total Support Services	<u>13,168</u>	<u>25,541</u>	<u>3,776</u>	<u>9,025</u>	<u>29,360</u>	<u>8,962</u>
Total Expenditures	<u>\$ 13,168</u>	<u>\$ 25,541</u>	<u>\$ 3,776</u>	<u>\$ 9,025</u>	<u>\$ 29,360</u>	<u>\$ 8,962</u>

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

REVENUES:	Achievement	Nonpublic			Private	Totals
	Coaches Grant	Nursing	Textbooks	Technology Initiative	Donations	
Local Sources					\$ 49,392	\$ 49,392
State Sources	\$ 29,500	\$ 50,175	\$ 31,518	\$ 16,928		217,953
Federal Sources						798,884
Total Revenues	<u>29,500</u>	<u>50,175</u>	<u>31,518</u>	<u>16,928</u>	<u>49,392</u>	<u>1,066,229</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers	29,500					141,198
Other Salaries for Instruction						33,357
Tuition						408,757
General Supplies				16,928	41,682	171,314
Textbooks			31,518			31,518
Other Objects					7,015	19,784
Total Instruction	<u>29,500</u>	<u></u>	<u>31,518</u>	<u>16,928</u>	<u>48,697</u>	<u>805,928</u>
Support Services:						
Other Salaries for Instruction						13,668
Personal Services - Employee Benefits						1,999
Purchased Professional and Technical Services		50,175				195,231
Other Purchased Services						33,962
Supplies and Materials						14,746
Other Objects					695	695
Total Support Services	<u></u>	<u>50,175</u>	<u></u>	<u></u>	<u>695</u>	<u>260,301</u>
Total Expenditures	<u>\$ 29,500</u>	<u>\$ 50,175</u>	<u>\$ 31,518</u>	<u>\$ 16,928</u>	<u>\$ 49,392</u>	<u>\$ 1,066,229</u>

CAPITAL PROJECTS FUND

Exhibit F-1

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF REVENUE, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Revenue and Other Financing Sources:	
Bond Proceeds	\$ 18,205,000
State Sources - SDA Grant	587,795
Transfer from Capital Reserve	1,215,948
Interest on Investments	<u>19,950</u>
Total Revenue and Other Financing Sources	<u>20,028,693</u>
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	352,517
Construction Services	733,465
Transfer to Debt Service Fund:	
Interest on Investments	<u>19,950</u>
Total Expenditures and Other Financing Uses	<u>1,105,932</u>
Excess of Revenue and Other Financing Sources Over Expenditures and Other Financing Uses	18,922,761
Fund Balance - Beginning of Year	<u>287,864</u>
Fund Balance - End of Year	<u><u>\$ 19,210,625</u></u>
<u>Recapitulation:</u>	
Restricted Fund Balance	\$ 17,719,482
Committed Fund Balance	<u>1,491,143</u>
Total Restricted Fund Balance - Budgetary Basis	19,210,625
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>	
SDA Grant Receivable not Recognized on the GAAP Basis	<u>(587,795)</u>
Fund Balance per Governmental Funds (GAAP)	<u><u>\$ 18,622,830</u></u>



Exhibit F-1A

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
LINCOLN ELEMENTARY SCHOOL WINDOWS PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Prior Periods	Current Year	Totals	Revised Project Authorization
<b>Revenue and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 125,440		\$ 125,440	\$ 125,440
Transfer from Capital Reserve	188,160		188,160	188,160
<b>Total Revenue</b>	<b>313,600</b>		<b>313,600</b>	<b>313,600</b>
<b>Expenditures:</b>				
Purchased Professional and Technical Services	25,736	\$ 5,193	30,929	30,100
Construction Services		282,671	282,671	270,000
Other Objects				13,500
<b>Total Expenditures</b>	<b>25,736</b>	<b>287,864</b>	<b>313,600</b>	<b>313,600</b>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<b>\$ 287,864</b>	<b>\$ (287,864)</b>	<b>\$ -0-</b>	<b>\$ -0-</b>

Additional Project Information:

Project Numbers	0660-080-14-1002
Grant Date	02/18/14
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 313,600
Additional Authorized Cost	\$ -0-
Revised Authorized Cost	\$ 313,600
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	June 2015
Revised Target Completion Date	June 2015

Exhibit F-1B

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
JEFFERSON ELEMENTARY SCHOOL HVAC AND BOILER REPLACEMENT PROJECT  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
<b>Revenue and Other Financing Sources:</b>				
State Sources - SDA Grant		\$ 587,795	\$ 587,795	\$ 587,795
Transfer from Capital Reserve		1,215,948	1,215,948	1,215,948
<b>Total Revenue</b>		<b>1,803,743</b>	<b>1,803,743</b>	<b>1,803,743</b>
<b>Expenditures:</b>				
Purchased Professional and Technical Services		99,633	99,633	108,700
Construction Services		212,967	212,967	1,695,043
<b>Total Expenditures</b>		<b>312,600</b>	<b>312,600</b>	<b>1,803,743</b>
<b>Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures</b>	<b>\$ -0-</b>	<b>\$ 1,491,143</b>	<b>\$ 1,491,143</b>	<b>\$ -0-</b>

Additional Project Information:

Project Numbers	0660-070-14-1001
Grant Date	02/03/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,469,488
Additional Authorized Cost	\$ 334,255
Revised Authorized Cost	\$ 1,803,743
Percentage Increase over Original Authorized Cost	23%
Percentage Completion	17.33%
Original Target Completion Date	06/13
Revised Target Completion Date	10/15

Exhibit F-1C

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS -  
BUDGETARY BASIS  
2015 REFERENDUM - VARIOUS SCHOOL FACILITIES IMPROVEMENTS  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Project Authorization</u>
Revenue:				
Bond Proceeds		\$ 18,205,000	\$ 18,205,000	\$ 18,205,394
Total Revenue		18,205,000	18,205,000	18,205,394
Expenditures:				
Purchased Professional and Technical Services		247,691	247,691	967,808
Construction Services		237,827	237,827	17,237,586
Total Expenditures		485,518	485,518	18,205,394
Excess/(Deficit) of Revenue Over/(Under) Expenditures	\$ -0-	\$ 17,719,482	\$ 17,719,482	\$ -0-

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	10/13/14
Bonds Authorized	\$ 18,205,394
Bonds Issued	\$ 18,205,000
Original Authorized Cost	\$ 18,205,394
Additional Authorized Cost	-0-
Revised Authorized Cost	\$ 18,205,394
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	3%
Original Target Completion Date	June 2018
Revised Target Completion Date	June 2018

PROPRIETARY FUNDS

Exhibit G-1

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>Non-Major Fund</u>	<u>Major Fund</u>	
	<u>Continuing</u>	<u>Food</u>	
	<u>Education</u>	<u>Service</u>	<u>Totals</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 246,776	\$ 54,261	\$ 301,037
Intergovernmental Accounts Receivable:			
State		237	237
Federal		5,260	5,260
Inventories		6,017	6,017
	<hr/>	<hr/>	<hr/>
Total Current Assets	246,776	65,775	312,551
Non-Current Assets:			
Capital Assets		533,480	533,480
Less: Accumulated Depreciation		(288,511)	(288,511)
		<hr/>	<hr/>
Total Non-Current Assets		244,969	244,969
	<hr/>	<hr/>	<hr/>
Total Assets	246,776	310,744	557,520
<u>LIABILITIES:</u>			
Current Liabilities:			
Interfund Payable	2,728		2,728
Accounts Payable		44,976	44,976
Prepaid Sales		19,673	19,673
Unearned Revenue		826	826
		<hr/>	<hr/>
Total Current Liabilities	2,728	65,475	68,203
<u>NET POSITION:</u>			
Net Investment in Capital Assets		244,969	244,969
Unrestricted	244,048	300	244,348
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 244,048	\$ 245,269	\$ 489,317

Exhibit G-2

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

	<u>Non-Major Fund</u>	<u>Major Fund</u>	
	<u>Continuing</u>	<u>Food</u>	
	<u>Education</u>	<u>Service</u>	<u>Totals</u>
Operating Revenue:			
Daily Sales		\$ 378,690	\$ 378,690
Charges for Services:			
Program Fees	\$ 255,585		255,585
Miscellaneous Revenue		3,088	3,088
Total Operating Revenue	<u>255,585</u>	<u>381,778</u>	<u>637,363</u>
Operating Expenses:			
Cost of Sales		230,151	230,151
Salaries, Benefits & Payroll Taxes	148,499	221,956	370,455
Purchased Technical Services		30,300	30,300
Other Purchased Services	50,777		50,777
Supplies and Materials	5,360	15,871	21,231
Miscellaneous Expenditures		25,173	25,173
Depreciation Expense		24,596	24,596
Total Operating Expenses	<u>204,636</u>	<u>548,047</u>	<u>752,683</u>
Operating Income/(Loss)	50,949	(166,269)	(115,320)
Non-Operating Revenue:			
Local Sources:			
Interest Earnings		9	9
State Sources:			
State School Lunch Program		2,688	2,688
Federal Sources:			
National School Lunch Program		58,800	58,800
Food Distribution Program		10,030	10,030
Total Non-Operating Income		<u>71,527</u>	<u>71,527</u>
Change in Net Position	50,949	(94,742)	(43,793)
Net Position - Beginning of Year	<u>193,099</u>	<u>340,011</u>	<u>533,110</u>
Net Position - End of Year	<u>\$ 244,048</u>	<u>\$ 245,269</u>	<u>\$ 489,317</u>

