

**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, 2016**

**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, 2016

Prepared by

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2016

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	29
-----------------------------------	----

B. Fund Financial Statements	31
------------------------------------	----

B-1 Balance Sheet – Governmental Funds.....	32
---	----

B-2 Statement of Revenue, Expenditures and Changes in Fund Balances – Governmental Funds	34
---	----

B-3 Reconciliation of the Statement of Revenue, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	36
--	----

B-4 Statement of Net Position – Proprietary Funds	38
---	----

B-5 Statement of Revenue, Expenses and Changes in Net Position – Proprietary Funds.....	39
--	----

B-6 Statement of Cash Flows – Proprietary Funds	40
---	----

B-7 Statement of Fiduciary Net Position – Fiduciary Funds.....	41
--	----

B-8 Statement of Changes in Fiduciary Net Position – Fiduciary Funds.....	42
---	----

Notes to the Basic Financial Statements	43
---	----

Required Supplementary Information (Unaudited)

L. Schedules Related to Accounting and Reporting for Pensions (GASB 68) (Unaudited).....	79
--	----

L-1 Schedule of District's Proportionate Share of the Net Pension Liability – Public Employees Retirement System	79
---	----

L-2 Schedule of District Contributions – Public Employees Retirement System.....	80
--	----

L-3 Schedule of State's Proportionate Share of the Net Pension Liability Attributable to the District – Teachers' Pension and Annuity Fund	81
---	----

L-4 Schedule of State Contributions – Teachers' Pension and Annuity Fund.....	82
---	----

L-5 Schedule of District's Proportionate Share of the Net Pension Liability – Board of Education Employees' Pension Fund of Essex County	83
---	----

L-6 Schedule of District Contributions – Board of Education Employees' Pension Fund of Essex County	84
--	----

Notes to Required Supplementary Information.....	85
--	----

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Unaudited) (Cont'd)

C. Budgetary Comparison Schedules (Unaudited)	86
C-1 Budgetary Comparison Schedule – General Fund	87
C-2 Budgetary Comparison Schedule - Special Revenue Fund	101
C-3 Required Supplementary Information - Budgetary Comparison Schedule – Note to RSI	102

Other Supplementary Schedules (D.-I.)

D. School Level Schedules (Not Applicable)	104
E. Special Revenue Fund	105
E-1 Combining Schedule of Program Revenue and Expenditures - Special Revenue Fund – Budgetary Basis	106
E-2 Preschool Education Aid Schedule of Expenditures – Budgetary Basis (Not Applicable)	
F. Capital Projects Fund	109
F-1 Summary Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budgetary Basis	110
F-1A Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – Jefferson Elementary School HVAC and Boiler Replacement Project.....	111
F-1B Schedule of Project Revenue, Expenditures, Project Balance and Project Status – Budgetary Basis – 2015 Referendum – Various School Facilities Improvements.....	112
G. Proprietary Funds (Enterprise Funds)	113
G-1 Combining Statement of Net Position	114
G-2 Combining Statement of Revenue, Expenses and Changes in Fund Net Position	115
G-3 Combining Statement of Cash Flows	116
H. Fiduciary Funds.....	117
H-1 Combining Statement of Net Position.....	118
H-2 Statement of Changes in Fiduciary Net Position.....	119
H-3 Payroll Agency Fund Schedule of Receipts and Disbursements.....	120
H-4 Student Activity Agency Fund Schedule of Receipts and Disbursements	121
H-5 Student Activity Agency Fund Statement of Activity.....	122
I. Long-Term Debt.....	123
I-1 Schedule of Serial Bonds.....	124
I-2 Schedule of Obligations Under Capital Leases	125
I-3 Debt Service Fund Budgetary Comparison Schedule	126

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

STATISTICAL SECTION (UNAUDITED)

J.	Statistical Schedules (Unaudited).....	127
J-1	Net Position by Component.....	128
J-2	Changes in Net Position	129
J-3	Fund Balances - Governmental Funds	131
J-4	Changes in Fund Balances - Governmental Funds.....	132
J-5	General Fund Other Local Revenue by Source.....	134
J-6	Assessed Value and Actual Value of Taxable Property	135
J-7	Direct and Overlapping Property Tax Rates.....	136
J-8	Principal Property Taxpayers, Current Year and Nine Years Ago.....	138
J-9	Property Tax Levies and Collections	140
J-10	Ratios of Outstanding Debt by Type.....	141
J-11	Ratios of Net General Bonded Debt Outstanding	142
J-12	Ratios of Overlapping Governmental Activities Debt	143
J-13	Legal Debt Margin Information	144
J-14	Demographic and Economic Statistics.....	145
J-15	Principal Employers, Current Year and Nine Years Ago.....	147
J-16	Full-time Equivalent District Employees by Function/Program	148
J-17	Operating Statistics.....	149
J-18	School Building Information	150
J-19	Schedule of Required Maintenance.....	152
J-20	Insurance Schedule.....	153

SINGLE AUDIT SECTION

K.	Single Audit	154
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>	155
K-2	Independent Auditors' Report on Compliance for Each Major Federal and State Program and Report on Internal Control over Compliance	157
	Schedule of Expenditures of Federal Awards	159
	Schedule of Expenditures of State Awards	160
	Notes to the Schedules of Expenditures of Federal and State Awards.....	162
	Schedule of Findings and Questioned Costs	164
	Summary Schedule of Prior Audit Findings	166

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

December 8, 2016

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, 2016 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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 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 2,607 students, based on the annual October 15, 2015 ASSA count, which is a decrease of 36 students from the previous year's enrollment.

The Honorable President and Members of
the Board of Education
Caldwell-West Caldwell School District
Page 2
December 8, 2016

2) ECONOMIC CONDITION AND OUTLOOK:

Borough of Caldwell

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

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

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

Township of West Caldwell

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

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

3) MAJOR INITIATIVES:

During the 2015-16 school year, the District completed Year Five of its Five Year Curriculum Plan. This work included revisions 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 curriculum writing was also 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. 2015-16 was the second year of implementation of the 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 created a consortium 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.

Fiscal year 2015-16 marked the third year of implementation for AchieveNJ, the state observation and evaluation system. Training sessions on Student Growth Objectives (SGOs) occurred mainly through the building-level teacher meetings.

The Honorable President and Members of
the Board of Education
Caldwell-West Caldwell School District
Page 3
December 8, 2016

The District engaged in several building projects in 2015-16 that had been approved by the December 2014 bond referendum. These included the completion of HVAC upgrades at Jefferson School and the replacement of doors throughout the District as part of security initiative. The District also began field renovations to Bonnel Field, the Upper Field and Lower Field at James Caldwell High School, as well as the creation of a new state-of-the-art districtwide Data Center at Grover Cleveland Middle School. Several other projects will also be completed during the 2016-17 and 2017-18 fiscal years.

The District continued to take several steps to more efficiently manage its operations, including the renewal of a contract with its Food Services Management Company, and continued participation in the National School Lunch Program, which allows the District to be reimbursement by the federal and state governments for Free and Reduced Lunch for students from families with incomes.

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 a vote of 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, 2016.

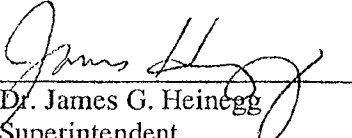
6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to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

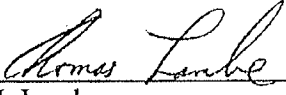
The Honorable President and Members of
the Board of Education
Caldwell-West Caldwell School District
Page 4
December 8, 2016

7) OTHER INFORMATION: Independent Audit – State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Nisivoccia LLP, CPAs, was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The Auditors' Report on the basic financial statements and specific required supplementary information are included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

8) 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.

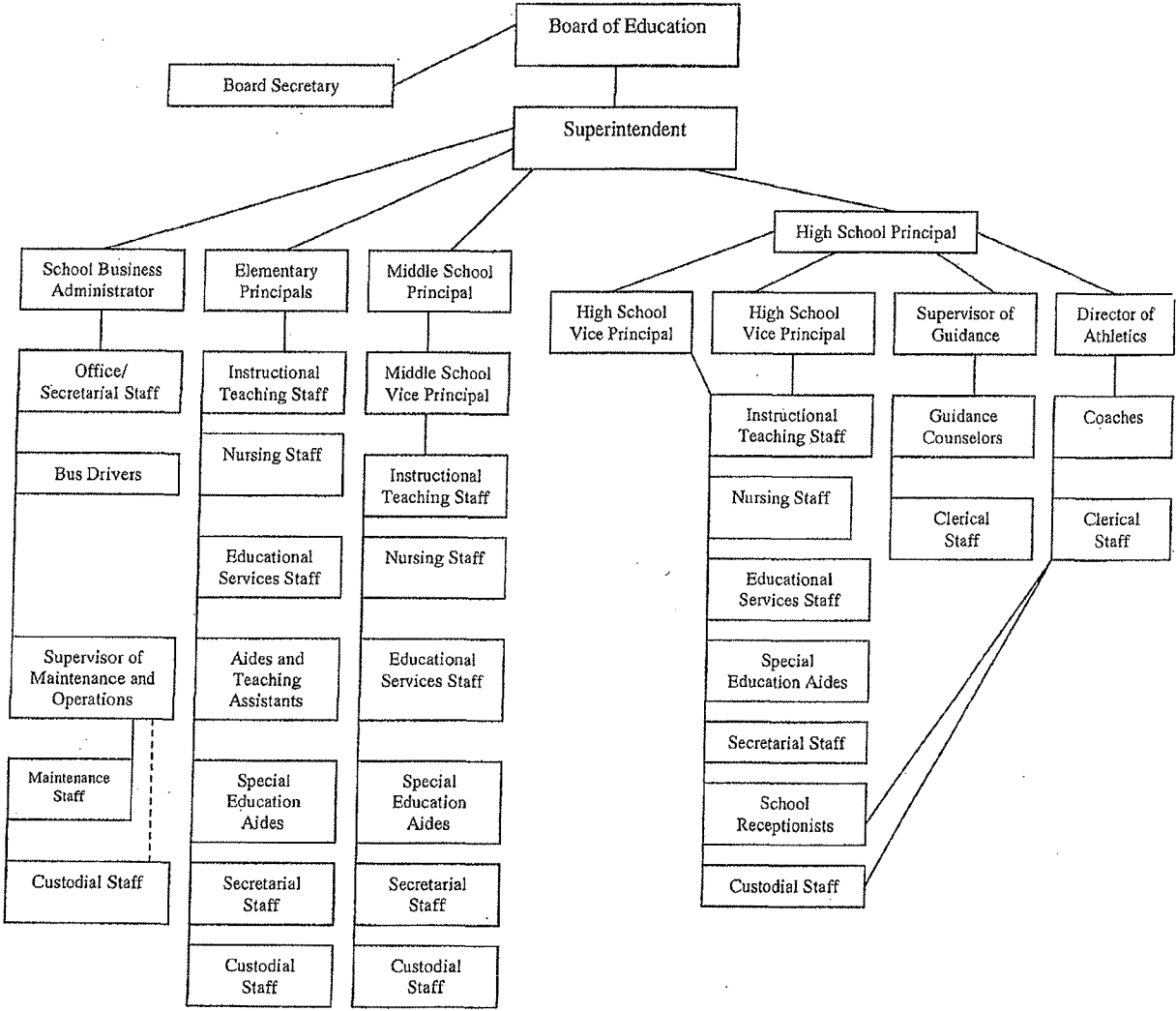
Respectfully submitted,


Dr. James G. Heinegg
Superintendent


Thomas J. Lambe
Business Administrator/Board Secretary

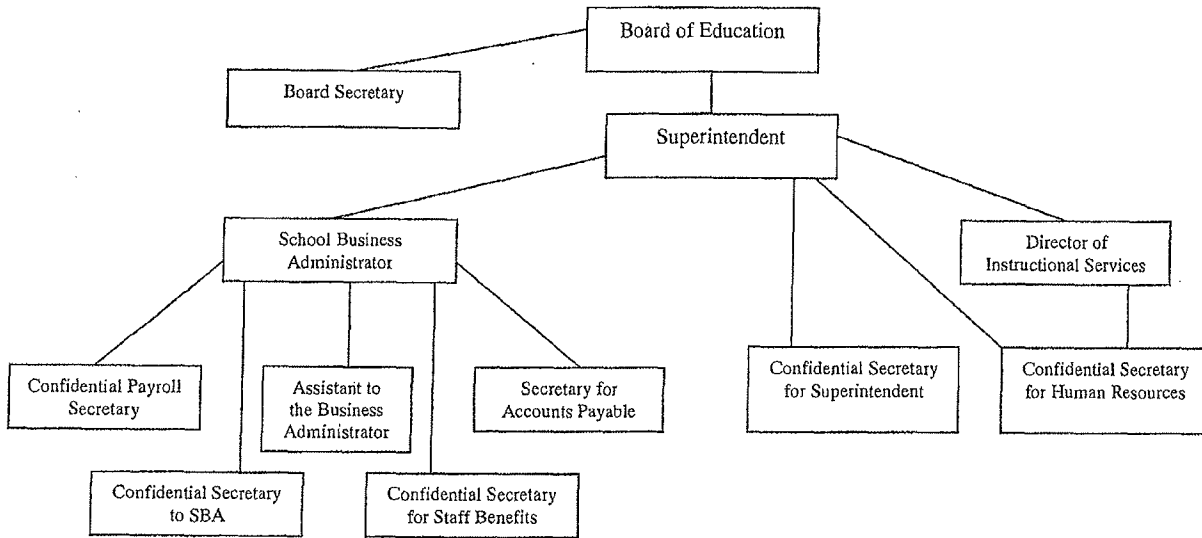
CALDWELL-WEST CALDWELL BOARD OF EDUCATION

ORGANIZATIONAL CHART



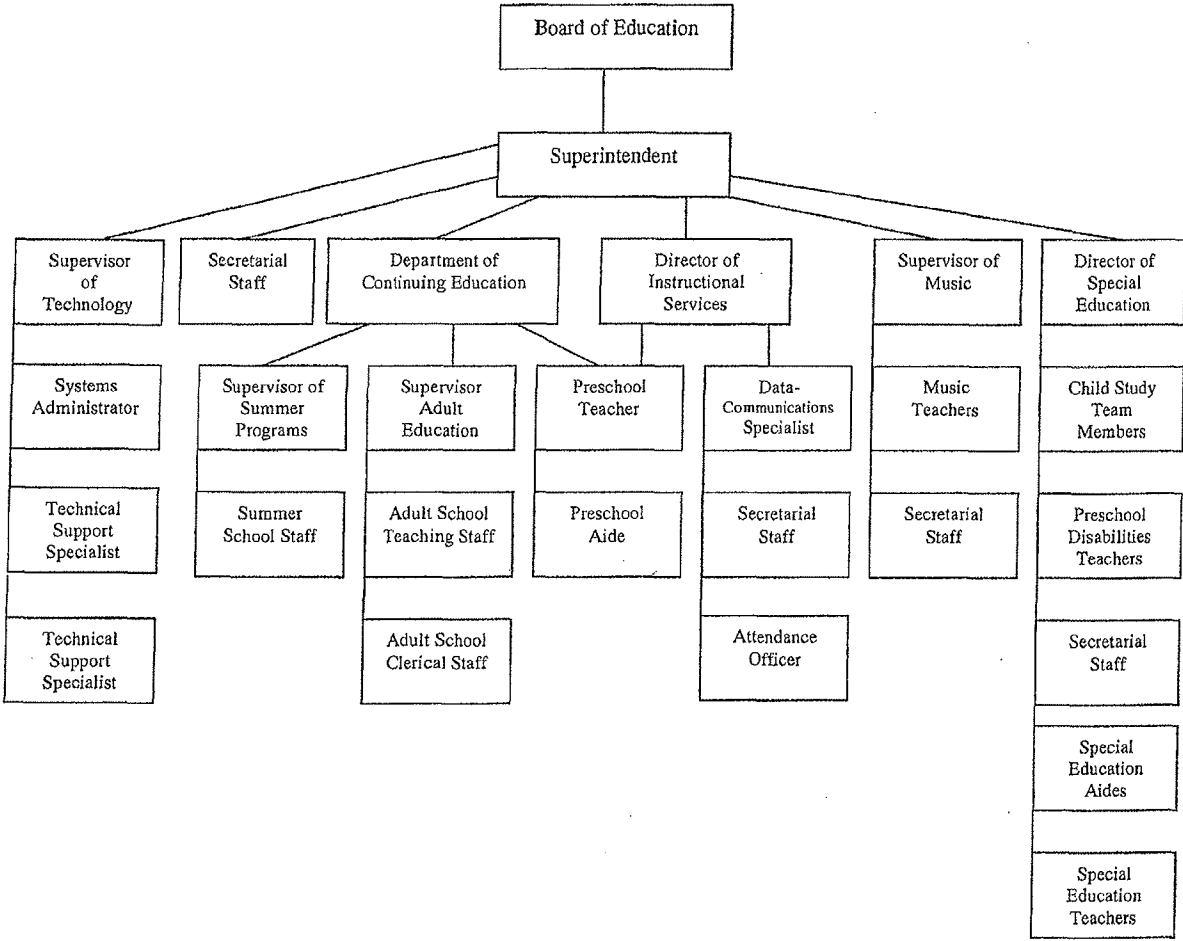
CALDWELL-WEST CALDWELL BOARD OF EDUCATION

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, 2016**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Marie Lanfrank, President	12/2016
Thomas Adams, Vice President	12/2018
Daniel Cipoletti	12/2016
Chris D'Ambola	12/2018
John King	12/2017

<u>Other Officers</u>	<u>Title</u>
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, 2016, 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, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, which follows this report, the pension schedules in Exhibits L-1 through L-6 and the related notes and the budgetary comparison information in Exhibits C-1 through C-3 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying supplementary information such as the combining and individual non-major fund financial statements and the schedules of expenditures of federal and state awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, and the other information, such as the introductory and statistical sections are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

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

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.

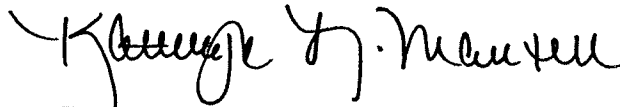
Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 8, 2016 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

December 8, 2016
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, 2016
(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, 2016. 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 \$1,379,887 on a district-wide basis.
- Overall revenue was \$56,294,273 during the fiscal year.
- Overall expenses were \$54,914,386 during the fiscal year.

Overview of the Financial Statements

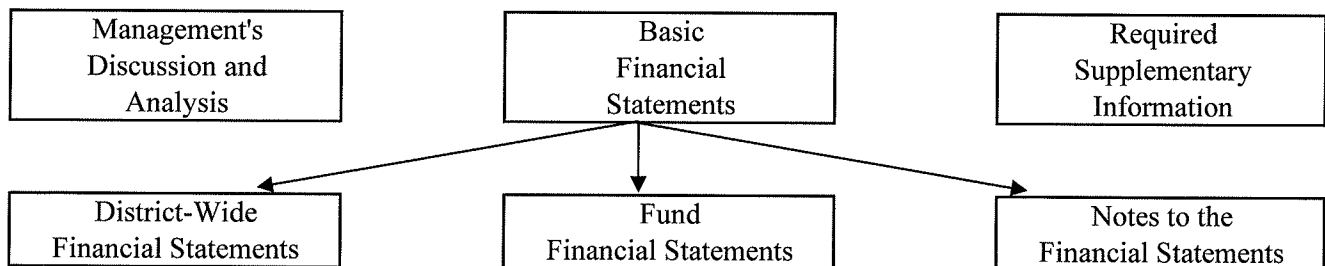
This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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, 2016
(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"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenue, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> • Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows 	<ul style="list-style-type: none"> • Statement of fiduciary net position • Statement of changes in fiduciary net position
Accounting Basis and Measurement Focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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, 2016
(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 is properly using certain revenue (such as federal grants).

The District has three kinds of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on {1} how cash and other financial assets that can readily be converted to cash flow in and out, and {2} the balances left at 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, 2016
(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 \$1,379,887. Net position from governmental activities increased by \$1,482,137 and net position from business-type activities decreased by \$102,250. Net investment in capital assets increased by \$2,451,943, restricted net position increased by \$531,273, and unrestricted net position decreased by \$1,603,329.

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

	Government Activities		Business-Type Activities		Total School District		Percentage
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	Change
Assets:							
Current and							
Other Assets	\$16,305,921	\$22,020,289	\$ 184,822	\$ 309,823	\$16,490,743	\$22,330,112	-26.15%
Capital Assets, Net	29,370,175	19,719,305	224,898	244,969	29,595,073	19,964,274	48.24%
Total Assets	<u>45,676,096</u>	<u>41,739,594</u>	<u>409,720</u>	<u>554,792</u>	<u>46,085,816</u>	<u>42,294,386</u>	8.96%
Deferred Outflows of Resources	<u>3,564,673</u>	<u>349,474</u>			<u>3,564,673</u>	<u>349,474</u>	920.01%
Liabilities:							
Long-Term							
Liabilities	45,039,436	42,735,794			45,039,436	42,735,794	5.39%
Other Liabilities	4,956,464	1,128,403	22,653	65,475	4,979,117	1,193,878	317.05%
Total Liabilities	<u>49,995,900</u>	<u>43,864,197</u>	<u>22,653</u>	<u>65,475</u>	<u>50,018,553</u>	<u>43,929,672</u>	13.86%
Deferred Inflows of Resources	<u>470,732</u>	<u>932,871</u>			<u>470,732</u>	<u>932,871</u>	-49.54%
Net Position:							
Net Investment in							
Capital Assets	10,089,913	7,617,899	224,898	244,969	10,314,811	7,862,868	31.18%
Restricted	1,881,100	1,349,827			1,881,100	1,349,827	39.36%
Unrestricted/(Deficit)	<u>(13,196,876)</u>	<u>(11,675,726)</u>	<u>162,169</u>	<u>244,348</u>	<u>(13,034,707)</u>	<u>(11,431,378)</u>	-14.03%
Total Net Position/(Deficit)	<u>\$ (1,225,863)</u>	<u>\$ (2,708,000)</u>	<u>\$ 387,067</u>	<u>\$ 489,317</u>	<u>\$ (838,796)</u>	<u>\$ (2,218,683)</u>	62.19%

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)**

Changes in Net Position. The District's *combined* net position was \$(838,796) on June 30, 2016, an increase of \$1,379,887 or 62.19% over the previous year. (See Figure A-3). Net Investment in Capital Assets increased by \$2,451,943 due to a \$945,000 net reduction in debt from current year maturities and the defeasance of debt offset by the refunding bonds issued, the current year maturity of \$139,998 of capital leases payable, an increase in deferred amount on refunding of \$537,853 and \$1,573,618 in capital assets additions (\$10,375,325 of additions less \$8,801,707 of the 2015 referendum construction in progress); offset by \$744,526 in depreciation expense. Restricted net position increased by \$531,273 due to an increase of \$430,449 in the Capital Reserve account, an increase of \$200,000 in the Maintenance Reserve account, an increase of \$192 in the Debt Service Fund and an increase in current year excess surplus of \$632 offset by a \$100,000 decrease in excess surplus designated for subsequent year's expenditures. Unrestricted net position decreased by \$1,603,329 due to a \$816,093 decrease in Capital Projects Fund committed fund balance, a decrease of \$51,178 of General Fund fund balance utilized in the current year budget, a decrease in General Fund encumbrances of \$56,678, a net increase in compensated absences of \$42,620, an increase in bond issuance premium of \$715,478, an increase in net pension liability of \$2,630,542 offset by an increase in General Fund Unassigned fund balance of \$269,882, decreases in accrued interest of \$23,837, changes in pension assumptions of \$1,133,944, and changes in proportion in pensions of \$401,406, a net decrease in investment gains and losses in pensions of \$632,838, a \$329,532 difference between expected and actual pension experience and a decrease of \$82,179 from its business-type activities.

Figure A-4
Changes in Net Position from Operating Results

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total School District</u>		<u>Percent Change</u>
	<u>2015/16</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2014/15</u>	<u>2015/16</u>	<u>2014/15</u>	
Revenue:							
Program Revenue:							
Charges for Services	\$ 61,834	\$ 36,262	\$ 616,150	\$ 637,363	\$ 677,984	\$ 673,625	0.65%
Operating Grants and Contributions	12,539,154	10,444,942	79,961	71,518	12,619,115	10,516,460	19.99%
Capital Grants and Contributions	558,405	112,896			558,405	112,896	394.62%
General Revenue:							
Property Taxes	41,576,097	39,801,143			41,576,097	39,801,143	4.46%
Unrestricted State and Federal Aid	489,147	496,927			489,147	496,927	-1.57%
Other	373,378	232,498	147	9	373,525	232,507	60.65%
Total Revenue	<u>55,598,015</u>	<u>51,124,668</u>	<u>696,258</u>	<u>708,890</u>	<u>56,294,273</u>	<u>51,833,558</u>	8.61%
Expenses:							
Instruction	30,591,028	28,176,896			30,591,028	28,176,896	8.57%
Pupil & Instruction Services	10,772,889	10,437,369			10,772,889	10,437,369	3.21%
Administrative & Business	5,443,074	5,112,675			5,443,074	5,112,675	6.46%
Maintenance & Operations	4,344,130	4,457,300			4,344,130	4,457,300	-2.54%
Transportation	1,385,225	1,184,797			1,385,225	1,184,797	16.92%
Other	1,579,532	775,239	798,508	752,683	2,378,040	1,527,922	55.64%
Total Expenses	<u>54,115,878</u>	<u>50,144,276</u>	<u>798,508</u>	<u>752,683</u>	<u>54,914,386</u>	<u>50,896,959</u>	7.89%
Increase/(Decrease) in Net Position	<u>\$1,482,137</u>	<u>\$ 980,392</u>	<u>\$(102,250)</u>	<u>\$ (43,793)</u>	<u>\$1,379,887</u>	<u>\$ 936,599</u>	47.33%

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)**

Revenue Sources. The District's total revenue for the 2015/16 school year was \$56,294,273. (See Figure A-4). Property taxes and grants and contributions accounted for most of the District's revenue, with local taxes accounting for \$41,576,097 of the total, or 73.87 percent. (See Figure A-5). Another 24.26 percent came from state and federal aid and the remaining 1.87% from tuition, miscellaneous sources and charges for services.