Exhibit G-3

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ENTERPRISE FUNDS  
COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Non-Major Fund</u>	<u>Major Fund</u>	
	Continuing Education	Food Service	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 249,100	\$ 401,451	\$ 650,551
Payments to Food Service Contractors		(458,681)	(458,681)
Payments for Salaries, Payroll Taxes and Benefits	(145,771)		(145,771)
Payments to Suppliers	(56,137)	(11,250)	(67,387)
Net Cash Provided by/(Used for) Operating Activities	<u>47,192</u>	<u>(68,480)</u>	<u>(21,288)</u>
Cash Flows from Investment Activities:			
Interest Income		9	9
Net Cash Provided by Investment Activities		<u>9</u>	<u>9</u>
Cash Flows from Noncapital & Financing Activities:			
State Sources		2,567	2,567
Federal Sources		56,497	56,497
Net Cash Provided by Noncapital & Financing Activities		<u>59,064</u>	<u>59,064</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	47,192	(9,407)	37,785
Cash and Cash Equivalents, July 1	<u>199,584</u>	<u>63,668</u>	<u>263,252</u>
Cash and Cash Equivalents, June 30	<u>\$ 246,776</u>	<u>\$ 54,261</u>	<u>\$ 301,037</u>
Reconciliation of Operating Income to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 50,949	\$ (166,269)	\$ (115,320)
Adjustment to Reconcile Operating Income/(Loss) to Net Provided by/(Used for) Operating Activities:			
Depreciation		24,596	24,596
Food Distribution Program		10,030	10,030
Changes in Assets and Liabilities:			
Increase in Interfund Payable	2,728		2,728
(Increase) in Inventory		(1,593)	(1,593)
Increase in Accounts Payable		44,675	44,675
Increase in Prepaid Sales		19,673	19,673
Increase/(Decrease) in Unearned Revenue	(6,485)	408	(6,077)
Net Cash Provided by/(Used for) Operating Activities	<u>\$ 47,192</u>	<u>\$ (68,480)</u>	<u>\$ (21,288)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities through the Food Distribution Program Valued at \$10,438 and Utilized Commodities Valued at \$10,030.

FIDUCIARY FUNDS



CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET POSITION  
JUNE 30, 2015

	<u>Student Activity</u>	<u>Agency Payroll</u>	<u>Totals</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 280,852	\$ 85,817	\$ 366,669	\$ 86,636	\$ 18,594
Investments	14,195		14,195		
Total Assets	<u>295,047</u>	<u>85,817</u>	<u>380,864</u>	<u>86,636</u>	<u>18,594</u>
<u>LIABILITIES:</u>					
Interfund Payable - General Fund					9,027
Payroll Deductions and Withholdings		85,804	85,804		
Accrued Salaries and Wages		13	13		
Due to Student Groups	295,047		295,047		
Total Liabilities	<u>295,047</u>	<u>85,817</u>	<u>380,864</u>		<u>9,027</u>
<u>NET POSITION:</u>					
Held in Trust for:					
Unemployment Claims				86,636	
Flexible Spending Claims					9,567
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 86,636</u>	<u>\$ 9,567</u>

Exhibit H-2

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Unemployment Compensation Trust	Flexible Spending Trust
	<hr/>	<hr/>
ADDITIONS:		
Contributions:		
Plan Members	\$ 65,792	\$ 35,822
	<hr/>	<hr/>
Total Contributions	65,792	35,822
	<hr/>	<hr/>
Investment Earnings:		
Interest	11	
	<hr/>	<hr/>
Net Investment Earnings	11	
	<hr/>	<hr/>
Total Additions	65,803	35,822
	<hr/>	<hr/>
DEDUCTIONS:		
Unemployment Benefit Claims	16,388	
Flexible Spending Claims		28,221
Quarterly Unemployment Contributions	82,840	
	<hr/>	<hr/>
Total Deductions	99,228	28,221
	<hr/>	<hr/>
Change in Net Position	(33,425)	7,601
	<hr/>	<hr/>
Net Position - Beginning of the Year	120,061	1,966
	<hr/>	<hr/>
Net Position - End of the Year	\$ 86,636	\$ 9,567
	<hr/> <hr/>	<hr/> <hr/>

Exhibit H-3

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 7,738	\$ 42,264,188	\$ 42,186,109	\$ 85,817
Total Assets	<u>\$ 7,738</u>	<u>\$ 42,264,188</u>	<u>\$ 42,186,109</u>	<u>\$ 85,817</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 7,734	\$ 42,264,188	\$ 42,186,105	\$ 85,817
Accrued Salaries and Wages	<u>4</u>		<u>4</u>	
Total Liabilities	<u>\$ 7,738</u>	<u>\$ 42,264,188</u>	<u>\$ 42,186,109</u>	<u>\$ 85,817</u>

Exhibit H-4

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b><u>ASSETS:</u></b>				
Cash and Cash Equivalents	\$ 255,033	\$ 641,527	\$ 615,708	\$ 280,852
Investments	14,174	21		14,195
Total Assets	<u>\$ 269,207</u>	<u>\$ 641,548</u>	<u>\$ 615,708</u>	<u>\$ 295,047</u>
<b><u>LIABILITIES:</u></b>				
Liabilities:				
Due to Student Groups	\$ 269,207	\$ 641,548	\$ 615,708	\$ 295,047
Total Liabilities	<u>\$ 269,207</u>	<u>\$ 641,548</u>	<u>\$ 615,708</u>	<u>\$ 295,047</u>

Exhibit H-5

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
STUDENT ACTIVITY AGENCY FUND  
STATEMENT OF ACTIVITY  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	<u>Balance</u> <u>July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2015</u>
Elementary Schools:				
Jefferson	\$ 13,735	\$ 28,714	\$ 24,771	\$ 17,678
Washington	7,571	28,046	27,804	7,813
Wilson	35,144	16,676	18,973	32,847
Lincoln	15,935	14,004	14,062	15,877
Junior High School:				
Grover Cleveland	18,265	78,365	75,334	21,296
Senior High School:				
James Caldwell:				
Activity Account	166,587	457,011	431,748	191,850
Athletic Account	11,970	18,732	23,016	7,686
Total Assets	<u>\$ 269,207</u>	<u>\$ 641,548</u>	<u>\$ 615,708</u>	<u>\$ 295,047</u>

LONG-TERM DEBT

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2014	Issued	Retired or Matured	Balance June 30, 2015		
			Date	Amount							
School Bonds	06/19/08	\$ 14,765,000	09/01/15	\$ 860,000	4.125%						
			09/01/16	940,000	4.125%						
			09/01/17	940,000	4.125%						
			09/01/18	1,115,000	4.125%						
			09/01/19	1,115,000	4.125%						
			09/01/20	1,200,000	4.125%						
			09/01/21	1,290,000	4.250%						
			09/01/22	1,290,000	4.250%						
			09/01/23	1,290,000	4.250%						
			09/01/24	1,250,000	5.000%	\$ 12,150,000		\$ 860,000	\$ 11,290,000		
School Bonds	03/19/15	18,205,000	03/15/17	1,000,000	2.500%						
			03/15/18	835,000	2.500%						
			03/15/19	860,000	2.750%						
			03/15/20	890,000	2.750%						
			03/15/21	920,000	2.750%						
			03/15/22	950,000	2.750%						
			03/15/23	980,000	2.750%						
			03/15/24	1,015,000	2.750%						
			03/15/25	1,045,000	2.750%						
			03/15/26	1,080,000	2.750%						
			03/15/27	1,115,000	3.000%						
			03/15/28	1,155,000	3.000%						
			03/15/29	1,190,000	3.000%						
			03/15/30	1,230,000	3.000%						
			03/15/31	1,270,000	3.000%						
			03/15/32	1,315,000	3.000%						
			03/15/33	1,355,000	3.000%						
									\$ 18,205,000		18,205,000
									\$ 12,150,000	\$ 18,205,000	\$ 860,000

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
LONG-TERM DEBT  
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Purpose	Interest Rate	Original Issue	Balance July 1, 2014	Issued	Matured	Balance June 30, 2015
District-wide Savin Copiers	N/A	\$ 299,142	\$ 225,115		\$ 58,164	\$ 166,951
District-wide Chromebooks	2.00%	240,000		\$ 240,000	81,063	158,937
			<u>\$ 225,115</u>	<u>\$ 240,000</u>	<u>\$ 139,227</u>	<u>\$ 325,888</u>

N/A - Not Available



CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(UNAUDITED)

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 950,124		\$ 950,124	\$ 950,124	
State Sources:					
Debt Service Aid Type II	409,101		409,101	409,101	
Total Revenues	<u>1,359,225</u>		<u>1,359,225</u>	<u>1,359,225</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	499,225		499,225	499,225	
Redemption of Principal	860,000		860,000	860,000	
Total Expenditures	<u>1,359,225</u>		<u>1,359,225</u>	<u>1,359,225</u>	
Excess of Revenues Over Expenditures	-0-		-0-	-0-	
Other Financing Sources:					
Transfer from Capital Projects Fund				19,950	\$ 19,950
Total Other Financing Sources				<u>19,950</u>	<u>19,950</u>
Excess of Revenues and Other Financing Sources Over Expenditures				19,950	19,950
Fund Balance, July 1	71,907		71,907	71,907	
Fund Balance, June 30	<u>\$ 71,907</u>	<u>\$ -0-</u>	<u>\$ 71,907</u>	<u>\$ 91,857</u>	<u>\$ 19,950</u>
<u>Recapitulation:</u>					
Restricted - For Subsequent Year's Expenditures				\$ 71,907	
Restricted				19,950	
Total Restricted Fund Balance				<u>\$ 91,857</u>	