**Figure A-5
Sources of Revenue for Fiscal Year 2016 and 2015**

	<u>2016</u>	<u>Percentage</u>	<u>2015</u>	<u>Percentage</u>
<i>Sources of Income:</i>				
Grants and Contributions	\$ 13,177,520	23.39%	\$ 10,629,356	20.51%
Property Taxes	41,576,097	73.87%	39,801,143	76.78%
Unrestricted Federal and State Aid	489,147	0.87%	496,927	0.96%
Charges for Services	677,984	1.21%	673,625	1.30%
Other	373,525	0.66%	232,507	0.45%
	<u>\$ 56,294,273</u>	<u>100.00%</u>	<u>\$ 51,833,558</u>	<u>100.00%</u>

The total cost of all programs and services was \$54,914,386. The District's expenses are predominantly related to Instructing and providing Pupil Services (75.32 percent) which decreased from 75.87 percent in 2014-2015. (See Figure A-6). Other significant cost areas include Administrative and Business activities (9.92 percent) and Maintenance and Operations (7.91 percent). The District operates six schools and a field house. It is important to note that expenses for the year include \$744,526 of depreciation expense attributable to its governmental and business-type activities. Other expenses include \$529,643 of unallocated depreciation, \$1,044,412 of interest on long-term debt, \$5,477 of capital outlay and \$798,508 of expenses for its continuing education and food service business-type activities.

**Figure A-6
Expenses for Fiscal Year 2016 and 2015**

	<u>2016</u>	<u>Percentage</u>	<u>2015</u>	<u>Percentage</u>
<i>Expense Category:</i>				
Instruction	\$ 30,591,028	55.70%	\$ 28,176,896	55.36%
Pupil and Instruction Services	10,772,889	19.62%	10,437,369	20.51%
Administrative and Business	5,443,074	9.92%	5,112,675	10.04%
Maintenance and Operations	4,344,130	7.91%	4,457,300	8.76%
Transportation	1,385,225	2.52%	1,184,797	2.33%
Other	2,378,040	4.33%	1,527,922	3.00%
	<u>\$ 54,914,386</u>	<u>100.00%</u>	<u>\$ 50,896,959</u>	<u>100.00%</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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:

- Entered into a new Interlocal Agreement in April 2016 with the Township of West Caldwell to share lawn cutting services.
- 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 use of state contracts.
- 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.
- The District continued participation in the National School Lunch Program in 2015-16, which provides the district with Federal and State reimbursement for costs associated with providing lunch for free or at reduced prices for students from families with low incomes.

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
	2015/16	2015/16	2014/15	2014/15
Instruction	\$ 30,591,028	\$ 21,249,907	\$ 28,176,896	\$ 20,097,090
Pupil and Instruction Services	10,772,889	8,716,032	10,437,369	8,864,654
Administrative and Business	5,443,074	4,344,079	5,112,675	4,390,010
Maintenance and Operations	4,344,130	3,785,725	4,457,300	4,344,404
Transportation	1,385,225	1,281,210	1,184,797	1,078,779
Other	1,579,532	1,579,532	775,239	775,239
	<u>\$ 54,115,878</u>	<u>\$ 40,956,485</u>	<u>\$ 50,144,276</u>	<u>\$ 39,550,176</u>

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)**

Business-Type Activities

Net position from the District's business-type activity decreased by \$102,250. (Refer to Figure A-4). Factors contributing to these results included:

- Continuing Education Fund expenses exceeded revenues by \$24,189 and Food Service Fund expenses exceeded revenues by \$78,061, 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 expenses for lunchroom aides and other costs.

Financial Analysis of the District's Funds

The District's General Fund financial position improved \$580,099 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 93.3% of the total revenues. The increasing reliance on local tax levy is caused by the lack of increased State funding and Federal funding. The District's Capital Projects Fund financial position decreased \$9,617,800 due to \$10,176,205 in project expenditures offset by \$558,405 in SDA grants.

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 Long-Term Liabilities

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

	Government Activities		Business-Type Activities		Total School District		Percentage
	2015/16	2014/15	2015/16	2014/15	2015/16	2014/15	Change 2015/16
Sites	\$ 229,918	\$ 229,918			\$ 229,918	\$ 229,918	0.00%
Site Improvements	3,606,968	3,843,232			3,606,968	3,843,232	-6.15%
Construction in Progress	10,974,323	798,118			10,974,323	798,118	1275.03%
Buildings & Building Improvements	11,665,451	11,846,377			11,665,451	11,846,377	-1.53%
Machinery and Equipment	2,893,515	3,001,660	\$ 224,898	\$ 244,969	3,118,413	3,246,629	-3.95%
Total Capital Assets, Net	\$29,370,175	\$19,719,305	\$ 224,898	\$ 244,969	\$29,595,073	\$19,964,274	48.24%

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)**

Capital Asset and Long-Term Liabilities (Cont'd)

During the fiscal year, the District acquired or constructed \$10,375,325 in capital asset additions and expensed \$744,526 in depreciation (\$724,455 from its governmental activities and \$20,071 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 Liabilities

The District's long term debt increased by \$2,303,642 or 5.39% – 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 Liabilities

	Total School District		Percentage
	2015/16	2014/15	Change 2015/16
General Obligation Bonds (Financed with Property Taxes)	\$ 28,550,000	\$ 29,495,000	-3.20%
Unamortized Bond Issuance Premium	715,478		100.00%
Net Pension Liabilities	14,824,789	12,194,247	21.57%
Other Long-Term Liabilities	949,169	1,046,547	-9.30%
	<u>\$ 45,039,436</u>	<u>\$ 42,735,794</u>	5.39%

- The District continued to pay down its bonded debt, a net decrease of \$945,000 (due to \$860,000 of maturities and \$85,000 net reduction due to the bond refunding).
- Unamortized Bond Issuance Premium increased \$715,478 due to the bond refunding.
- Net Pension Liability increased by \$2,630,542.
- Compensated absences payable increased by a net amount of \$42,620.
- The District paid down \$139,998 in capital 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 School Employers Health Benefits Plan (SEHBP) 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 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 2015-16 year was the fourth and final year of increasing employee insurance premium contributions required by NJ state legislation, which reduced the Board share of medical costs. Going forward, the percent contribution from the employee will not increase, barring any changes in legislation or negotiations. The employee contributions will only increase as the plan costs increase or as their salaries increase. The District continues to seek new opportunities for efficiencies and expense reduction.

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Unaudited)**

Factors Bearing on the District's Future Revenue/Expense Changes (Cont'd)

- The District's contract with the administrative bargaining unit expired on June 30, 2016. The contract with the secretarial unit will expire on June 30, 2017 and the teacher and custodial contracts will each expire on June 30, 2018. The result of the impending settlements will have a significant impact on future budgets.

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
1 of 2

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 13,542,457	\$ 219,859	\$ 13,762,316
Interfund Receivable - Flexible Spending Trust	9,027		9,027
Receivables from State Government	1,196,577	565	1,197,142
Receivables from Federal Government	228,607	13,058	241,665
Other Accounts Receivables	84,817		84,817
Internal Balances	56,017	(56,017)	
Inventories		7,357	7,357
Restricted Cash and Cash Equivalents	1,188,419		1,188,419
Capital Assets, Net:			
Sites (Land) and Construction in Progress	11,204,241		11,204,241
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	18,165,934	224,898	18,390,832
Total Assets	<u>45,676,096</u>	<u>409,720</u>	<u>46,085,816</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Amount on Refunding	537,853		537,853
Charges in Proportion - Pensions	345,403		345,403
Charges in Assumptions - Pensions	1,483,418		1,483,418
Difference Between Expected and Actual Experience - Pensions	329,532		329,532
Investment Losses - Pensions	226,702		226,702
District Contributions Subsequent to the Measurement Date - Pensions	641,765		641,765
Total Deferred Outflows of Resources	<u>3,564,673</u>		<u>3,564,673</u>
LIABILITIES			
Current Liabilities:			
Accounts Payable	4,627,198		4,627,198
Accrued Interest Payable	284,278		284,278
Payable to State Government	23,328		23,328
Unearned Revenue	21,660	22,653	44,313
Noncurrent Liabilities:			
Due Within One Year	2,171,907		2,171,907
Due Beyond One Year	42,867,529		42,867,529
Total Liabilities	<u>49,995,900</u>	<u>22,653</u>	<u>50,018,553</u>
DEFERRED INFLOWS OF RESOURCES:			
Investment Gains - Pensions	222,088		222,088
Changes in Proportion - Pensions	248,644		248,644
Total Deferred Inflows of Resources	<u>470,732</u>		<u>470,732</u>

Exhibit A-1
2 of 2

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 10,089,913	\$ 224,898	\$ 10,314,811
Restricted for:			
Capital Projects	888,419		888,419
Debt Service	92,049		92,049
Maintenance Reserve	300,000		300,000
Excess Surplus	600,632		600,632
Unrestricted/(Deficit)	<u>(13,196,876)</u>	<u>162,169</u>	<u>(13,034,707)</u>
Total Net Position/(Deficit)	<u>\$ (1,225,863)</u>	<u>\$ 387,067</u>	<u>\$ (838,796)</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, 2016

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 21,971,767	\$ 57,149	\$ 5,579,079		\$ (16,335,539)		\$ (16,335,539)
Special Education	6,438,375		3,175,541		(3,262,834)		(3,262,834)
Other Special Instruction	364,984		98,864		(266,120)		(266,120)
Other Instruction	1,815,902		430,488		(1,385,414)		(1,385,414)
Support Services:							
Tuition	2,472,465				(2,472,465)		(2,472,465)
Student and Instruction Related Services	8,300,424		2,056,857		(6,243,567)		(6,243,567)
General Administrative Services	729,656		131,091		(598,565)		(598,565)
School Administrative Services	3,003,053		777,356		(2,225,697)		(2,225,697)
Central Services	811,180		190,548		(620,632)		(620,632)
Administrative Information Technology	899,185				(899,185)		(899,185)
Plant Operations and Maintenance	4,344,130			\$ 558,405	(3,785,725)		(3,785,725)
Pupil Transportation	1,385,225	4,685	99,330		(1,281,210)		(1,281,210)
Unallocated Depreciation	529,643				(529,643)		(529,643)
Interest on Long-Term Debt	1,044,412				(1,044,412)		(1,044,412)
Capital Outlay	5,477				(5,477)		(5,477)
Total Governmental Activities	54,115,878	61,834	12,539,154	558,405	(40,956,485)		(40,956,485)
Business-Type Activities:							
Continuing Education	213,195	189,006				\$ (24,189)	(24,189)
Food Service Fund	585,313	427,144	79,961			(78,208)	(78,208)
Total Business-Type Activities	798,508	616,150	79,961			(102,397)	(102,397)

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

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
Total Primary Government	<u>\$ 54,914,386</u>	<u>\$ 677,984</u>	<u>\$ 12,619,115</u>	<u>\$ 558,405</u>	<u>\$ (40,956,485)</u>	<u>\$ (102,397)</u>	<u>\$ (41,058,882)</u>
General Revenues:							
Taxes:							
Property Taxes, Levied for General Purposes, Net					40,210,804		40,210,804
Taxes Levied for Debt Service					1,365,293		1,365,293
Federal, State and Local Aid not Restricted					489,147		489,147
Interest Earnings					72,548	147	72,695
Miscellaneous Income					300,830		300,830
Total General Revenues					<u>42,438,622</u>	<u>147</u>	<u>42,438,769</u>
Change in Net Position					1,482,137	(102,250)	1,379,887
Net Position/(Deficit) - Beginning					<u>(2,708,000)</u>	<u>489,317</u>	<u>(2,218,683)</u>
Net Position/(Deficit) - Ending					<u>\$ (1,225,863)</u>	<u>\$ 387,067</u>	<u>\$ (838,796)</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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,181,578		\$ 12,360,879		\$ 13,542,457
Interfund Receivable	338,529			\$ 92,049	430,578
Receivables From State Government	554,780	\$ 83,392	558,405		1,196,577
Receivables From Federal Government		228,607			228,607
Other Accounts Receivable		84,817			84,817
Restricted Cash and Cash Equivalents	1,188,419				1,188,419
Total Assets	\$ 3,263,306	\$ 396,816	\$ 12,919,284	\$ 92,049	\$ 16,671,455
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable		\$ 273,485	\$ 92,049		\$ 365,534
Accounts Payable - Vendors	\$ 197,893	78,343	3,822,205		4,098,441
Payable to State Government		23,328			23,328
Unearned Revenue		21,660			21,660
Total Liabilities	197,893	396,816	3,914,254		4,508,963
Fund Balances:					
Restricted:					
Capital Reserve Account	888,419				888,419
Maintenance Reserve	300,000				300,000
Excess Surplus - Subsequent Year's Expenditures	300,000				300,000
Excess Surplus	300,632				300,632
Capital Projects			8,917,775		8,917,775
Debt Service				\$ 92,049	92,049
Committed:					
Capital Projects			87,255		87,255
Assigned:					
Year-end Encumbrances	248,298				248,298

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Unassigned	\$ 1,028,064				\$ 1,028,064
Total Fund Balances	3,065,413	\$ - 0 -	\$ 9,005,030	\$ 92,049	12,162,492
Total Liabilities and Fund Balances	\$ 3,263,306	\$ 396,816	\$ 12,919,284	\$ 92,049	

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 \$54,836,482 and the accumulated depreciation is \$25,466,667.	\$ 29,370,175
Bond Issuance Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold. The Amount is \$804,913 and the Accumulated Amortization is \$89,435.	(715,478)
The Deferred Amount on the Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure.	537,853
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(284,278)

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	1,483,418
Change in Proportions - Pensions	345,403
Investment Losses - Pensions	226,702
Difference between Expected and Actual Experience - Pensions	329,532
Investment Gains - Pensions	(222,088)
Change in Proportions - Pensions	(248,644)
Prepaid District Contribution Subsequent to the Measurement Date-Pensions	113,008

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 Governmental Funds. (44,323,958)

Net Position of Governmental Activities (Exhibit A-1) \$ (1,225,863)

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, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 40,210,804			\$ 1,365,293	\$ 41,576,097
Tuition from Other LEAs	28,677				28,677
Tuition from Individuals	28,472				28,472
Transportation Fees From Individuals	4,685				4,685
Rents & Royalties	85,961				85,961
Interest Earned on Capital Reserve Funds	449				449
Other Restricted Miscellaneous Revenue	60,711				60,711
Unrestricted Miscellaneous Revenue	154,158	\$ 195,822	\$ 72,099		422,079
Total - Local Sources	40,573,917	195,822	72,099	1,365,293	42,207,131
State Sources	5,721,288	291,014	558,405	398,424	6,969,131
Federal Sources		1,105,895			1,105,895
Total Revenues	46,295,205	1,592,731	630,504	1,763,717	50,282,157
EXPENDITURES:					
Current:					
Regular Instruction	12,754,418	524,177			13,278,595
Special Education Instruction	3,064,586	623,307			3,687,893
Other Special Instruction	229,197				229,197
School-Sponsored/Other Instruction	1,227,617				1,227,617
Support Services and Undistributed Costs:					
Tuition	2,472,465				2,472,465
Student/Other Instruction Related Services	5,643,408	445,247			6,088,655
General Administrative Services	530,010				530,010
School Administrative Services	1,823,562				1,823,562
Central Services	492,065				492,065
Administrative Information Technology	833,117				833,117

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES:					
Plant Operations and Maintenance	\$ 3,981,547				\$ 3,981,547
Student Transportation	1,344,658				1,344,658
Allocated Benefits	2,940,097				2,940,097
Unallocated Benefits	8,173,163				8,173,163
Capital Outlay	205,196		\$ 10,176,205		10,381,401
Debt Service:					
Principal				\$ 860,000	860,000
Interest and Other Charges				975,624	975,624
Total Expenditures	<u>45,715,106</u>	<u>\$ 1,592,731</u>	<u>10,176,205</u>	<u>1,835,624</u>	<u>59,319,666</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	580,099		(9,545,701)	(71,907)	(9,037,509)
Other Financing Sources/(Uses):					
School Refunding Bonds Issued				7,350,000	7,350,000
School Bonds Defeased				(7,435,000)	(7,435,000)
Bond Premium				804,913	804,913
Bond Issuance Costs				(114,828)	(114,828)
Deferred amount on Refunding Transfers			(72,099)	72,099	(605,085)
Total Other Financing Sources/(Uses)			<u>(72,099)</u>	<u>72,099</u>	<u>- 0 -</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses:	580,099		(9,617,800)	192	(9,037,509)
Fund Balance - July 1	2,485,314		18,622,830	91,857	21,200,001
Fund Balance - June 30	<u>\$ 3,065,413</u>	<u>\$ -0-</u>	<u>\$ 9,005,030</u>	<u>\$ 92,049</u>	<u>\$ 12,162,492</u>

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, 2016

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) \$ (9,037,509)

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

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

Depreciation Expense	\$ (724,455)	
Capital Outlays	<u>10,375,325</u>	9,650,870

In the Statement of Activities, interest on Long-Term Liabilities 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 (+). 23,837

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

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. 139,998

The governmental funds report the effect of premiums and the deferred amount on refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 89,435

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, 2016

Debt issued for the advanced refunding less the amount of bonds defeased are are not recorded in the governmental funds.

	School Bonds Issued	\$ (7,350,000)	
	School Bonds Defeased	7,435,000	
	Deferred Amount on School Bond Refunding	605,085	
	School Bond Premium	<u>(804,913)</u>	
			\$ (114,828)

The governmental funds report the effect of the deferred amount on refunding relative to an advance refunding when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities (-). (67,232)

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

Change in Net Pension Liability	(2,630,542)
Deferred Outflows:	
Changes in Assumptions	1,133,944
Changes in Proportion	345,403
Difference between Expected and Actual Experience	329,532
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	192,610
Deferred Inflows:	
Changes in Proportion	56,003
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	440,228
Prepaid District Contribution Subsequent to the Measurement Date-Pensions	113,008

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 (+). (42,620)

Change in Net Position of Governmental Activities (Exhibit A-2) \$ 1,482,137

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, 2016

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Fund</u>	<u>Major Fund Food Service</u>	<u>Total Enterprise Funds</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 219,859		\$ 219,859
Intergovernmental Accounts Receivable:			
State		\$ 565	565
Federal		13,058	13,058
Inventories		7,357	7,357
Total Current Assets	<u>219,859</u>	<u>20,980</u>	<u>240,839</u>
Non-Current Assets:			
Capital Assets		533,480	533,480
Less: Accumulated Depreciation		<u>(308,582)</u>	<u>(308,582)</u>
Total Non-Current Assets		<u>224,898</u>	<u>224,898</u>
Total Assets	<u>219,859</u>	<u>245,878</u>	<u>465,737</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Interfund Payable - General Fund		56,017	56,017
Prepaid Sales		20,782	20,782
Unearned Revenue		<u>1,871</u>	<u>1,871</u>
Total Current Liabilities		<u>78,670</u>	<u>78,670</u>
<u>NET POSITION:</u>			
Investment in Capital Assets		224,898	224,898
Unrestricted/(Deficit)	<u>219,859</u>	<u>(57,690)</u>	<u>162,169</u>
Total Net Position	<u>\$ 219,859</u>	<u>\$ 167,208</u>	<u>\$ 387,067</u>

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

Exhibit B-5

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Fund</u>	<u>Major Fund Food Service</u>	<u>Total</u>
Operating Revenue:			
Daily Sales - Reimbursable Programs		\$ 65,797	\$ 65,797
Daily Sales - Non-Reimbursable Programs		361,347	361,347
Charges for Services:			
Program Fees	\$ 189,006		189,006
Total Operating Revenue	<u>189,006</u>	<u>427,144</u>	<u>616,150</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs		93,202	93,202
Cost of Sales - Non-Reimbursable Programs		158,618	158,618
Salaries, Benefits & Payroll Taxes	134,139	222,367	356,506
Purchased Professional and Technical Services		30,300	30,300
Other Purchased Services	66,484		66,484
Supplies and Materials	12,572	22,125	34,697
Miscellaneous Expense		38,630	38,630
Depreciation Expense		20,071	20,071
Total Operating Expenses	<u>213,195</u>	<u>585,313</u>	<u>798,508</u>
Operating Loss	(24,189)	(158,169)	(182,358)
Non-Operating Revenue:			
Local Sources:			
Interest Income		147	147
State Sources:			
State School Lunch Program		2,981	2,981
Federal Sources:			
National School Lunch Program		66,891	66,891
Food Distribution Program		10,089	10,089
Total Non-Operating Revenue		<u>80,108</u>	<u>80,108</u>
Change in Net Position	(24,189)	(78,061)	(102,250)
Net Position - Beginning of Year	<u>244,048</u>	<u>245,269</u>	<u>489,317</u>
Net Position - End of Year	<u>\$ 219,859</u>	<u>\$ 167,208</u>	<u>\$ 387,067</u>

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, 2016

	Business-Type Activities - Enterprise Funds		
	Non-Major Fund	Major Fund Food Service	Total Enterprise Funds
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 189,006	\$ 428,253	\$ 617,259
Payments to Food Service Contractors		(600,424)	(600,424)
Payments for Salaries, Payroll Taxes and Benefits	(136,867)		(136,867)
Payments to Suppliers	(79,056)		(79,056)
Net Cash Used for Operating Activities	(26,917)	(172,171)	(199,088)
Cash Flows from Investing Activities:			
Interest Income		147	147
Net Cash Provided by Investing Activities		147	147
Cash Flows from Noncapital & Financing Activities:			
State Sources		2,653	2,653
Federal Sources		59,093	59,093
Interfund Advanced - General Fund		56,017	56,017
Net Cash Provided by Noncapital & Financing Activities		117,763	117,763
Net Decrease in Cash and Cash Equivalents	(26,917)	(54,261)	(81,178)
Cash and Cash Equivalents, July 1	246,776	54,261	301,037
Cash and Cash Equivalents, June 30	\$ 219,859	\$ -0-	\$ 219,859
Reconciliation of Operating Loss to Net Cash			
Used for Operating Activities:			
Operating Loss	\$ (24,189)	\$ (158,169)	\$ (182,358)
Adjustment to Reconcile Operating Loss to			
Net Cash Used for Operating Activities:			
Depreciation		20,071	20,071
Food Distribution Program		10,089	10,089
Changes in Assets and Liabilities:			
(Increase)/Decrease in Interfund Payable	(2,728)		(2,728)
(Increase)/Decrease in Inventory		(1,340)	(1,340)
(Increase)/Decrease in Accounts Payable		(44,976)	(44,976)
(Increase)/Decrease in Prepaid Sales		1,109	1,109
Increase/(Decrease) in Unearned Revenue		1,045	1,045
Net Cash Used for Operating Activities	\$ (26,917)	\$ (172,171)	\$ (199,088)

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 \$11,134 and Utilized Commodities Valued at \$10,089.

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, 2016

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 312,539	\$ 87,682	\$ 20,775
Investments	14,207		
Total Assets	<u>326,746</u>	<u>87,682</u>	<u>20,775</u>
<u>LIABILITIES:</u>			
Interfund Payable - General Fund			9,027
Payroll Deductions and Withholdings	9,410		
Due to Student Groups	317,336		
Total Liabilities	<u>326,746</u>		<u>9,027</u>
<u>NET POSITION:</u>			
Held in Trust for:			
Unemployment Claims		87,682	
Flexible Spending Claims			11,748
Total Net Position	<u>\$ -0-</u>	<u>\$ 87,682</u>	<u>\$ 11,748</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, 2016

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 64,178	\$ 61,162
Total Contributions	<u>64,178</u>	<u>61,162</u>
Investment Earnings:		
Interest	207	
Net Investment Earnings	<u>207</u>	
Total Additions	<u>64,385</u>	<u>61,162</u>
DEDUCTIONS:		
Flexible Spending Claims		58,981
Quarterly Unemployment Contributions	63,339	
Total Deductions	<u>63,339</u>	<u>58,981</u>
Change in Net Position	1,046	2,181
Net Position - Beginning of the Year	<u>86,636</u>	<u>9,567</u>
Net Position - End of the Year	<u>\$ 87,682</u>	<u>\$ 11,748</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, 2016

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 located in the Township of West Caldwell and serving 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, 2016
(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, 2016
(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, 2016
(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, 2016 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 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:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 46,310,173	\$ 1,596,086
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		(3,355)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	77,227	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(92,195)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 46,295,205</u>	<u>\$ 1,592,731</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

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

	General Fund	Special Revenue Fund
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 45,715,106	\$ 1,596,086
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		(3,355)
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 45,715,106	\$ 1,592,731
	Capital Projects Fund	
	Revenue	Fund Balance
Revenue/Fund Balance (Budgetary Basis)	\$ 72,099	\$ 9,034,420
Reconciliation to Governmental Funds Statements (GAAP):		
SDA Grant Revenue/Receivable Recognized/(Not Recognized) on the GAAP Basis	558,405	(29,390)
Revenue/Fund Balance per Governmental Funds (GAAP)	\$ 630,504	\$ 9,005,030

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, 2016
(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, 2016.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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 and Building Improvements	50 years
Site Improvements	20 years
Machinery 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 governmental activities, business-type activities, or enterprise funds. Bond premium and discounts, are 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, 2016.