STATISTICAL SECTION

**STATISTICAL SECTION**  
**(UNAUDITED)**

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

**Contents**

**Exhibit**

**Financial Trends**

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

J-1 thru J-5

**Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

J-6 thru J-9

**Debt Capacity**

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

J-10 thru J-13

**Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

J-14 thru J-15

**Operating Information**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

J-16 thru J-20

**Sources:** Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report for the relevant year.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	(Restated) 2014	2015
<b>Governmental Activities:</b>										
Net Investment in Capital Assets	\$ 987,217	\$ 2,038,585	\$ 2,182,606	\$ 1,718,508	\$ 2,855,932	\$ 4,360,633	\$ 5,522,844	\$ 5,216,182	\$ 6,159,739	\$ 7,617,899
Restricted	2,149,842	1,516,172	2,095,218	2,169,786	2,263,340	2,083,084	2,659,225	1,651,092	2,100,022	1,349,827
Unrestricted (Deficit)	35,949	(93,307)	3,825	(72,914)	142,425	652,171	(16,912)	1,539,685	(11,948,153)	(11,675,726)
<b>Total Governmental Activities Net Position</b>	<b>\$ 3,173,008</b>	<b>\$ 3,461,450</b>	<b>\$ 4,281,649</b>	<b>\$ 3,815,380</b>	<b>\$ 5,261,697</b>	<b>\$ 7,095,888</b>	<b>\$ 8,165,157</b>	<b>\$ 8,406,959</b>	<b>\$ (3,688,392)</b>	<b>\$ (2,708,000)</b>
<b>Business-type Activities:</b>										
Net Investment in Capital Assets	\$ 60,355	\$ 50,438	\$ 41,113	\$ 32,380	\$ 24,073	\$ 16,580	\$ 11,540	\$ 294,393	\$ 269,565	\$ 244,969
Unrestricted	523,714	587,983	644,190	706,430	681,931	698,717	683,374	311,513	263,545	244,348
<b>Total Business-type Activities Net Position</b>	<b>\$ 584,069</b>	<b>\$ 638,421</b>	<b>\$ 685,303</b>	<b>\$ 738,810</b>	<b>\$ 706,004</b>	<b>\$ 715,297</b>	<b>\$ 694,914</b>	<b>\$ 605,906</b>	<b>\$ 533,110</b>	<b>\$ 489,317</b>
<b>District-wide:</b>										
Net Investment in Capital Assets	\$ 1,047,572	\$ 2,089,023	\$ 2,223,719	\$ 1,750,888	\$ 2,880,005	\$ 4,377,213	\$ 5,534,384	\$ 5,510,575	\$ 6,429,304	\$ 7,862,868
Restricted	2,149,842	1,516,172	2,095,218	2,169,786	2,263,340	2,083,084	2,659,225	1,651,092	2,100,022	1,349,827
Unrestricted (Deficit)	559,663	494,676	648,015	633,516	824,356	1,350,888	666,462	1,851,198	(11,684,608)	(11,431,378)
<b>Total District Net Position</b>	<b>\$ 3,757,077</b>	<b>\$ 4,099,871</b>	<b>\$ 4,966,952</b>	<b>\$ 4,554,190</b>	<b>\$ 5,967,701</b>	<b>\$ 7,811,185</b>	<b>\$ 8,860,071</b>	<b>\$ 9,012,865</b>	<b>\$ (3,155,282)</b>	<b>\$ (2,218,683)</b>

Source: Caldwell-West Caldwell Board of Education Financial Reports.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

Expenses:	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Governmental Activities:										
Instruction:										
Regular	\$ 16,694,959	\$ 17,733,151	\$ 17,639,836	\$ 18,084,323	\$ 17,620,118	\$ 17,288,070	\$ 18,183,952	\$ 18,699,651	\$ 17,597,863	\$ 20,725,346
Special Education	3,047,687	3,611,473	3,744,774	3,608,427	4,043,701	3,930,359	3,978,308	4,334,306	4,731,689	5,426,362
Other Special Education	203,592	273,582	299,873	363,106	482,953	437,846	444,186	310,318	274,181	307,121
Other Instruction	1,034,281	1,114,282	1,173,025	1,206,622	1,266,121	1,193,152	1,243,831	1,270,526	1,471,628	1,718,067
Support Services:										
Tuition	1,682,000	1,796,379	1,910,690	2,066,504	2,068,588	2,263,498	2,510,239	2,591,562	2,201,414	2,760,285
Student & Instruction Related Services	4,538,331	5,054,353	5,208,573	5,397,927	5,731,157	5,583,897	5,664,327	5,745,182	6,669,738	7,677,084
General Administrative Services	626,420	602,766	764,249	672,186	649,484	652,454	721,574	617,134	707,478	795,701
School Administrative Services	2,165,854	2,316,478	2,276,244	2,203,771	2,399,848	2,400,576	2,504,564	2,483,110	2,498,544	2,724,898
Central Services	552,089	577,183	581,209	588,916	632,244	655,997	697,969	571,121	662,830	849,090
Administrative Information Technology	412,600	425,050	435,933	505,947	499,754	540,943	476,397	631,273	927,055	742,986
Plant Operations and Maintenance	4,123,732	4,308,616	4,500,600	4,541,700	4,244,849	4,202,786	4,121,393	4,266,708	5,241,904	4,457,300
Pupil Transportation	911,486	1,052,180	1,263,234	1,313,889	1,108,586	1,126,584	1,075,175	1,222,320	1,186,701	1,184,797
Transfer of Funds to Charter School			2,560	127						7,263
Capital Outlay									519,300	591,939
Interest on Long-term Debt	147,473	120,773	92,738	489,045	657,494	611,528	584,922	558,316	176,037	176,037
Unallocated Depreciation										
Total Governmental Activities Expenses	<u>36,140,504</u>	<u>38,986,266</u>	<u>39,893,538</u>	<u>41,042,490</u>	<u>41,404,897</u>	<u>40,887,690</u>	<u>42,206,837</u>	<u>43,301,527</u>	<u>44,866,362</u>	<u>50,144,276</u>
Business-type Activities:										
Enterprise Funds	812,620	846,037								
Food Service			485,853	479,998	475,356	526,328	460,560	531,833	524,044	548,047
Continuing Education			262,259	266,779	230,623	207,418	199,188	196,336	193,360	204,636
Total Business-type Activities Expense	<u>812,620</u>	<u>846,037</u>	<u>748,112</u>	<u>746,777</u>	<u>705,979</u>	<u>733,746</u>	<u>659,748</u>	<u>728,169</u>	<u>717,404</u>	<u>752,683</u>
Total District-wide Expenses	<u>\$ 36,953,124</u>	<u>\$ 39,832,303</u>	<u>\$ 40,641,650</u>	<u>\$ 41,789,267</u>	<u>\$ 42,110,876</u>	<u>\$ 41,621,436</u>	<u>\$ 42,866,585</u>	<u>\$ 44,029,696</u>	<u>\$ 45,583,766</u>	<u>\$ 50,896,959</u>
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction									\$ 26,828	\$ 30,114
Pupil Transportation									1,773	6,148
Operating Grants and Contributions	\$ 3,507,961	\$ 4,727,730	\$ 4,880,359	\$ 3,253,887	\$ 3,883,092	\$ 3,417,756	\$ 3,726,882	\$ 4,528,522	5,904,622	10,444,942
Capital Grants and Contributions									12,544	112,896
Total Governmental Activities Program Revenues	<u>3,507,961</u>	<u>4,727,730</u>	<u>4,880,359</u>	<u>3,253,887</u>	<u>3,883,092</u>	<u>3,417,756</u>	<u>3,726,882</u>	<u>4,528,522</u>	<u>5,945,767</u>	<u>10,594,100</u>
Business-type Activities:										
Charges for Services:										
Food Service			504,215	456,691	459,179	508,566	434,942	439,049	368,329	381,778
Continuing Education			268,955	304,489	205,763	233,207	203,897	199,306	228,037	255,585
Operating Grants and Contributions	13,436								48,462	71,518
Total Business-type Activities Program Revenues	<u>13,436</u>	<u></u>	<u>773,170</u>	<u>761,180</u>	<u>664,942</u>	<u>741,773</u>	<u>638,839</u>	<u>638,355</u>	<u>644,828</u>	<u>708,881</u>
Total District-wide Program Revenues	<u>\$ 3,521,397</u>	<u>\$ 4,727,730</u>	<u>\$ 5,653,529</u>	<u>\$ 4,015,067</u>	<u>\$ 4,548,034</u>	<u>\$ 4,159,529</u>	<u>\$ 4,365,721</u>	<u>\$ 5,166,877</u>	<u>\$ 6,590,595</u>	<u>\$ 11,302,981</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Accrual Basis of Accounting)*