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, 2016
(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 \$3,065,414 General Fund fund balance at June 30, 2016, \$248,298 is assigned for year-end encumbrances; \$888,419 is restricted in the capital reserve account; \$300,000 is restricted in the maintenance reserve account; \$300,632 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, 2018; \$300,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2017; and \$1,028,064 is unassigned, which is \$92,195 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, 2017.

Capital Projects Fund: Of the \$9,005,030 fund balance in the Capital Projects Fund at June 30, 2016, \$8,917,775 is restricted and \$87,255 is committed.

Debt Service Fund: The \$92,049 fund balance in the Debt Service Fund at June 30, 2016 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, 2016 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, 2016

(Continued)

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

Q. Deficit Net Position

The District has a deficit in unrestricted net position of \$13,196,876 in governmental activities, which is due to accrued interest payable of \$284,278, \$763,279 of compensated absences payable, an unamortized bond premium of \$715,478 and net pension liability of \$14,824,789; net of \$248,298 assigned for encumbrances, \$87,255 committed to capital projects, changes in proportion in pensions of \$96,759, changes in pension assumptions of \$1,483,418, investment gains/losses in pensions of \$4,614, difference between expected and actual experience in pensions of \$329,532 and unassigned fund balance of \$1,141,072. The Food Service Enterprise Fund has a deficit in unrestricted net position of \$57,690 primarily due to operating deficits in the current and previous years. The deficit in governmental activities net position does not indicate that the District is experiencing 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 inflows of resources at June 30, 2016 for the net difference between projected and actual investment earnings on pension plan investments and changes in proportions in pensions. The District had deferred outflows of resources at June 30, 2016 for the Deferred Amount on Bond Refunding, changes in assumptions in pensions, changes in proportions in pensions, the difference between expected and actual pension experience, the net difference between projected and actual investment earnings on pension plan investments and the District contribution subsequent to the measurement date for pensions.

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

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

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

The District Board of Education has the responsibility to formally commit resources for specific purposes through a motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body. The Board of Education must also utilize a formal motion or a resolution passed by a majority of the Members of the Board of Education at a public meeting of that governing body in order to remove or change the commitment of resources. The District had \$87,255 of committed resources at June 30, 2016 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 \$248,298 of assigned resources for year-end encumbrances in the General Fund at June 30, 2016.

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, 2016

(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.

Custodial Credit Risk – The District's policy with respect to custodial credit risk requires that the District ensures that District funds are only deposited in financial institutions in which NJ school districts are permitted to invest their funds.

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Continued)

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

Deposits: (Cont'd)

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

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

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

All collateral must be deposited with the Federal Reserve Bank, 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;
- (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, 2016
(Continued)

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

Investments: (Cont'd)

As of June 30, 2016, cash and cash equivalents and investments of the District consisted of the following:

	Restricted		Cash and Cash Equivalents	Invest- ments	Total
	Cash and Cash Equivalents Capital Reserve	Maintenance Reserve			
Checking/Money Market Accounts	\$ 888,419	\$ 300,000	\$ 14,183,312		\$ 15,371,731
Certificate of Deposits				\$ 14,207	14,207
	<u>\$ 888,419</u>	<u>\$ 300,000</u>	<u>\$ 14,183,312</u>	<u>\$ 14,207</u>	<u>\$ 15,385,938</u>

During the period ended June 30, 2016, 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, 2016, was \$15,385,938 and the bank balance was \$18,077,231.

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, 2015	\$ 457,970
Add: Interest Earnings	449
Transfer from Unassigned Fund Balance as per Board Resolution - June 2016	<u>430,000</u>
Ending Balance, June 30, 2016	<u>\$ 888,419</u>

The balance in the capital reserve account at June 30, 2016 does not exceed the local support costs of uncompleted capital projects in the District's approved LRFP.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (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, 2015 to June 30, 2016 fiscal year is as follows:

Beginning Balance, July 1, 2015	\$ 100,000
Add: Transfer from Unassigned Fund Balance as per Board Resolution - June 2016	<u>200,000</u>
Ending Balance, June 30, 2016	<u><u>\$ 300,000</u></u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2016 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	798,118	\$ 10,176,205		10,974,323
Total Capital Assets Not Being Depreciated	<u>1,028,036</u>	<u>10,176,205</u>	<u>\$ -0-</u>	<u>11,204,241</u>
Capital Assets Being Depreciated:				
Site Improvements	6,635,707			6,635,707
Buildings and Building Improvements	29,235,284			29,235,284
Machinery and Equipment	7,562,490	199,120		7,761,610
Total Capital Assets Being Depreciated	<u>43,433,481</u>	<u>199,120</u>		<u>43,632,601</u>
Governmental Activities Capital Assets	<u>44,461,517</u>	<u>10,375,325</u>		<u>54,836,842</u>
Less Accumulated Depreciation for:				
Site Improvements	\$ (2,792,475)	\$ (236,264)		\$ (3,028,739)
Buildings and Building Improvements	(17,388,907)	(180,926)		(17,569,833)
Machinery and Equipment	(4,560,830)	(307,265)		(4,868,095)
	<u>(24,742,212)</u>	<u>(724,455)</u>		<u>(25,466,667)</u>
Governmental Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 19,719,305</u>	<u>\$ 9,650,870</u>	<u>\$ -0-</u>	<u>\$ 29,370,175</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 533,480			\$ 533,480
Less: Accumulated Depreciation	<u>(288,511)</u>	<u>(20,071)</u>		<u>(308,582)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 244,969</u>	<u>\$ (20,071)</u>	<u>\$ -0-</u>	<u>\$ 224,898</u>

During the fiscal year, the District acquired or constructed \$10,375,325 in capital asset additions and expensed \$744,526 in depreciation (\$724,455 from its governmental activities and \$20,071 from its business-type activities).

As of June 30, 2016, the District has \$20,009,137 in active construction in progress, including \$1,879,481 of encumbrances.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 73,630
Special Education Instruction	16,163
Student and Other Instruction Related Services	2,168
General Administration	4,335
School Administration	30,346
Central Services	4,335
Administrative Information Technology	2,168
Operations and Maintenance of Plant	41,024
Student Transportation	20,643
Unallocated	529,643
	<u>\$ 724,455</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2016, the District transferred \$110,396 to capital outlay accounts. The transfers were to equipment line items which did not require approval from the County Superintendent.

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2016, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2015	Accrued	Retired	Balance 6/30/2016
Serial Bonds Payable	\$ 29,495,000	\$ 7,350,000	\$ 8,295,000	\$ 28,550,000
Unamortized Bond Issuance Premium		804,913	89,435	715,478
Net Pension Liability:				
PERS	11,113,696	2,699,418		13,813,114
Essex County	1,080,551		68,876	1,011,675
Capital Leases Payable	325,888		139,998	185,890
Compensated Absences Payable	720,659	119,508	76,888	763,279
	<u>\$ 42,735,794</u>	<u>\$ 10,973,839</u>	<u>\$ 8,670,197</u>	<u>\$ 45,039,436</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 were to mature on September 1, 2010 through 2024. The District defeased \$7,435,000 of these bonds in 2016, and the final maturity is due September 1, 2018.

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.

On February 17, 2016, the District issued refunding school bonds of \$7,350,000 with interest rates ranging from 2.00% to 4.00% to refund \$7,435,000 of 2008 school bonds with interest rates ranging from 4.125% to 5.000%. The bonds mature on September 1, 2017 through 2024 and are non-callable. The net proceeds from the issuance of the refunding bonds were used to purchase U.S. government securities and those securities were deposited in an irrevocable trust with an escrow agent to provide debt service payments until the 2008 school bonds are called on September 1, 2018. The refunding met the requirements of an in-substance debt defeasance and the school bonds were removed from the School's government-wide financial statements.

As a result of the refunding, the District will realize a total of \$497,227 in cash savings over the life of the bond issue. On a net present value basis, the savings equate to \$462,753, or 6.30%, of the bonds refunded.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 8. LONG-TERM LIABILITIES (Cont'd)A. Bonds Payable: (Cont'd)

The District had bonds outstanding as of June 30, 2016 as follows:

<u>Purpose</u>	<u>Final Maturity Date</u>	<u>Interest Rate</u>	<u>Amount</u>
School Bonds	09/01/18	4.125%	\$ 2,995,000
School Bonds	03/15/33	2.500-3.000%	18,205,000
Refunding School Bonds	09/01/24	2.000-4.000%	7,350,000
			<u>\$ 28,550,000</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Bonds</u>		
	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2017	\$ 1,940,000	\$ 888,178	\$ 2,828,178
2018	1,785,000	814,331	2,599,331
2019	1,990,000	750,822	2,740,822
2020	2,010,000	687,225	2,697,225
2021	2,110,000	628,100	2,738,100
Thereafter 5 Years (2022-2026)	10,085,000	2,070,300	12,155,300
Thereafter 5 Years (2027-2031)	5,960,000	948,450	6,908,450
Thereafter 3 Years (2032-2033)	2,670,000	120,750	2,790,750
	<u>\$ 28,550,000</u>	<u>\$ 6,908,156</u>	<u>\$ 35,458,156</u>

B. Bonds Authorized But Not Issued:

As of June 30, 2016, 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 of which \$353,252 has been amortized as of June 30, 2016. 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 leases, and the present value of the net minimum lease payments at June 30, 2016.

<u>Year</u>	<u>Amount</u>
2017	\$ 147,171
2018	44,072
	191,243
Less: Amount Representing Interest	(5,353)
Present Value Net of Minimum Lease Payments	<u>\$ 185,890</u>

The current portion of capital leases payable at June 30, 2016 is \$142,472 and the long-term portion is \$43,418. The General Fund will be used to liquidate the capital leases payable.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

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

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 \$763,279 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.

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, 2016 is \$-0- and the long-term portion is \$13,813,114. 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, 2016 is \$-0- and the long-term portion is \$1,011,675. See Note 9 for further information on the Plan.

F. Unamortized Bond Issuance Premium:

The unamortized bond issuance premium of the governmental fund types is recorded in the noncurrent liabilities. The current portion of the unamortized bond issuance premium balance of the governmental funds is \$89,435 and is separated from the long-term liability balance of \$626,043.

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.

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 15A and requires contributions by active members and contributing members. The local employers' contribution amounts are based on an actuarially determined rate which includes the normal cost and unfunded accrued liability. Chapter 19, P.L. 2009 provided an option for local employers of PERS to contribute 50% of the normal and accrued liability contribution amounts certified for payments due in State fiscal year 2009. Such employers will be credited with the full payment and any such amounts will not be included in their unfunded liability. The actuaries will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$529,026 for fiscal year 2016.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

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

At June 30, 2016, the District reported a liability of \$13,813,114 for its proportionate share of the net pension liability.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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)

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 July 1, 2014 which was rolled forward to 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 0.062%, which was an increase of 0.003% from its proportion measured as of June 30, 2014.

For the fiscal year ended June 30, 2016, the District recognized pension expense of \$924,091. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 295,681	
	2015	5.72	1,187,737	
Changes in Proportion	2014	6.44		\$ 248,644
	2015	5.72	345,403	
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2014	5.00		514,934
	2015	5.00		(292,846)
Difference Between Expected and Actual Experience	2015	5.72	329,532	
District Contribution Subsequent to the Measurement Date	2015	1.00	<u>528,757</u>	
			<u>\$ 2,687,110</u>	<u>\$ 470,732</u>

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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)

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2016	\$ 289,617
2017	289,617
2018	289,617
2019	461,262
2020	260,749
	<u>\$ 1,590,862</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	3.04%
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) for service retirement and beneficiaries of former members with adjustments for mortality improvements from the base year of 2012 based on Projection Scale AA. The RP-2000 Disabled Mortality Tables (setback 3 years for males and setback one year for females) are used to value disabled retirees.