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Net (Expense)/Revenue:										
Governmental Activities	\$ (32,632,543)	\$ (34,258,536)	\$ (35,013,179)	\$ (37,788,603)	\$ (37,521,805)	\$ (37,469,934)	\$ (38,479,955)	\$ (38,773,005)	\$ (38,920,595)	\$ (39,550,176)
Business-type Activities	(799,184)	(846,037)	25,058	14,403	(41,037)	8,027	(20,909)	(89,814)	(72,576)	(43,802)
Total District-wide Net Expense	<u>\$ (33,431,727)</u>	<u>\$ (35,104,573)</u>	<u>\$ (34,988,121)</u>	<u>\$ (37,774,200)</u>	<u>\$ (37,562,842)</u>	<u>\$ (37,461,907)</u>	<u>\$ (38,500,864)</u>	<u>\$ (38,862,819)</u>	<u>\$ (38,993,171)</u>	<u>\$ (39,593,978)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 30,234,720	\$ 31,602,576	\$ 32,902,816	\$ 34,218,929	\$ 35,501,924	\$ 36,921,252	\$ 36,939,862	\$ 36,712,440	\$ 37,446,765	\$ 38,851,019
Taxes Levied for Debt Service	644,739	657,872	690,243	718,253	938,970	871,348	852,738	838,642	846,504	950,124
Unrestricted Grants and Contributions	1,820,770	1,772,434	1,838,963	2,151,602	2,339,205	1,290,795	1,527,089	1,720,159	401,759	496,927
Investment Earnings	156,195	210,330	161,610	55,805	15,611	4,740	1,253	1,524	3,580	23,164
Miscellaneous Income	165,253	303,765	239,746	177,745	172,412	215,989	228,282	250,722	205,658	209,334
Special Item								(18,534)		
Insurance Recovery Related to Flood Damages									807,788	
Transfers									6,871	
Total Governmental Activities	<u>33,021,677</u>	<u>34,546,977</u>	<u>35,833,378</u>	<u>37,322,334</u>	<u>38,968,122</u>	<u>39,304,124</u>	<u>39,549,224</u>	<u>39,504,953</u>	<u>39,718,925</u>	<u>40,530,568</u>
Business-type Activities:										
Investment Earnings	12,675	26,374	21,824	13,739	4,152	1,267	526	\$ 41	\$ 13	\$ 9
Miscellaneous Income	829,274	874,015	773,170	786,545	4,079			29,583		
Special Item								(31,267)	(233)	
Total Business-type Activities	<u>841,949</u>	<u>900,389</u>	<u>794,994</u>	<u>800,284</u>	<u>8,231</u>	<u>1,267</u>	<u>526</u>	<u>(1,643)</u>	<u>(220)</u>	<u>9</u>
Total District-wide General Revenues and Other Changes in Net Position	<u>\$ 33,863,626</u>	<u>\$ 35,447,366</u>	<u>\$ 36,628,372</u>	<u>\$ 38,122,618</u>	<u>\$ 38,976,353</u>	<u>\$ 39,305,391</u>	<u>\$ 39,549,750</u>	<u>\$ 39,503,310</u>	<u>\$ 39,718,705</u>	<u>\$ 40,530,577</u>
Change in Net Position:										
Governmental Activities	\$ 389,134	\$ 288,441	\$ 820,199	\$ (466,269)	\$ 1,446,317	\$ 1,834,190	\$ 1,069,269	\$ 731,948	\$ 798,330	\$ 980,392
Business-type Activities	42,765	54,352	820,052	814,687	(32,806)	9,294	(20,383)	(91,457)	(72,796)	(43,793)
Total District-wide Change in Net Position	<u>\$ 431,899</u>	<u>\$ 342,793</u>	<u>\$ 1,640,251</u>	<u>\$ 348,418</u>	<u>\$ 1,413,511</u>	<u>\$ 1,843,484</u>	<u>\$ 1,048,886</u>	<u>\$ 640,491</u>	<u>\$ 725,534</u>	<u>\$ 936,599</u>

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

	June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Fund:										
Reserved	\$ 1,432,275	\$ 1,486,172	\$ 1,349,505	\$ 2,169,786	\$ 2,263,340	\$ 2,083,084	\$ 2,659,225			
Restricted								\$ 3,094,436	\$ 2,028,115	\$ 1,257,970
Assigned									928,240	356,154
Unassigned	434,754	332,153	1,257,352	555,777	827,222	1,221,780	571,730	532,455	815,154	871,190
Total General Fund	<u>\$ 1,867,029</u>	<u>\$ 1,818,325</u>	<u>\$ 2,606,857</u>	<u>\$ 2,725,563</u>	<u>\$ 3,090,562</u>	<u>\$ 3,304,864</u>	<u>\$ 3,230,955</u>	<u>\$ 3,626,891</u>	<u>\$ 3,771,509</u>	<u>\$ 2,485,314</u>
All Other Governmental Funds:										
Reserved	\$ 717,567	\$ 30,000	\$ 95,713	\$ 5,735,683	\$ 950,836	\$ 2,073,718	\$ 1,049,050			
Restricted								\$ 85,622	\$ 71,907	\$17,811,339
Committed								58,708	174,968	903,348
Unreserved, Reported in:										
Capital Projects Fund			14,269,635	3,216,125	1,974,946	725,636	14,876			
Debt Service Fund					1					
Total All Other Governmental Funds	<u>\$ 717,567</u>	<u>\$ 30,000</u>	<u>\$14,365,348</u>	<u>\$ 8,951,808</u>	<u>\$ 2,925,783</u>	<u>\$ 2,799,354</u>	<u>\$ 1,063,926</u>	<u>\$ 144,330</u>	<u>\$ 246,875</u>	<u>\$18,714,687</u>
Total Governmental Funds	<u>\$ 2,584,596</u>	<u>\$ 1,848,325</u>	<u>\$16,972,205</u>	<u>\$11,677,371</u>	<u>\$ 6,016,345</u>	<u>\$ 6,104,218</u>	<u>\$ 4,294,881</u>	<u>\$ 3,771,221</u>	<u>\$ 4,018,384</u>	<u>\$21,200,001</u>

Source: Caldwell-West Caldwell School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Revenues:										
Tax Levy	\$30,879,459	\$32,260,448	\$33,593,059	\$34,937,182	\$36,440,894	\$37,551,082	\$37,792,600	\$37,551,082	\$38,293,269	\$39,801,143
Tuition from Other LEA's										4,592
Tuition from Individuals									26,828	25,522
Transportation Fees					3,694	1,424	1,161	1,424	1,773	6,148
Rents and Royalties										76,785
Interest Earned on Capital Reserve Funds	26,749	11,826	16,723	6,363	1,193	101	92	101	2,329	3,214
Miscellaneous	294,699	387,269	372,133	227,187	183,135	250,722	228,282	250,722	318,689	201,891
State Sources	4,793,893	5,907,604	6,106,002	4,803,731	5,037,527	3,953,667	4,576,840	5,658,392	5,246,481	5,941,620
Federal Sources	534,837	592,560	610,821	601,758	1,184,771	754,884	677,131	590,289	960,664	797,730
<b>Total Revenue</b>	<b>36,529,637</b>	<b>39,159,707</b>	<b>40,698,738</b>	<b>40,576,221</b>	<b>42,851,214</b>	<b>42,511,880</b>	<b>43,276,106</b>	<b>44,052,010</b>	<b>44,850,033</b>	<b>46,858,645</b>
Expenditures:										
Instruction:										
Regular Instruction	11,620,272	11,875,903	12,033,197	12,933,462	12,942,086	12,364,390	12,663,677	12,364,390	12,488,647	13,115,671
Special Education Instruction	2,196,598	2,417,742	2,650,705	2,768,103	2,963,223	2,934,542	2,770,617	2,934,542	3,485,438	3,540,324
Other Special Instruction	156,010	183,490	217,276	284,786	358,472	215,809	311,496	215,809	192,571	186,693
School-Sponsored/Other Instruction	885,435	949,463	999,779	1,034,583	1,073,255	997,374	1,029,678	1,070,315	1,100,445	1,137,496
Support Services:										
Tuition	1,682,000	1,796,380	1,910,690	2,066,504	2,068,588	2,263,498	2,510,239	2,591,562	2,201,414	2,760,285
Student & Other Instruction Related Services	3,953,824	4,370,056	4,449,128	4,645,881	4,924,002	4,639,043	4,664,312	4,873,166	5,152,377	5,413,031
General Administrative Services	566,703	602,766	651,376	576,346	573,707	1,782,847	631,702	543,184	511,712	524,083
School Administrative Services	1,630,970	1,632,857	1,691,765	1,740,210	1,810,620	569,162	1,827,199	1,774,829	1,798,218	1,790,915
Central Services	466,847	485,178	495,370	504,949	523,289	535,677	564,932	465,764	466,973	542,591
Administrative Information Technology	393,232	404,073	371,549	433,809	474,930	513,258	562,857	602,217	832,683	629,266
Plant Operations and Maintenance	3,735,948	3,904,498	3,835,901	3,894,148	3,769,387	3,728,131	3,622,480	3,770,095	4,620,397	3,954,120
Student Transportation	911,486	1,034,167	1,076,665	1,126,556	1,077,685	1,088,816	1,036,595	1,222,320	1,123,218	1,118,579
Unallocated Benefits	7,081,885	8,468,857	8,716,934	7,116,549	7,866,602	8,401,009	9,120,191	9,897,159	9,604,165	10,467,706
Transfer of Funds to Charter School			2,560	127						
Capital Outlay	251,431	273,158	479,224	5,555,997	6,694,900	1,292,086	2,539,546	1,100,375	628,283	1,582,043
Debt Service:										
Principal	600,000	630,000	650,000	700,000	734,000	645,000	645,000	645,000	680,000	860,000
Interest and Other Charges	147,473	120,773	92,738	489,045	657,494	611,528	584,922	558,315	530,988	499,225
<b>Total Expenditures</b>	<b>36,280,114</b>	<b>39,149,361</b>	<b>40,324,857</b>	<b>45,871,055</b>	<b>48,512,240</b>	<b>42,582,170</b>	<b>45,085,443</b>	<b>44,629,042</b>	<b>45,417,529</b>	<b>48,122,028</b>



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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Excess/(Deficit) of Revenues Over/(Under)										
Expenditures	\$ 249,523	\$ 10,346	\$ 373,881	\$ (5,294,834)	\$ (5,661,026)	\$ (70,290)	\$ (1,809,337)	\$ (577,032)	\$ (567,496)	\$ (1,263,383)
Other Financing Sources/(Uses):										
Serial Bonds Issued										18,205,000
Insurance Recovery Related to Flood Damages									807,788	
Capital Leases										240,000
Transfers		(114,250)							6,871	
Special Item								(18,534)		
Total Other Financing Sources/(Uses)	-0-	(114,250)	14,765,000	-0-	-0-	-0-	-0-	(18,534)	814,659	18,445,000
Net Change in Fund Balances	<u>\$ 249,523</u>	<u>\$ (103,904)</u>	<u>\$ 15,138,881</u>	<u>\$ (5,294,834)</u>	<u>\$ (5,661,026)</u>	<u>\$ (70,290)</u>	<u>\$ (1,809,337)</u>	<u>\$ (595,566)</u>	<u>\$ 247,163</u>	<u>\$ 17,181,617</u>
Debt Service as a % of Noncapital Expenditures	<u>2.07%</u>	<u>1.93%</u>	<u>1.86%</u>	<u>2.95%</u>	<u>3.33%</u>	<u>3.04%</u>	<u>2.89%</u>	<u>2.76%</u>	<u>2.70%</u>	<u>2.92%</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
GENERAL FUND - OTHER LOCAL REVENUE BY SOURCE  
LAST TEN FISCAL YEARS  
UNAUDITED  
*(Modified Basis of Accounting)*

Fiscal Year Ending June 30,	Interest on Investments	Insurance Dividends	Tuition from Other LEAs	Gate Receipts	Transportation Fees	Rentals	Prior Year Refunds	Adjustment of Prior Years' Orders	Miscellaneous	Total
2006	\$ 156,551	\$ 16,415		\$ 10,020	\$ 2,860	\$ 64,307	\$ 22,393	\$ 11,635	\$ 10,518	\$ 294,699
2007	210,329			7,057	2,790	145,496	14,630	6,845	122	387,269
2008	161,610			9,810	3,341	148,439	11,428	24,719	27,012	386,359
2009	56,138	35,664	\$ 8,757	31,268	4,262	62,901	17,674	579	9,307	226,550
2010	15,611		500	29,523	3,695	61,842	8,950	228	25,673	146,022
2011	4,740	3,589		36,112	3,807	69,878	58,342	11	37,262	213,741
2012	1,826			36,395	1,161	75,682	100,615		6,856	222,535
2013	672		24,597	38,098	1,424	66,488	60,665		50,586	242,530
2014	1,251		26,828	13,639	1,773	69,681	25,990		98,677	237,839
2015	448		30,114	12,273	6,148	76,785	42,898		80,144	248,810

Source: Caldwell-West Caldwell School District Financial Reports.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN YEARS  
UNAUDITED

Year Ended Dec. 31	Vacant Land	Residential	Farm Qualified	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities <sup>a</sup>	Net Valuation Taxable	Tax Exempt Property	Total Direct School Tax Rate <sup>b</sup>	Estimated Actual (County Equalized Value)
<u>Borough of Caldwell</u>												
2005	* \$ 7,176,200	\$ 815,067,800	\$ -0-	\$ 124,774,600	\$ -0-	\$ 82,240,800	\$ 1,029,259,400	\$ 5,021,410	\$ 1,034,280,810	\$ 127,130,000	\$ 0.94	\$ 888,439,439
2006	5,760,200	813,084,000	-0-	122,047,300	-0-	82,674,900	1,023,566,400	5,021,410	1,028,587,810	127,696,300	1.02	992,726,637
2007	7,083,500	815,602,600	-0-	121,848,700	-0-	78,554,800	1,023,089,600	5,021,410	1,028,111,010	126,873,800	1.06	1,116,255,454
2008	7,095,800	819,061,100	-0-	121,736,800	-0-	77,955,000	1,025,848,700	4,009,252	1,029,857,952	126,374,300	1.09	1,143,440,806
2009	5,619,300	820,799,500	-0-	126,565,100	-0-	77,955,000	1,030,938,900	3,987,384	1,034,926,284	126,289,200	1.10	1,162,210,844
2010	4,840,100	821,868,350	-0-	126,626,300	-0-	77,655,000	1,030,989,750	4,061,607	1,035,051,357	126,252,200	1.11	1,131,875,733
2011	4,840,100	816,333,350	-0-	128,437,200	-0-	77,655,000	1,027,265,650	4,245,536	1,031,511,186	125,773,000	1.14	1,114,440,103
2012	4,583,200	809,028,850	-0-	127,391,700	-0-	77,155,000	1,018,158,750	4,262,527	1,022,421,277	126,177,800	1.15	1,074,905,267
2013	3,667,600	803,292,350	-0-	126,905,900	-0-	76,785,100	1,010,650,950	3,742,536	1,014,393,486	126,250,300	1.15	1,026,083,311
2014	3,505,600	800,217,350	-0-	125,410,900	-0-	75,779,900	1,004,913,750	3,398,338	1,008,312,088	126,250,300	1.18	1,000,936,821
<u>Township of West Caldwell</u>												
2005	\$ 9,805,300	\$ 754,399,800	\$ 81,400	\$ 160,039,800	\$ 182,640,200	\$ 8,040,700	\$ 1,115,007,200	\$ 835,500	1,115,842,700	\$ 70,244,300	\$ 1.83	\$ 1,806,978,614
2006	8,000,400	762,514,300	81,400	163,122,900	183,765,400	8,040,700	1,125,525,100	723,400	1,126,248,500	70,045,500	1.87	1,994,032,702
2007	7,507,300	771,213,200	81,400	163,515,800	182,365,400	8,040,700	1,132,723,800	665,300	1,133,389,100	69,944,300	1.94	2,254,534,266
2008	7,707,200	777,413,400	81,400	162,519,000	182,895,200	7,906,700	1,138,522,900	674,800	1,139,197,700	70,073,300	2.02	2,384,318,194
2009	6,977,900	784,492,900	81,400	163,136,800	176,637,600	7,906,700	1,139,233,300	659,800	1,139,893,100	69,773,300	2.14	2,568,255,600
2010	6,882,300	788,206,900	81,400	162,816,600	172,279,300	7,906,700	1,138,173,200	688,400	1,138,861,600	69,773,300	2.25	2,569,566,983
2011	* 14,481,200	1,514,974,700	81,800	347,629,600	338,616,100	16,160,900	2,231,944,300	1,552,700	2,233,497,000	133,024,264	1.17	2,417,264,444
2012	14,147,200	1,514,131,500	81,800	346,533,400	338,019,100	16,160,900	2,229,073,900	1,464,400	2,230,538,300	133,513,064	1.16	2,349,678,860
2013	20,189,800	1,512,331,600	81,800	342,256,700	334,247,000	16,160,900	2,225,267,800	1,633,200	2,226,901,000	134,552,264	1.18	2,346,745,819
2014	18,252,600	1,521,720,400	81,800	337,907,200	330,394,600	15,683,900	2,224,040,500	1,369,200	2,225,409,700	132,903,364	1.22	2,249,860,770

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation. Reassessment occurs when ordered by the County Board of

<sup>a</sup> Taxable Value of Machinery, Implements and Equipment of Telephone, Telegraph and Messenger System Companies.

<sup>b</sup> Tax rates are per \$100 of assessed value.

\* Revaluation became effective in this year.

Source: Borough of Caldwell and Township of West Caldwell Tax Assessor.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN YEARS  
UNAUDITED  
*(Rate per \$100 of Assessed Value)*

Year Ended December 31,	Caldwell-West Caldwell School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General Obligation		Total Direct	Borough of Caldwell	Essex County	
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>				
2005	\$ 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
2012	1.13	0.03	1.15	0.71	0.48	2.35
2013	1.13	0.03	1.15	0.72	0.50	2.37
2014	1.15	0.03	1.18	0.72	0.52	2.42

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

<sup>a</sup> The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
DIRECT AND OVERLAPPING PROPERTY TAX RATES

LAST TEN YEARS

UNAUDITED

*(Rate per \$100 of Assessed Value)*

Year Ended December 31,	Caldwell-West Caldwell School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	General Obligation		Total Direct	Township of West Caldwell	Essex County	
	Basic Rate <sup>a</sup>	Debt Service <sup>b</sup>				
2005	\$ 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
2012	1.13	0.03	1.16	0.55	0.49	2.19
2013	1.15	0.03	1.18	0.56	0.52	2.26
2014	1.19	0.03	1.22	0.56	0.53	2.30

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

<sup>a</sup> The District's basic tax rate is calculated from the A4F form which is submitted with the budget and the Net Valuation Taxable.

<sup>b</sup> Rates for debt service are based on each year's requirements.

\* Revaluation became effective in this year.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO

Borough of Caldwell

Taxpayer	2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Westover Associates	\$ 11,198,500	1	1.11%
Panyork Group, Inc.	8,015,000	3	0.79%
Carlyle Towers, A Partnership	7,931,500	2	0.79%
S&S 550 Bloomfield Ave. LLC	5,000,000	4	0.50%
Parkview Common Apartments	3,616,200	5	0.36%
Sidebrook Associates	3,609,500	6	0.36%
Rumsey Park Associates	3,563,000	7	0.35%
Hillside Realty (Prospect St.)	3,142,800	8	0.31%
Hillside Realty ( Academy Rd.)	3,014,100	9	0.30%
Ormon LLC	2,915,000	10	0.29%
Total	<u>\$ 52,005,600</u>		<u>5.16%</u>

Taxpayer	2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
INFORMATION IS NOT AVAILABLE			

INFORMATION IS NOT AVAILABLE

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
PRINCIPAL PROPERTY TAX PAYERS,  
CURRENT YEAR AND NINE YEARS AGO

Township of West Caldwell

Taxpayer	2014		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Lutheran Social Ministries, Inc.	\$ 81,000,000	1	3.64%
GR/SS Caldwell	38,433,800	2	1.73%
Toyota Motor Sales	32,033,900	3	1.44%
LTS Lohmann Therapy Systems	32,016,600	4	1.44%
West Caldwell Plaza	22,911,600	5	1.03%
Leknarf Associates LLC	22,724,000	6	1.02%
Mountain Ridge Country Club	19,642,900	7	0.88%
CMI Essex Property	19,500,000	8	0.88%
Henerson Drive LLC	16,943,500	9	0.76%
Eagle Rock Convalescent Center	14,200,000	10	0.64%
Total	<u>\$ 299,406,300</u>		<u>13.45%</u>

Taxpayer	2005		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
INFORMATION IS NOT AVAILABLE			

INFORMATION IS NOT AVAILABLE

Exhibit J-9

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS  
UNAUDITED

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy<sup>a</sup></u>		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
<u>Borough of Caldwell</u>				
2006	\$ 10,450,401	\$ 10,450,401	100.00%	\$ -0-
2007	10,923,559	10,923,559	100.00%	-0-
2008	11,224,299	11,224,299	100.00%	-0-
2009	11,338,539	11,338,539	100.00%	-0-
2010	11,454,861	11,454,861	100.00%	-0-
2011	11,750,554	11,750,554	100.00%	-0-
2012	11,589,876	11,589,876	100.00%	-0-
2013	11,726,967	11,726,967	100.00%	-0-
2014	11,624,823	11,624,823	100.00%	-0-
2015	12,227,880	12,227,880	100.00%	-0-
<u>Township of West Caldwell</u>				
2006	\$ 21,119,552	\$ 21,119,552	100.00%	\$ -0-
2007	22,003,194	22,003,194	100.00%	-0-
2008	23,040,821	23,040,821	100.00%	-0-
2009	24,350,499	24,350,499	100.00%	-0-
2010	25,661,886	25,661,886	100.00%	-0-
2011	26,042,046	26,042,046	100.00%	-0-
2012	25,236,275	25,236,275	100.00%	-0-
2013	25,824,115	25,824,115	100.00%	-0-
2014	26,668,446	26,668,446	100.00%	-0-
2015	27,573,263	27,573,263	100.00%	-0-

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

Source: Borough of Caldwell and Township of West Caldwell School District records including the Certificate and Report of School Taxes (A4F form).