The actuarial assumptions used in the July 1, 2014 valuation were based on the results of an actuarial experience study for the period July 1, 2008 to June 30, 2011. It is likely that future experience will not exactly conform to these assumptions. To the extent that actual experience deviates from these assumptions, the emerging liabilities may be higher or lower than anticipated. The more the experience deviates, the larger the impact on future financial statements.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block 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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

These ranges are combined to produce the long-term expected rate of return by weighting 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 included in PERS' target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	5.00%	1.04%
U.S. Treasuries	1.75%	1.64%
Investment Grade Credit	10.00%	1.79%
Mortgages	2.10%	1.62%
High Yield Bonds	2.00%	4.03%
Inflation-Indexed Bonds	1.50%	3.25%
Broad U.S. Equities	27.25%	8.52%
Developed Foreign Equities	12.00%	6.88%
Emerging Market Equities	6.40%	10.00%
Private Equity	9.25%	12.41%
Hedge Funds/Absolute Return	12.00%	4.72%
Real Estate (Property)	2.00%	6.83%
Commodities	1.00%	5.32%
Global Debt ex. U.S.	3.50%	-0.40%
REIT	4.25%	5.12%

Discount Rate

The discount rate used to measure the total pension liability was 4.90% as of June 30, 2015. 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 3.80% as of June 30, 2015 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 actuarially determined contributions.

Based on those assumptions, the 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 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, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Discount Rate (Cont'd)

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2015 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:

	June 30, 2015		
	1% Decrease (3.90%)	Current Discount Rate (4.90%)	1% Increase (5.90%)
District's proportionate share of the Net Pension Liability	\$ 17,168,011	\$ 13,813,114	\$ 11,000,393

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/annrprts.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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

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

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 before age 62 with 25 or more years of service credit and Tier 5 before age 65 with 30 or more years of service credit. Benefits are reduced by a fraction of a percent for each month that a members retires prior to the retirement age for his/her respective tier. Deferred retirement is available to members who have at least 10 years of service credit and have not reached the service retirement age for the respective tier.

Contributions

The contribution policy for 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 2015, 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 2016, the State of New Jersey contributed \$1,343,392 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$6,659,250.

The employee contribution rate was 7.06% effective July 1, 2015. Subsequent increases after October 1, 2011 are being phased in over 7 years effective on each July 1st to bring the total pension contribution rate to 7.5% of base salary as of July 1, 2018.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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

At June 30, 2016, the State's proportionate share of the net pension liability associated with the District was \$109,062,539. 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 July 1, 2014 which was rolled forward to 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 0.173%, which was a decrease of 0.008% from its proportion measured as of June 30, 2014.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Attributable to the District	<u>109,062,539</u>
Total	<u><u>\$ 109,062,539</u></u>

For the fiscal year ended June 30, 2016, the State recognized pension expense on behalf of the District in the amount of \$6,659,250 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2016 financial statements.

The State reported collective deferred outflows of resources and deferred inflows of resources (excluding employer specific amounts) related to pensions from the following sources:

	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions - 2014	8.5	\$ 1,999,074,013	
Changes in Assumptions - 2015	8.3	5,201,079,373	
Difference Between Expected and Actual Experience - 2014	8.5		\$ 19,039,817
Difference Between Expected and Actual Experience - 2015	8.3	321,224,871	
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments - 2014	5		1,305,927,430
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments - 2015	5		<u>(770,568,242)</u>
		<u><u>\$ 7,521,378,257</u></u>	<u><u>\$ 554,399,005</u></u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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)

Amounts reported by the State as collective deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense excluding that attributable to employer-paid members contributions as follows:

<u>Fiscal Year</u> <u>Ending June 30,</u>	<u>Total</u>
2016	\$ 818,433,596
2017	818,433,596
2018	818,433,598
2019	1,253,742,742
2020	1,061,100,680
Thereafter	<u>2,196,835,040</u>
	<u>\$ 6,966,979,252</u>

Actuarial Assumptions

The total pension liability for the June 30, 2015 measurement date was determined by an actuarial valuation as of July 1, 2014 which was rolled forward to June 30, 2015. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

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

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

The actuarial assumptions used in the July 1, 2014 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 (7.90% at June 30, 2015) 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. The long-term expected rate of return was determined using a building block 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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return (Cont'd)

These ranges are combined to produce the long-term expected rate of return by weighting 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 included in TPAF's target asset allocation as of June 30, 2015 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
U.S. Cash	5.00%	0.53%
U.S. Government Bonds	1.75%	1.39%
U.S. Credit Bonds	13.50%	2.72%
U.S. Mortgages	2.10%	2.54%
U.S. Inflation-Indexed Bonds	1.50%	1.47%
U.S. High Yield Bonds	2.00%	4.57%
U.S. Equity Market	27.25%	5.63%
Foreign-Developed Equity	12.00%	6.22%
Emerging Market Equities	6.40%	8.46%
Private Real Estate Property	4.25%	3.97%
Timber	1.00%	4.09%
Farmland	1.00%	4.61%
Private Equity	9.25%	9.15%
Commodities	1.00%	3.58%
Hedge Funds - MultiStrategy	4.00%	4.59%
Hedge Funds - Equity Hedge	4.00%	5.68%
Hedge Funds - Distressed	4.00%	4.30%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.13% as of June 30, 2015. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.90% and a municipal bond rate of 3.80% as of June 30, 2015 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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

The following presents the State's proportionate share of the net pension liability associated with the District as of June 30, 2015 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, 2015		
	At 1% Decrease (3.13%)	At Current Discount Rate (4.13%)	At 1% Increase (5.13%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 129,616,751	\$ 109,062,539	\$ 91,353,856

Pension Plan Fiduciary Net Position

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.

For DCRP, the District recognized pension expense of \$10,312 for the fiscal year ended June 30, 2016. Employee contributions to DCRP amounted to \$16,037 for the year ended June 30, 2016.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Plan Description

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

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

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

Benefits Provided

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

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

Contributions

Contributions are made by the members at 3%, the maximum contribution rate required by statute, of their annual compensation. Contributions made by the Boards are determined annually based upon actuarial valuations. The Boards are required to reimburse the Plan for administrative expenses and cost of living increases associated with its retirees. Plan provisions and contribution requirements are established by New Jersey state statute assets. District contributions to the Plan amounted to \$145,337 for fiscal year 2016.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

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

At June 30, 2016, the District reported a liability of \$1,011,675 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2016. 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, 2016, the District's proportion was 2.794%, which was a decrease of 0.011% from its proportion measured as of June 30, 2015. For the fiscal year ended June 30, 2016, the District recognized pension expense of \$116,276.

At June 30, 2016, the District reported deferred outflows of resources related to pension from the sources noted in the below table. There were no deferred inflows of resources.

	<u>Year of Deferral</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>
Net Difference Between Projected and Actual	2016	5	\$ 201,228
Investment Earnings on Pension Plan Investments	2015	5	25,474
District Contribution Subsequent to the Measurement Date		1	<u>113,008</u>
			<u>\$ 339,710</u>

The amounts reported as a deferred outflow of resources for the net difference between projected and actual investment earnings on pension plan investments only related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2017	\$ 56,676
2018	56,676
2019	56,675
2020	<u>56,675</u>
	<u>\$ 226,702</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2016 measurement date was determined by an actuarial valuation as of June 30, 2016. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.00%
Salary Increases	4.50%
Investment Rate of Return, net of Plan investment expense, including inflation	6.50%
Cost of Living Adjustments ("COLA")	2.00%

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

Long Term Expected Rate of Return

The long-term rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class including in the Plan's target asset allocation as of June 30, 2016 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
U.S. Fixed Income	40.00%	1.75%
U.S. Large CAP Equities	50.00%	6.75%
U.S. Small CAP Equities	10.00%	6.75%

* - Net of 2.0% inflation assumption

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 9. PENSION PLANS (Cont'd)

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

Discount Rate

The discount rate used to measure the total pension liability was 6.50% as of June 30, 2016.

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, 2016 calculated using the discount rate of 6.50%, 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, 2016		
	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
District's proportionate share of the Net Pension Liability	\$ 1,465,029	\$ 1,011,675	\$ 740,358

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, 2016
(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, 2015, there were 107,314 retirees receiving post-retirement medical benefits, and the State contributed \$1.25 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 \$214.1 million toward Chapter 126 benefits for 19,056 eligible retired members in Fiscal Year 2015.

The State's on-behalf Post-Retirement Medical Contributions to TPAF for the District amounted to \$1,599,607, \$1,480,979 and \$1,253,894 for 2016, 2015 and 2014, 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, 2016
(Continued)

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

The June 30, 2016 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, 2015 is as follows:

	<u>School Alliance Insurance Fund</u>
Total Assets	<u>\$ 35,565,090</u>
Net Position	<u>\$ 7,171,390</u>
Total Revenue	<u>\$ 38,073,207</u>
Total Expenses	<u>\$ 36,335,763</u>
Change in Net Position	<u>\$ 1,737,444</u>
Members Dividends	<u>\$ -0-</u>

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>
2015-2016	\$ -0-	\$ 207	\$ 64,178	\$ 63,339	\$ 87,682
2014-2015	-0-	11	65,792	99,228	86,636
2013-2014	-0-	11	65,314	69,902	120,061

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, 2016
(Continued)

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 338,529	
Special Revenue Fund		\$ 273,485
Capital Projects Fund		92,049
Debt Service Fund	92,049	
Enterprise Fund - Food Service		56,017
Fiduciary Fund - Flexible Spending Trust		9,027
	<u>\$ 430,578</u>	<u>\$ 430,578</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 represents interest earnings that are due to the Debt Service Fund. The interfund payable in the Food Service Fund represents cash advanced from the General Fund to cover the cash deficit. The interfund payable in the Flexible Spending Trust is June employee 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 for the 403(b) plans 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, 2016
(Continued)

NOTE 16. CONTINGENT LIABILITIESGrant 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, 2016, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
\$ 248,298	\$ 7,841	\$ 1,879,481	\$ 2,135,620

On the District's Governmental Funds Balance Sheet as of June 30, 2016, \$-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 \$1,879,481 in the Capital Projects Fund are included in the \$8,917,775 restricted and \$87,255 committed fund balances.

NOTE 17. ACCOUNTS PAYABLE

The following accounts payable existed as of June 30, 2016:

	<u>Governmental Funds</u>			<u>District Contribution Subsequent to the Measurement Date</u>	<u>Total Governmental Activities</u>
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>		
Vendors	\$ 197,893	\$ 78,343	\$ 3,822,205		\$ 4,098,441
Due to the State of New Jersey				\$ 528,757	528,757
	<u>\$ 197,893</u>	<u>\$ 78,343</u>	<u>\$ 3,822,205</u>	<u>\$ 528,757</u>	<u>\$ 4,627,198</u>

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>2015</u>	<u>2016</u>
District's Proportion of the Net Pension Liability	0.0593593597%	0.0615338408%
District's Proportionate Share of the Net Pension Liability	\$ 11,113,696	\$ 13,813,114
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	283.97%	352.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	47.93%

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

L-2

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>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 489,350	\$ 529,026
Contributions in Relation to the Contractually Required Contribution	<u>(489,350)</u>	<u>(529,026)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ 3,914,297	\$ 3,855,789
Contributions as a Percentage of Covered Employee Payroll	12.50%	13.72%

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

	<u>Fiscal Year Ending June 30,</u>	
	<u>2015</u>	<u>2016</u>
State's Proportion of the Net Pension Liability Attributable to the District	0.1807731877%	0.1725556498%
State's Proportionate Share of the Net Pension Liability attributable to the District	\$ 96,617,385	\$ 109,062,539
District's Covered Employee Payroll	\$ 16,272,569	\$ 18,859,397
State's Proportionate Share of the Net Pension Liability Attributable to the District as a Percentage of its Covered Employee Payroll	593.74%	578.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	28.71%

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

L-4

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Year	
	Ending June 30,	
	<u>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 5,198,922	\$ 6,659,250
Contributions in Relation to the Contractually Required Contribution	<u>(932,899)</u>	<u>(1,343,392)</u>
Contribution Deficiency/(Excess)	<u>\$ 4,266,023</u>	<u>\$ 5,315,858</u>
District's Covered Employee Payroll	\$ 18,859,397	\$ 18,225,898
Contributions as a Percentage of Covered Employee Payroll	4.95%	7.37%

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>2015</u>	<u>2016</u>
District's Proportion of the Net Pension Liability	2.8052491%	2.7948026%
District's Proportionate Share of the Net Pension Liability	\$ 1,080,551	\$ 1,011,675
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	76.05%	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>2015</u>	<u>2016</u>
Contractually Required Contribution	\$ 164,185	\$ 145,337
Contributions in Relation to the Contractually Required Contribution	<u>(164,185)</u>	<u>(145,337)</u>
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ 122,268	\$ 122,268
Contributions as a Percentage of Covered Employee Payroll	134.28%	118.87%

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, 2016
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 5.39% as of June 30, 2014 to 4.90% as of June 30, 2015. The inflation rate changed from 3.01% as of June 30, 2014 to 3.04% as of June 30, 2015.

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Assumptions

The discount rate changed from 4.68% as of June 30, 2014 to 4.13% as of June 30, 2015.

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

Benefit Changes

There were none known.