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

Fiscal Year Ended June 30,	Governmental Activities		Business-Type Activities Capital Leases	Total District	Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Obligations Under Capital Leases				
2006	\$ 2,714,000	\$ 471,044	\$ -0-	\$ 3,185,044	0.40%	\$ 175
2007	2,084,000	330,890	-0-	2,414,890	0.28%	135
2008	16,199,000	191,374	-0-	16,390,374	1.86%	930
2009	15,499,000	443,174	-0-	15,942,174	1.79%	911
2010	14,765,000	340,903	-0-	15,105,903	1.74%	862
2011	14,120,000	238,632	-0-	14,358,632	1.50%	773
2012	13,475,000	122,204	-0-	13,597,204	1.36%	731
2013	12,830,000	317,096	-0-	13,147,096	1.28%	703
2014	12,150,000	225,115	-0-	12,375,115	1.21%	661
2015	29,495,000	325,888	-0-	29,820,888	2.89%	1,575

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

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

Source: Caldwell-West Caldwell School District Financial Reports.

Exhibit J-11

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable <sup>a</sup>	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2006	\$ 2,714,000	\$ -0-	\$ 2,714,000	0.13%	\$ 149
2007	2,084,000	-0-	2,084,000	0.10%	117
2008	16,199,000	-0-	16,199,000	0.75%	919
2009	15,499,000	-0-	15,499,000	0.71%	886
2010	14,765,000	-0-	14,765,000	0.68%	843
2011	14,120,000	-0-	14,120,000	0.65%	760
2012	13,475,000	-0-	13,475,000	0.41%	724
2013	12,830,000	-0-	12,830,000	0.39%	686
2014	12,150,000	-0-	12,150,000	0.37%	649
2015	29,495,000	-0-	29,495,000	0.91%	1,558

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

<sup>a</sup> See Exhibit J-6 for property tax data. This ratio is calculated using valuation data for the prior calendar year.

<sup>b</sup> See Exhibit J-14 for population data. This ratio is calculated using population for the prior calendar year.

Source: Caldwell-West Caldwell Board of Education Financial Reports.

Exhibit J-12

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2014  
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable <sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Borough of Caldwell	\$ 11,508,967	100.000%	\$ 11,508,967
Township of West Caldwell	17,824,920	100.000%	17,824,920
Essex County General Obligation Debt:			
Borough of Caldwell Share	329,424,039	1.214%	3,997,704
Township of West Caldwell Share	329,424,039	2.728%	8,985,860
Subtotal, Overlapping Debt			42,317,452
Caldwell-West Caldwell Board of Education Direct Debt			29,820,888
Total Direct and Overlapping Debt			<u>\$ 72,138,340</u>

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

a For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable equalized property values. Applicable percentages were estimated by determining the portion of another governmental unit's equalized property value that is within the district's boundaries and dividing it by each unit's total equalized property value.

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
UNAUDITED

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 106,670,011	\$ 119,664,443	\$ 140,417,582	\$ 145,092,037	\$ 145,231,252	\$ 141,441,876	\$ 137,991,210	\$ 137,007,357	\$ 133,495,293	\$ 130,884,976
Total Net Debt Applicable to Limit	2,714,000	2,084,000	16,199,000	15,499,000	14,765,000	14,120,000	13,475,000	12,830,000	12,150,000	29,495,000
Legal Debt Margin	<u>\$ 103,956,011</u>	<u>\$ 117,580,443</u>	<u>\$ 124,218,582</u>	<u>\$ 129,593,037</u>	<u>\$ 130,466,252</u>	<u>\$ 127,321,876</u>	<u>\$ 124,516,210</u>	<u>\$ 124,177,357</u>	<u>\$ 121,345,293</u>	<u>\$ 101,389,976</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	2.54%	1.74%	11.54%	10.68%	10.17%	9.98%	9.77%	9.36%	9.10%	22.54%

Legal Debt Margin Calculation for Fiscal Year 2015

	Borough of Caldwell	Township of West Caldwell	Total
Equalized valuation basis:			
2014	\$ 1,057,247,501	\$ 2,160,731,079	\$ 3,217,978,580
2013	997,976,647	2,238,474,801	3,236,451,448
2012	1,024,407,637	2,337,535,549	3,361,943,186
			<u>\$9,816,373,214</u>
Average Equalized Valuation of Taxable Property			<u>\$3,272,124,405</u>
Debt Limit (4% of average equalization value) <sup>a</sup>			\$ 130,884,976
Net Bonded School Debt			<u>29,495,000</u>
Legal Debt Margin			<u>\$ 101,389,976</u>

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

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

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

Borough of Caldwell

<u>Year</u>	<u>Population<sup>a</sup></u>	<u>Essex County Per Capita Personal Income<sup>b</sup></u>	<u>Borough of Caldwell Personal Income<sup>c</sup></u>	<u>Unemployment Rate<sup>d</sup></u>
2006	7,246	\$ 47,627	\$ 345,105,242	2.30%
2007	7,160	49,978	357,842,480	2.10%
2008	7,106	51,039	362,683,134	2.50%
2009	7,115	49,634	353,145,910	5.10%
2010	7,823	51,448	402,477,704	5.20%
2011	7,833	53,538	419,363,154	4.90%
2012	7,854	54,879	431,019,666	5.10%
2013	7,861	54,606 *	429,257,766	6.50%
2014	7,898 **	54,606 *	431,278,188 ***	5.40%
2015	7,898 **	54,606 *	431,278,188 ***	N/A

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

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

\*\*\* - Latest available population data (2014) and latest available Essex County per capita personal income (2013) was used for calculation purposes.

N/A - Information is not available.

Sources:

- <sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development.
- <sup>b</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- <sup>c</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.
- <sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

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

Township of West Caldwell

<u>Year</u>	<u>Population <sup>a</sup></u>	<u>Essex County Per Capita Personal Income <sup>b</sup></u>	<u>Township of West Caldwell Personal Income <sup>c</sup></u>	<u>Unemployment Rate <sup>d</sup></u>
2006	10,597	\$ 47,627	\$ 504,703,319	3.30%
2007	10,469	49,978	523,219,682	2.90%
2008	10,391	51,039	530,346,249	3.60%
2009	10,407	49,634	516,541,038	7.30%
2010	10,761	51,448	553,631,928	7.30%
2011	10,775	53,538	576,871,950	7.00%
2012	10,838	54,879	594,778,602	7.20%
2013	10,868	54,606	593,458,008	4.00%
2014	11,030	54,606 *	602,304,180 ***	5.10%
2015	11,030 **	54,606 *	602,304,180 ***	N/A

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

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

\*\*\* - Latest available population data (2014) and latest available Essex County per capita personal income (2013) was used for calculation purposes.

N/A - Information is not available.

Sources:

- <sup>a</sup> Population information provided by the NJ Department of Labor and Workforce Development.
- <sup>b</sup> Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.
- <sup>c</sup> Personal income has been estimated based upon the municipal population and per capita personal income presented.
- <sup>d</sup> Unemployment data provided by the NJ Department of Labor and Workforce Development.

## Exhibit J-15

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
PRINCIPAL EMPLOYERS - COUNTY OF ESSEX  
CURRENT YEAR AND NINE YEARS AGO  
UNAUDITED

Employer	2014		
	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.64%
Verizon	17,100	2	4.94%
Prndential Ins. Co. of America	16,850	3	4.87%
Rutgers University-Newark Campus	15,500	4	4.48%
Continental Airlines	11,000	5	3.18%
Newark Board of Education	7,050	6	2.04%
Automatic Data Processing	5,649	7	1.63%
New Jersey Transit	4,000	8	1.16%
City of Newark	4,000	9	1.16%
Essex County	3,500	10	1.01%
	107,649		31.09%
Total Employment	346,237		
Employer	2005		
	Employees	Rank (Optional)	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

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

<u>Function/Program</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction:										
Regular	162	164	164	165	166	161	161	164	160	165
Special Education	41	42	44	44	46	44	46	46	47	45
Other Special Education	9	9	10	10	10	10	11	8	8	7
Other Instruction	17	19	19	19	19	18	18	20	23	38
Support Services:										
Student & Instruction Related Services	44	58	62	63	63	55	50	54	55	42
School Administration	22	22	23	23	23	23	22	24	24	23
General Administration	9	9	9	9	9	9	10	5	5	4
Central Services	6	6	6	6	6	6	6	6	6	6
Plant Operations and Maintenance	39	39	39	39	39	37	40	36	37	36
Pupil Transportation	2	2	3	3	3	3	4	4	2	2
Total	<u>351</u>	<u>370</u>	<u>379</u>	<u>381</u>	<u>384</u>	<u>366</u>	<u>368</u>	<u>367</u>	<u>367</u>	<u>368</u>

Source: Caldwell-West Caldwell School District Personnel Records.



CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
OPERATING STATISTICS  
LAST TEN FISCAL YEARS  
UNAUDITED

Fiscal Year End June 30,	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil <sup>b</sup>	Percentage Change	Teaching Staff <sup>c</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>d</sup>	Average Daily Attendance (ADA) <sup>d</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
2006	2,623	\$ 35,281,210	\$ 13,451	4.72%	230	1:15	1:16	1:14	2,610	2,522	1.48%	96.63%
2007	2,626	38,125,430	14,518	7.94%	234	1:15	1:16	1:13	2,633	2,506	0.88%	95.18%
2008	2,630	39,102,895	14,868	2.41%	234	1:15	1:16	1:13	2,653	2,511	0.76%	94.65%
2009	2,656	39,126,013	14,731	-0.92%	238	1:15	1:15	1:13	2,652	2,536	-0.04%	95.63%
2010	2,591	40,425,846	15,602	5.91%	240	1:15	1:15	1:13	2,573	2,492	-2.98%	96.85%
2011	2,592	40,033,556	15,445	-1.01%	232	1:15	1:15	1:14	2,597	2,493	0.93%	96.00%
2012	2,586	41,315,975	15,977	3.44%	236	1:15	1:17	1:14	2,602	2,494	0.19%	95.85%
2013	2,631	42,325,352	16,087	0.69%	238	1:15	1:17	1:14	2,596	2,514	-0.23%	96.84%
2014	2,637	43,578,258	16,526	2.73%	238	1:15	1:17	1:14	2,635	2,522	1.50%	95.71%
2015	2,643	45,180,760	17,094	3.44%	238	1:10	1:11	1:12	2,652	2,527	0.65%	95.29%

Note: Enrollment based on annual October District count.

<sup>a</sup> Operating expenditures equal total expenditures less debt service and capital outlay.

<sup>b</sup> Cost Per Pupil calculated above is the sum of operating expenditures divided by enrollment. This may be different from the State's Cost Per Pupil calculations.

<sup>c</sup> Teaching staff includes only full-time equivalents of certificated staff.

<sup>d</sup> Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Source: Caldwell-West Caldwell School District Personnel Records.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST NINE FISCAL YEARS  
UNAUDITED

District Building	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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
Capacity (Students)	350	350	350	350	350	350	350	350	350	350
Enrollment	274	284	283	293	305	295	309	307	320	326
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
Capacity (Students)	350	350	350	350	350	350	350	350	350	350
Enrollment	229	230	220	227	235	234	237	256	252	246
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
Capacity (Students)	523	523	523	523	523	523	523	523	523	523
Enrollment	414	425	404	401	375	367	362	372	354	346
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
Capacity (Students)	350	350	350	350	350	350	350	350	350	350
Enrollment	230	234	244	239	239	251	255	245	248	298
Grover Cleveland Middle School (1925)										
Square Feet	114,670	114,670	114,670	114,670	114,670	114,670	114,670	114,670	114,670	114,670
Capacity (Students)	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256	1,256
Enrollment	625	621	627	613	631	634	645	647	637	626
James Caldwell High School (1960)										
Square Feet	127,023	127,023	127,023	127,023	127,023	127,023	127,023	127,023	127,023	127,023
Capacity (Students)	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265	1,265
Enrollment	828	809	819	848	788	791	757	781	792	801

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHOOL BUILDING INFORMATION  
LAST NINE FISCAL YEARS  
UNAUDITED

District Building	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
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	23	23	33	35	18	20	21	23	34	42
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 at June 30, 2015

- Elementary = 4
- Middle School = 1
- High School = 1
- Other = 3

Source: Caldwell-West Caldwell School District Personnel Records.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF REQUIRED MAINTENANCE  
LAST TEN FISCAL YEARS  
UNAUDITED

Undistributed Expenditures - Required Maintenance for School Facilities\*  
 Account Number 11-000-261-XXX

Fiscal Year Ended June 30,	Jefferson Elementary School	Lincoln Elementary School	Washington Elementary School	Wilson Elementary School	Harrison Elementary School	Grover Cleveland Middle School	James Caldwell High School	Total
2006	\$ 91,545	\$ 70,760	\$ 92,081	\$ 72,485	\$ 86,959	\$ 182,401	\$ 374,301	\$ 970,532
2007	93,170	71,131	101,074	84,533	80,556	231,524	421,925	1,083,913
2008	75,019	69,733	91,487	80,210	77,356	217,582	521,965	1,133,352
2009	99,945	85,543	112,508	99,368	113,510	252,946	453,131	1,216,951
2010	109,705	101,258	107,298	73,888	98,130	255,585	429,048	1,174,912
2011	90,237	112,879	126,005	90,158	89,459	221,611	439,534	1,169,883
2012	101,893	102,931	129,790	91,582	92,590	228,456	377,612	1,124,854
2013	136,869	66,961	98,144	89,060	159,225	303,942	470,565	1,324,766
2014	86,994	70,353	90,428	73,210	87,956	1,281,104	302,879	1,992,924
2015	71,642	69,049	81,395	61,353	87,991	465,735	498,475	1,335,640

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

Source: Caldwell-West Caldwell School District Financial Reports.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
INSURANCE SCHEDULE  
AS OF JUNE 30, 2015  
UNAUDITED

	<u>Coverage</u>	<u>Deductible</u>
School Alliance Insurance Fund (SAIF):		
School Package Policy:		
Building & Personal Property	\$ 250,000,000 Fund Limit	\$ 2,500
Inland Marine - Auto Physical Damage		
General Liability including Auto, Employee Benefits:		
Per Occurrence	5,000,000	
General Aggregate	100,000,000 Fund Aggregate	
Product/Completed Ops		
Personal Injury		
Fire Damage	2,500,000	
Medical Expenses (excluding students taking part in athletics)	5,000	
Automobile Coverage		
Combined Single Limit		
Hired/Non-owned		
Environmental Impairment Liability	1,000,000 / 25,000,000 Fund Aggregate	10,000
Crime Coverage	50,000 Inside/Outside	1,000
Blanket Dishonesty Bond	100,000	1,000
Boiler and Machinery	100,000,000	1,000
Excess Liability (AL/GL/SLPL)	10,000,000	
School Board Legal Liability	5,000,000	5,000
Workers' Compensation:	Statutory	
Employer's Liability	5,000,000	
Supplemental Indemnity	Statutory	
Public Officials' Bonds - Selective Insurance Company of America:		
Treasurer of School Monies	300,000	
Business Administrator/Board Secretary	100,000	
Student Accident/Athletes only - Bollinger	5,000,000	

Source: Caldwell-West Caldwell School District records.

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*

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Caldwell-West Caldwell School District, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated August 27, 2015.

**Internal Control Over Financial Reporting**

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

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

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

The Honorable President and Members  
of the Board of Education  
Caldwell-West Caldwell School District  
Page 2

### Compliance and Other Matters

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

### Purpose of this Report

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

*Nisivoccia, LLP*

November 20, 2015  
Mount Arlington, New Jersey

NISIVOCCIA, LLP

*Kathryn L. Mantell*

Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant





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

Independent Auditors' Report

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

**Report on Compliance for Each Major Federal and State Program**

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

***Management's Responsibility***

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

***Auditors' Responsibility***

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

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

***Opinion on Each Major Federal and State Program***

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

The Honorable President and Members  
of the Board of Education  
Caldwell-West Caldwell School District  
Page 2

### Report on Internal Control Over Compliance

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

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

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

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

*Nisivoccia, LLP*

August 27, 2015  
Mount Arlington, New Jersey

NISIVOCCIA, LLP

*Kathryn L. Mantell*

Kathryn L. Mantell  
Licensed Public School Accountant #884  
Certified Public Accountant

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014		Cash Received	Budgetary Expenditures	Balance at June 30, 2015	
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue
<u>U.S. Department of Education:</u>										
Passed-through State Department of Education:										
<u>Special Revenue Fund:</u>										
Special Education Cluster:										
I.D.E.A. Part B, Basic	84.027	IDEA066015	7/1/14-6/30/15	\$ 595,771			\$ 579,902	\$ (594,213)	\$ (14,311)	
I.D.E.A. Part B, Basic	84.027	IDEA066014	7/1/13-6/30/14	694,819	\$ (93,456)		93,456			
I.D.E.A. Preschool	84.173	IDEA066015	7/1/14-6/30/15	17,936			16,839	(16,839)		
Total Special Education Cluster					(93,456)		690,197	(611,052)	(14,311)	
No Child Left Behind:										
Title I	84.391	NCLB066015	7/1/14-6/30/15	45,151				(45,151)	(45,151)	
Title I	84.391	NCLB066014	7/1/13-6/30/14	33,863	(4,420)		4,420			
Total Title I					(4,420)		4,420	(45,151)	(45,151)	
Title II	84.391	NCLB066015	7/1/14-6/30/15	35,977				(35,365)	(35,365)	
Title II	84.391	NCLB066014	7/1/13-6/30/14	35,751	(6,552)		6,552			
Total Title II					(6,552)		6,552	(35,365)	(35,365)	
Title III	84.365	NCLB066015	7/1/14-6/30/15	8,546				(8,546)	(8,546)	
Title III	84.365	NCLB066014	7/1/13-6/30/14	8,928	(7,750)		7,750			
Total Title III					(7,750)		7,750	(8,546)	(8,546)	
IIS Competitive Grant (RTTT- Phase III)	84.413A	N/A	7/1/14-11/30/15	114,306				(98,770)	(98,770)	
Total Special Revenue Fund					(112,178)		708,919	(798,884)	(202,143)	
Total U.S. Department of Education					(112,178)		708,919	(798,884)	(202,143)	
<u>U.S. Department of Agriculture:</u>										
Passed-through State Department of Agriculture:										
Child Nutrition Cluster:										
Food Distribution Program	10.555	N/A	7/1/14-6/30/15	10,438			10,438	(9,612)		\$ 826
Food Distribution Program	10.555	N/A	7/1/13-6/30/14	6,172		\$ 418		(418)		
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	58,800			53,540	(58,800)	(5,260)	
National School Lunch Program	10.555	N/A	7/1/13-6/30/14	41,100	(2,957)		2,957			
Total Child Nutrition Cluster					(2,957)	418	66,935	(68,830)	(5,260)	826
Total Federal Awards					\$ (115,135)	\$ 418	\$ 775,854	\$ (867,714)	\$ (207,403)	\$ 826