Changes of Assumptions

The discount rate changed from 7.00% as of June 30, 2015 to 6.50% as of June 30, 2016. The inflation rate changed from 2.30% as of June 30, 2015 to 2.00% as of June 30, 2016. The cost of living adjustment changed from 3.00% as of June 30, 2015 to 2.00% as of June 30, 2016.

BUDGETARY COMPARISON SCHEDULES

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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	\$ 40,210,804		\$ 40,210,804	\$ 40,210,804	
Tuition From Other LEAs				28,677	\$ 28,677
Tuition From Individuals	14,000		14,000	28,472	14,472
Transportation Fees From Individuals	1,800		1,800	4,685	2,885
Rents & Royalties	43,666		43,666	85,961	42,295
Interest Earned on Capital Reserve Funds	200		200	449	249
Unrestricted Miscellaneous Revenue	32,250		32,250	154,158	121,908
Other Restricted Miscellaneous Revenue	70,055		70,055	60,711	(9,344)
Total - Local Sources	<u>40,372,775</u>		<u>40,372,775</u>	<u>40,573,917</u>	<u>201,142</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	200,000		200,000	462,589	262,589
Excess Nonpublic School Transportation Costs				28,014	28,014
TPAF Pension Contributions (On-Behalf - Non-Budgeted)				1,343,392	1,343,392
TPAF Post Retirement Medical Benefits				1,599,607	1,599,607
Contributions (On-Behalf - Non-Budgeted)				1,289,314	1,289,314
TPAF Social Security (Reimbursed - Non-Budgeted)				1,289,314	1,289,314
Total State Sources	<u>1,213,340</u>		<u>1,213,340</u>	<u>5,736,256</u>	<u>4,522,916</u>
Federal Sources:					
Medicaid Assistance Program	20,129		20,129		(20,129)
Total - Federal Sources	<u>20,129</u>		<u>20,129</u>		<u>(20,129)</u>
Total Revenues	<u>41,606,244</u>		<u>41,606,244</u>	<u>46,310,173</u>	<u>4,703,929</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 299,637	\$ 38,388	\$ 338,025	\$ 337,864	\$ 161
Grades 1-5 - Salaries of Teachers	4,671,953	(29,998)	4,641,955	4,641,526	429
Grades 6-8 - Salaries of Teachers	2,629,206	(99,091)	2,530,115	2,529,926	189
Grades 9-12 - Salaries of Teachers	4,207,817	(147,329)	4,060,488	4,060,488	
Regular Programs - Home Instruction:					
Salaries of Teachers	19,000	(5,576)	13,424	13,424	
Purchased Professional-Educational Services	15,000	(3,881)	11,119	8,265	2,854
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	98,304	(42,949)	55,355	50,473	4,882
Purchased Professional-Educational Services	10,044	576	10,620	10,480	140
Other Purchased Services	126,946	(2,319)	124,627	123,233	1,394
General Supplies	788,641	114,768	903,409	899,559	3,850
Textbooks	168,295	(99,592)	68,703	67,881	822
Other Objects	1,968	9,331	11,299	11,299	
Total Regular Programs - Instruction	13,036,811	(267,672)	12,769,139	12,754,418	14,721
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	208,284	(37,642)	170,642	169,121	1,521
General Supplies	6,500	1,500	8,000	7,982	18
Total Learning and/or Language Disabilities	214,784	(36,142)	178,642	177,103	1,539

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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	\$ 2,436,173	\$ 85,716	\$ 2,521,889	\$ 2,518,770	\$ 3,119
General Supplies	13,145	(3,942)	9,203	8,815	388
Textbooks	4,900	(2,293)	2,607	2,607	
Total Resource Room/Resource Center	<u>2,454,218</u>	<u>79,481</u>	<u>2,533,699</u>	<u>2,530,192</u>	<u>3,507</u>
Preschool Disabilities - Part-Time:					
Salaries of Teachers	173,920	8,625	182,545	182,545	
Other Salaries for Instruction	153,635	(6,562)	147,073	145,774	1,299
General Supplies	12,000	(9,164)	2,836	2,836	
Total Preschool Disabilities - Part-Time	<u>339,555</u>	<u>(7,101)</u>	<u>332,454</u>	<u>331,155</u>	<u>1,299</u>
Home Instruction:					
Salaries of Teachers	35,840	(21,808)	14,032	14,022	10
Purchased Professional-Educational Services	5,203	9,813	15,016	12,114	2,902
Total Home Instruction	<u>41,043</u>	<u>(11,995)</u>	<u>29,048</u>	<u>26,136</u>	<u>2,912</u>
Total Special Education - Instruction	<u>3,049,600</u>	<u>24,243</u>	<u>3,073,843</u>	<u>3,064,586</u>	<u>9,257</u>
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	65,481	56,109	121,590	121,590	
Other Salaries for Instruction	541		541		541
Total Basic Skills/Remedial - Instruction	<u>66,022</u>	<u>56,109</u>	<u>122,131</u>	<u>121,590</u>	<u>541</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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:					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 117,153	\$ (10,429)	\$ 106,724	\$ 105,942	\$ 782
General Supplies	3,500	(1,744)	1,756	1,665	91
Textbooks	200	(200)			
Total Bilingual Education - Instruction	<u>120,853</u>	<u>(12,373)</u>	<u>108,480</u>	<u>107,607</u>	<u>873</u>
School Sponsored Cocurricular Activities:					
Salaries	255,236	43,501	298,737	297,069	1,668
Purchased Services	24,057	(5,329)	18,728	17,009	1,719
Supplies and Materials	4,985	2,370	7,355	7,355	
Other Objects	2,120	164	2,284	2,284	
Transfers to Cover Deficit (Agency Funds)		1,500	1,500	1,500	
Total School-Sponsored Cocurricular Activities	<u>286,398</u>	<u>42,206</u>	<u>328,604</u>	<u>325,217</u>	<u>3,387</u>
School-Sponsored Athletics:					
Salaries	610,396	17,614	628,010	628,010	
Purchased Services	108,480	(12,447)	96,033	92,293	3,740
Supplies and Materials	126,187	(21,521)	104,666	98,485	6,181
Other Objects	9,994	(1,078)	8,916	8,672	244
Transfers to Cover Deficit (Agency Funds)	9,265		9,265	9,265	
Total School-Sponsored Athletics	<u>864,322</u>	<u>(17,432)</u>	<u>846,890</u>	<u>836,725</u>	<u>10,165</u>
Community Services Programs:					
Salaries	<u>76,725</u>		<u>76,725</u>	<u>65,675</u>	<u>11,050</u>
Total Community Services Programs	<u>76,725</u>		<u>76,725</u>	<u>65,675</u>	<u>11,050</u>
Total Instruction	<u>17,500,731</u>	<u>(174,919)</u>	<u>17,325,812</u>	<u>17,275,818</u>	<u>49,994</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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 - Instruction:					
Tuition to Other LEA's Within the State - Special	\$ 347,654	\$ 66,425	\$ 414,079	\$ 414,079	
Tuition to County Vocational School - Regular	18,443	(6,621)	11,822	11,822	
Tuition to County Vocational School - Special	18,937	29,741	48,678	47,303	\$ 1,375
Tuition to CSSD & Regional Day Schools	88,192	(88,192)			
Tuition to Private Schools for the Handicapped Within State	2,009,470	(16,888)	1,992,582	1,987,557	5,025
Tuition to Private Schools for the Handicapped Outside State	67,290	(55,586)	11,704	11,704	
Total Undistributed Expenditures - Instruction	2,549,986	(71,121)	2,478,865	2,472,465	6,400
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries	18,870		18,870	18,335	535
Attendance and Social Work Services	18,870		18,870	18,335	535
Health Services:					
Salaries	505,745	76,582	582,327	571,876	10,451
Purchased Professional and Technical Services	11,824	8,056	19,880	16,916	2,964
Supplies and Materials	13,260	(100)	13,160	13,064	96
Other Objects	13,147	(7,092)	6,055		6,055
Total Health Services	543,976	77,446	621,422	601,856	19,566

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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	\$ 320,773	\$ 14,077	\$ 334,850	\$ 334,850	
Purchased Professional - Educational Services	564,117	7,000	571,117	555,525	\$ 15,592
Supplies and Materials	4,500	(170)	4,330	4,127	203
Other Objects	11,500	(1,346)	10,154	10,154	
Total Speech, OT, PT & Related Services	<u>900,890</u>	<u>19,561</u>	<u>920,451</u>	<u>904,656</u>	<u>15,795</u>
Other Support Services - Extraordinary Services:					
Salaries	609,503	98,470	707,973	707,973	
Purchased Professional - Educational Services	478,060	80,070	558,130	531,756	26,374
Total Other Support Services - Extraordinary Services	<u>1,087,563</u>	<u>178,540</u>	<u>1,266,103</u>	<u>1,239,729</u>	<u>26,374</u>
Guidance:					
Salaries of Other Professional Staff	463,293	(19,031)	444,262	444,262	
Purchased Professional-Educational Services	168,000	2,000	170,000	170,000	
Other Purchased Services	18,244	(2,000)	16,244	9,163	7,081
Supplies and Materials	5,286	(211)	5,075	3,088	1,987
Other Objects		1,919	1,919	1,919	
Total Guidance	<u>654,823</u>	<u>(17,323)</u>	<u>637,500</u>	<u>628,432</u>	<u>9,068</u>
Child Study Team:					
Salaries of Other Professional Staff	877,072	(64,744)	812,328	812,328	
Salaries of Secretarial and Clerical Assistants	104,238	11,918	116,156	116,156	
Other Purchased Professional and Technical Services	74,775	(8,009)	66,766	55,081	11,685

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Child Study Team: (Cont'd)					
Miscellaneous Purchased Services	\$ 2,500	\$ 2,683	\$ 5,183	\$ 4,494	\$ 689
Residential Costs	236,871	(9,549)	227,322	226,705	617
Supplies and Materials	35,998	(3,842)	32,156	29,231	2,925
Other Objects	12,600	(7,557)	5,043	3,135	1,908
Total Child Study Team	<u>1,344,054</u>	<u>(79,100)</u>	<u>1,264,954</u>	<u>1,247,130</u>	<u>17,824</u>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	134,718	(1,155)	133,563	133,563	
Salaries of Other Professional Staff	400		400		400
Other Salaries	4,000	(3,174)	826	826	
Purchased Professional - Educational Services	42,524	10,863	53,387	53,387	
Other Purch Prof. and Tech. Services	24,458	(17,758)	6,700	6,700	
Other Purchased Services	2,656	(266)	2,390		2,390
Supplies and Materials	1,200	47,322	48,522	44,523	3,999
Other Objects	82,283	(37,755)	44,528	44,519	9
Total Improvement of Instructional Services	<u>292,239</u>	<u>(1,923)</u>	<u>290,316</u>	<u>283,518</u>	<u>6,798</u>
Educational Media Services/School Library:					
Salaries	568,184	19,055	587,239	587,239	
Supplies and Materials	68,141	(1,589)	66,552	65,154	1,398
Total Educational Media Services/School Library	<u>636,325</u>	<u>17,466</u>	<u>653,791</u>	<u>652,393</u>	<u>1,398</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Instructional Staff Training Services:					
Purchased Professional - Educational Services	\$ 7,345	\$ 1,481	\$ 8,826	\$ 6,207	\$ 2,619
Other Purchased Prof. and Tech Services	30,000	(11,299)	18,701	3,196	15,505
Other Purchased Services	1,600	707	2,307	1,267	1,040
Other Objects	93,524	(23,625)	69,899	56,689	13,210
Total Instructional Staff Training Services	132,469	(32,736)	99,733	67,359	32,374
General Administration:					
Salaries	305,000		305,000	301,701	3,299
Legal Services	50,464	9,201	59,665	59,665	
Audit Fees	49,139	(6,430)	42,709	35,000	7,709
Other Purchased Professional Services	11,359	(5,782)	5,577	774	4,803
Communications/Telephone	74,552		74,552	57,714	16,838
BOE Other Purchased Services	3,510	(2,500)	1,010	500	510
Miscellaneous Purchased Services (400-500)	28,339	4,459	32,798	30,027	2,771
General Supplies	7,200	(500)	6,700	3,326	3,374
Miscellaneous Expenditures	13,450	9,530	22,980	22,547	433
BOE Membership Dues and Fees	14,000	4,756	18,756	18,756	
Total General Administration	557,013	12,734	569,747	530,010	39,737
School Administration:					
Salaries of Principals/Assistant Principals	1,143,198	28,780	1,171,978	1,171,978	
Salaries of Secretarial and Clerical Assistants	684,499	(67,171)	617,328	617,085	243
Other Salaries	4,157	(522)	3,635	2,750	885
Other Purchased Services	2,200	(968)	1,232	248	984
Supplies and Materials	32,684	(16,869)	15,815	15,686	129