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015		MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>State Department of Education:</b>													
<b>General Fund State Aid:</b>													
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	\$ 848,871				\$ 784,178	\$ (848,871)			\$ (64,693)	\$ 848,871	
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	40,034				36,983	(40,034)			(3,051)	40,034	
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	72,385				66,868	(72,385)			(5,517)	72,385	
PARCC Readiness	15-495-034-5120-098	7/1/14-6/30/15	26,025				24,042	(26,025)			(1,983)	26,025	
Per Pupil Growth	15-495-034-5120-097	7/1/14-6/30/15	26,025				24,042	(26,025)			(1,983)	26,025	
Extraordinary Special Education Costs Aid	15-100-034-5120-473	7/1/14-6/30/15	473,712					(473,712)		\$ (473,712)	(473,712)	473,712	
Excess Nonpublic Transportation Costs	15-495-034-5120-014	7/1/14-6/30/15	28,014					(28,014)		(28,014)	(28,014)	28,014	
Reimbursed TPAF Social Security Contributions	15-495-034-5095-002	7/1/14-6/30/15	1,283,707				1,213,511	(1,283,707)		(70,196)	(70,196)	1,283,707	
Special Education Aid	14-495-034-5120-089	7/1/13-6/30/14	848,871	\$ (58,499)			58,499					848,871	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	40,034	(2,759)			2,759					40,034	
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	72,385	(4,988)			4,988					72,385	
Extraordinary Special Education Costs Aid	14-100-034-5120-473	7/1/13-6/30/14	449,001	(449,001)			449,001					449,001	
Excess Nonpublic Transportation Costs	14-495-034-5120-014	7/1/13-6/30/14	26,537	(26,537)			26,537					26,537	
Reimbursed TPAF Social Security Contributions	14-495-034-5095-002	7/1/13-6/30/14	1,248,460	(62,471)			62,471					1,248,460	
<b>Subtotal - General Fund</b>				<b>(604,255)</b>			<b>2,753,879</b>	<b>(2,798,773)</b>		<b>(571,922)</b>	<b>(649,149)</b>	<b>5,484,061</b>	
<b>Special Revenue Fund Aid:</b>													
<b>Nonpublic Auxiliary Services:</b>													
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	17,916				17,916	(13,168)		\$ 4,748		13,168	
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	32,527			\$ 17,890			\$ (17,890)			14,637	
Transportation	15-100-034-5120-067	7/1/14-6/30/15	25,541				25,541	(25,541)				25,541	
Home Instruction	15-100-034-5120-067	7/1/14-6/30/15	3,776					(3,776)		(3,776)	(3,776)	3,776	
Home Instruction	14-100-034-5120-067	7/1/13-6/30/14	4,528	(4,528)			4,528					4,528	
<b>Nonpublic Handicapped Services:</b>													
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	10,201				10,201	(9,025)		1,176		9,025	
Supplementary Instruction	14-100-034-5120-066	7/1/13-6/30/14	16,722			9,020			(9,020)			7,702	
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	16,787				16,787	(8,962)		7,825		8,962	
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	19,530			11,796			(11,796)			7,734	
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	38,179				38,179	(29,360)		8,819		29,360	
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	37,099			8,436			(8,436)			28,663	
N.J. Nonpublic Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	31,518				31,518	(31,518)				31,518	
N.J. Nonpublic Nursing Aid	15-100-034-5120-070	7/1/14-6/30/15	50,175				50,175	(50,175)				50,175	
N.J. Nonpublic Technology Initiative	15-100-034-5120-373	7/1/14-6/30/15	16,928				16,928	(16,928)				16,928	
N.J. Nonpublic Technology Initiative	14-100-034-5120-373	7/1/13-6/30/14	11,160			28			(28)			11,132	
Achievement Coaches Grant	N/A	2/1/15-8/31/15	29,500					(29,500)		(29,500)	(29,500)	29,500	
<b>Subtotal - Special Revenue Fund</b>				<b>(4,528)</b>		<b>47,170</b>	<b>211,773</b>	<b>(217,953)</b>	<b>(47,170)</b>	<b>(33,276)</b>	<b>22,568</b>	<b>292,349</b>	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2014			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2015		MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<b>Debt Service Fund Aid:</b>													
Debt Service Aid - State Support	15-100-034-5120-125	7/1/14-6/30/15	409,101				\$ 409,101	\$ (409,101)					\$ 409,101
Subtotal - Debt Service Fund							409,101	(409,101)					409,101
<b>State Department of Education:</b>													
<b>Food Service Fund:</b>													
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	\$ 2,688				2,451	(2,688)		\$ (237)		\$ (237)	2,688
State School Lunch Program	14-100-010-3350-023	7/1/13-6/30/14	1,608	\$ (116)			116						1,608
Subtotal - Food Service Fund				(116)			2,567	(2,688)		(237)		(237)	4,296
Total State Department of Education				\$ (608,899)		\$ 47,170	3,377,320	(3,428,515)	\$ (47,170)	(605,435)	\$ 22,568	(682,662)	6,189,807
<b>NJ Schools Development Authority:</b>													
<b>Capital Projects Fund:</b>													
<b>Educational Facilities Construction and Financing Act:</b>													
Lincoln Elementary Windows Project	0660-080-14-1002	2/18/14-6/30/15	125,440	(125,440)			12,544	(112,896)		(112,896)		(112,896)	125,440
Jefferson Elementary HVAC/Boiler Project	0660-070-14-1001	2/03/11-6/30/16	587,795									(587,795)	
Total NJ Schools Development Authority				(125,440)			12,544	(112,896)		(112,896)		(700,691)	125,440
Total State Awards				\$ (734,339)	\$ -0-	\$ 47,170	\$ 3,389,864	\$ (3,541,411)	\$ (47,170)	\$ (718,331)	\$ 22,568	\$ (1,383,353)	\$ 6,315,247

N/A - Not Applicable/Available

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

NOTE 1. BASIS OF PRESENTATION

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

NOTE 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE 3. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS

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

The General Fund is presented in the accompanying schedules on the modified accrual basis with the exception of the revenue recognition of the last two state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes those payments are not recognized until the subsequent budget year due to the state deferral and recording of the last two state aid payments in the subsequent year. The Special Revenue Fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenue, whereas the GAAP basis does not.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is (\$10,981) for the General Fund and (\$1,154) for the Special Revenue Fund. See Note 1D for a reconciliation of the budgetary basis to the GAAP basis of accounting for the General, Special Revenue and Capital Projects Funds. Additionally, the schedule of expenditures of state awards does not include the TPAF On-Behalf Pension Contributions and On-behalf TPAF Post-Retirement Medical Benefits Contributions revenue of \$932,899 and \$1,480,979, respectively. Revenue from federal and state awards is reported in the Board's basic financial statements on the GAAP basis as presented below:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,201,670	\$ 5,201,670
Special Revenue Fund	\$ 797,730	217,953	1,015,683
Capital Projects Funds		112,896	112,896
Debt Service Fund		409,101	409,101
Food Service Fund	68,830	2,688	71,518
Total Awards	<u>\$ 866,560</u>	<u>\$ 5,944,308</u>	<u>\$ 6,810,868</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015  
(Continued)

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5. OTHER

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

NOTE 6. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA GRANTS)

The District has been awarded two grants in the Capital Projects Fund totaling \$713,235 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. As of June 30, 2015, one of these projects in the amount of \$125,440 has been completed and \$125,440 of the grant funds have been expended and drawn down on a GAAP basis. The District has one active grant in the amount of \$587,795, of which \$0- has been expended and drawn down on a GAAP basis. In the Capital Projects Fund, the District realizes the full amount of the grant revenue on a budgetary basis in the year awarded and realizes the grant revenue on a GAAP basis as it is expended and submitted for reimbursement.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Summary of Auditors' Results:

- The Independent Auditors' Report expresses an unmodified opinion on the financial statements of the District.
- There were no material weaknesses or significant deficiencies disclosed during the audit of the financial statements as reported in the *Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards*.
- No instances of noncompliance material to the financial statements of the District which would be required to be reported in accordance with *Government Auditing Standards*, were disclosed during the audit.
- There were no material weaknesses or significant deficiencies in internal control over major federal and state programs disclosed during the audit as reported in the *Independent Auditors' Report on Compliance For Each Major Federal and State Program; Report on Internal Control Over Compliance Required by OMB Circular A-133 and New Jersey's OMB Circulars 04-04 and 15-08*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported under Federal OMB Circular A-133, *Audits of States, Local Governments, and Non-profit Organizations* and New Jersey's OMB Circulars 04-04 and 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.
- The District's programs tested as major for the current fiscal year consisted of the following federal and state awards:

	C.F.D.A.#/ State Grant Number	Grant Period	Award Amount	Budgetary Expenditures
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/14-6/30/15	\$ 595,771	\$ 594,213
I.D.E.A. Preschool	84.173	7/1/14-6/30/15	17,936	16,839
<u>State:</u>				
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	848,871	848,871
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	40,034	40,034
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	26,025	26,025
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	26,025	26,025

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

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

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



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

Summary of Auditors' Results: (Cont'd)

Findings and Questioned Costs for Federal Awards:

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

Findings and Questioned Costs for State Awards:

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Status of Prior Year Findings:

The District had no prior year audit findings.