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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)					
School Administration: (Cont'd)					
Other Objects	\$ 12,050	\$ 6,269	\$ 18,319	\$ 15,815	\$ 2,504
Total School Administration	<u>1,878,788</u>	<u>(50,481)</u>	<u>1,828,307</u>	<u>1,823,562</u>	<u>4,745</u>
Central Services:					
Salaries	450,339	(1,824)	448,515	438,542	9,973
Miscellaneous Purchased Services	48,790	3,036	51,826	34,088	17,738
Supplies and Materials	5,416	9,478	14,894	14,785	109
Miscellaneous Expenditures	<u>7,616</u>	<u>(1,766)</u>	<u>5,850</u>	<u>4,650</u>	<u>1,200</u>
Total Central Services	<u>512,161</u>	<u>8,924</u>	<u>521,085</u>	<u>492,065</u>	<u>29,020</u>
Administrative Information Technology:					
Salaries	380,538	8,198	388,736	388,736	
Purchased Professional Services	81,208	(18,687)	62,521	47,823	14,698
Other Purchased Services	190,000	113,960	303,960	268,182	35,778
Supplies and Materials	<u>20,000</u>	<u>111,145</u>	<u>131,145</u>	<u>128,376</u>	<u>2,769</u>
Total Administrative Information Technology	<u>671,746</u>	<u>214,616</u>	<u>886,362</u>	<u>833,117</u>	<u>53,245</u>
Required Maintenance for School Facilities:					
Salaries	649,731	6,650	656,381	642,628	13,753
Cleaning, Repair and Maintenance Services	539,651	221,620	761,271	656,289	104,982
General Supplies	170,862	(9,835)	161,027	155,589	5,438
Other Objects	<u>6,375</u>	<u>20</u>	<u>6,395</u>	<u>6,223</u>	<u>172</u>
Total Required Maintenance for School Facilities	<u>1,366,619</u>	<u>218,455</u>	<u>1,585,074</u>	<u>1,460,729</u>	<u>124,345</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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)					
Custodial Services:					
Salaries	\$ 1,350,672	\$ (39,165)	\$ 1,311,507	\$ 1,277,719	\$ 33,788
Cleaning, Repair and Maintenance Services	101,013	(21,889)	79,124	63,429	15,695
Other Purchased Property Services	82,396	22,171	104,567	102,784	1,783
Insurance	227,055	8,421	235,476	234,301	1,175
General Supplies	103,386	58,178	161,564	122,401	39,163
Energy (Natural Gas)	263,685	(62,269)	201,416	134,754	66,662
Energy (Electricity)	480,177	(22,815)	457,362	395,271	62,091
Energy (Gasoline)	25,000	(9,119)	15,881	8,361	7,520
Other Objects	2,175		2,175		2,175
Total Custodial Services	2,635,559	(66,487)	2,569,072	2,339,020	230,052
Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	116,320	2,058	118,378	95,035	23,343
General Supplies	93,608	5,309	98,917	86,763	12,154
Total Care & Upkeep of Grounds	209,928	7,367	217,295	181,798	35,497
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	6,426	4,591	11,017	9,289	1,728
Between Home and School - Special Education	144,367	(49,133)	95,234	92,212	3,022
Other than Between Home and School	29,825		29,825	21,275	8,550
Management Fees - ESC Transportation Programs	27,640	8,238	35,878	29,639	6,239
Cleaning, Repair and Maintenance Services	7,650		7,650	7,040	610

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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:					
Between Home and School -Vendors	\$ 92,238		\$ 92,238	\$ 91,630	\$ 608
Other than Between Home and School -Vendors	109,125	\$ (2,518)	106,607	100,938	5,669
Special Education Students - ESCs & CTSAs	717,576	126,047	843,623	842,819	804
Aid in Lieu of Payments for Nonpublic School Students	151,839	(2,871)	148,968	137,047	11,921
Miscellaneous Purchased Services - Transportation	9,905	(9,905)			
General Supplies	6,630	252	6,882	6,882	
Transportation Supplies	18,360	(6,046)	12,314	5,887	6,427
Total Student Transportation Services	1,321,581	68,655	1,390,236	1,344,658	45,578
Allocated Benefits:					
Regular Programs - Instruction:					
Health Benefits	1,788,525		1,788,525	1,788,525	
Total Regular Programs - Instruction	1,788,525		1,788,525	1,788,525	
Special Programs - Instruction:					
Health Benefits	997,349		997,349	997,349	
Total Special Programs - Instruction	997,349		997,349	997,349	
Undist. Expend. - Support Serv. - School Administration:					
Health Benefits	101,572		101,572	101,572	
Total Undist. Expend. - Support Serv. - School Administration	101,572		101,572	101,572	
Undist. Expend. - Support Serv. - Central Services:					
Health Benefits	52,651		52,651	52,651	
Total Undist. Expend. - Support Serv. - Central Services	52,651		52,651	52,651	
Total Allocated Benefits	2,940,097		2,940,097	2,940,097	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Unallocated Benefits:					
Social Security Contributions	\$ 579,726	\$ (64,648)	\$ 515,078	\$ 515,017	\$ 61
Other Retirement Contributions - PERS	606,377	(69,529)	536,848	529,026	7,822
Other Retirement Contributions - DCRP	7,968	2,344	10,312	10,312	
Other Retirement Contributions - Regular	182,469	(69,461)	113,008	113,008	
Unemployment Compensation	25,000	(25,000)			
Workmen's Compensation	262,882	(7,753)	255,129	244,660	10,469
Health Benefits	2,630,787	(202,524)	2,428,263	2,375,307	52,956
Tuition Reimbursement	134,489	(22,710)	111,779	97,309	14,470
Other Employee Benefits	52,000	19,211	71,211	56,211	15,000
Total Unallocated Benefits	<u>4,481,698</u>	<u>(440,070)</u>	<u>4,041,628</u>	<u>3,940,850</u>	<u>100,778</u>
On-Behalf Contributions (Non-budgeted):					
TPAF Pension Contributions				1,343,392	(1,343,392)
TPAF Post Retirement Medical Benefits Contributions				1,599,607	(1,599,607)
Reimbursed TPAF Social Security Contributions				1,289,314	(1,289,314)
Total On-Behalf Contributions (Non-Budgeted)				<u>4,232,313</u>	<u>(4,232,313)</u>
Total Unallocated Benefits	<u>4,481,698</u>	<u>(440,070)</u>	<u>4,041,628</u>	<u>8,173,163</u>	<u>(4,131,535)</u>
Total Undistributed Expenditures	<u>24,736,385</u>	<u>64,523</u>	<u>24,800,908</u>	<u>28,234,092</u>	<u>(3,433,184)</u>
TOTAL GENERAL CURRENT EXPENSE	<u>42,237,116</u>	<u>(110,396)</u>	<u>42,126,720</u>	<u>45,509,910</u>	<u>(3,383,190)</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5		\$ 3,643	\$ 3,643		\$ 3,643.00
Grades 9-12	\$ 47,848	30,403	78,251	\$ 51,612	26,639
School-Sponsored/Athletics	11,757		11,757	11,757	
School-Sponsored and Other Instructional Program	60,000	14,837	74,837	74,837	
Required Maint for School Fac.		61,513	61,513	61,513	
Total Equipment	119,605	110,396	230,001	199,719	30,282
Facilities Acquisition and Construction Services:					
Assessment for Debt Service on SDA Funding	5,477		5,477	5,477	
Total Facilities Acquisition and Construction Services	5,477		5,477	5,477	
TOTAL CAPITAL OUTLAY	125,082	110,396	235,478	205,196	30,282
TOTAL EXPENDITURES	42,362,198		42,362,198	45,715,106	(3,352,908)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(755,954)		(755,954)	595,067	1,351,021
Fund Balance, July 1	2,562,541		2,562,541	2,562,541	
Fund Balance, June 30	\$ 1,806,587	\$ -0-	\$ 1,806,587	\$ 3,157,608	\$ 1,351,021

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(UNAUDITED)

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>		<u>Final to Actual</u>
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 888,419	
Maintenance Reserve				300,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				300,000	
Excess Surplus				300,632	
Assigned Fund Balance:					
Year End Encumbrances				248,298	
Unassigned Fund Balance				<u>1,120,259</u>	
				3,157,608	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(92,195)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,065,413</u>	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(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		\$ 226,669	\$ 226,669	\$ 196,272	\$ (30,397)
State Sources	\$ 168,800	115,111	283,911	290,744	6,833
Federal Sources	581,478	548,323	1,129,801	1,109,070	(20,731)
Total Revenues	<u>750,278</u>	<u>890,103</u>	<u>1,640,381</u>	<u>1,596,086</u>	<u>(44,295)</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers	47,127	100,583	147,710	135,400	12,310
Tuition	506,405	82,771	589,176	589,176	
General Supplies	16,950	337,471	354,421	354,382	39
Textbooks	26,015	1,678	27,693	27,693	
Other Objects		14,861	14,861	8,287	6,574
Total Instruction	<u>596,497</u>	<u>537,364</u>	<u>1,133,861</u>	<u>1,114,938</u>	<u>18,923</u>
Support Services:					
Other Salaries for Instruction		18,180	18,180	14,992	3,188
Personal Services - Employee Benefits		20,984	20,984	19,654	1,330
Purchased Professional and Technical Services	153,781	267,906	421,687	405,816	15,871
Other Purchased Services		24,495	24,495	24,495	
Supplies and Materials		15,224	15,224	15,224	
Other Objects		5,950	5,950	967	4,983
Total Support Services	<u>153,781</u>	<u>352,739</u>	<u>506,520</u>	<u>481,148</u>	<u>25,372</u>
Total Expenditures	<u>750,278</u>	<u>890,103</u>	<u>1,640,381</u>	<u>1,596,086</u>	<u>44,295</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>	<u>\$ - 0 -</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
 (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	\$ 46,310,173	\$ 1,596,086
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		(3,355)
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	77,227	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(92,195)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 46,295,205</u>	<u>\$ 1,592,731</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 45,715,106	\$ 1,596,086
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		<u>(3,355)</u>
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 45,715,106</u>	<u>\$ 1,592,731</u>

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, 2016 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, 2016
(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, 2016

REVENUES:	I.D.E.A.		No Child Left Behind		IIS Competitive Grant	Fund for the Improvement of Education
	Basic	Preschool	Title I	Title IIA	Race to the Top Phase III)	
Local Sources						
State Sources						
Federal Sources	\$ 605,784	\$ 18,656	\$ 182,081	\$ 39,490	\$ 15,536	\$ 247,523
Total Revenues	<u>605,784</u>	<u>18,656</u>	<u>182,081</u>	<u>39,490</u>	<u>15,536</u>	<u>247,523</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers			89,000	12,000		
Tuition	570,520	18,656				
General Supplies			56,578	6,093		
Textbooks						
Other Objects					7,491	
Total Instruction	<u>570,520</u>	<u>18,656</u>	<u>145,578</u>	<u>18,093</u>	<u>7,491</u>	
Support Services:						
Other Salaries for Instruction			3,000			10,000
Personal Services - Employee Benefits			18,736	918		
Purchased Professional and Technical Services	35,264		14,675	20,479	8,045	229,424
Other Purchased Services						
Supplies and Materials			92			7,132
Other Objects						967
Total Support Services	<u>35,264</u>		<u>36,503</u>	<u>21,397</u>	<u>8,045</u>	<u>247,523</u>
Total Expenditures	<u>\$ 605,784</u>	<u>\$ 18,656</u>	<u>\$ 182,081</u>	<u>\$ 39,490</u>	<u>\$ 15,536</u>	<u>\$ 247,523</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, 2016

	<u>Nonpublic Auxiliary Services</u>		<u>Nonpublic Handicapped Services</u>			<u>Future Ready NJ</u>
	<u>Compensatory Education</u>	<u>Transportation</u>	<u>Supplementary Instruction</u>	<u>Examination and Classification</u>	<u>Corrective Speech</u>	
REVENUES:						
Local Sources						
State Sources	\$ 12,775	\$ 24,495	\$ 7,231	\$ 26,759	\$ 7,514	\$ 75,392
Federal Sources						
Total Revenues	<u>12,775</u>	<u>24,495</u>	<u>7,231</u>	<u>26,759</u>	<u>7,514</u>	<u>75,392</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Tuition						
General Supplies						73,400
Textbooks						
Other Objects						
Total Instruction						<u>73,400</u>
Support Services:						
Other Salaries for Instruction						1,992
Personal Services - Employee Benefits						
Purchased Professional and Technical Services	12,775		7,231	26,759	7,514	
Other Purchased Services		24,495				
Supplies and Materials						
Other Objects						
Total Support Services	<u>12,775</u>	<u>24,495</u>	<u>7,231</u>	<u>26,759</u>	<u>7,514</u>	<u>1,992</u>
Total Expenditures	<u>\$ 12,775</u>	<u>\$ 24,495</u>	<u>\$ 7,231</u>	<u>\$ 26,759</u>	<u>\$ 7,514</u>	<u>\$ 75,392</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, 2016

	Achievement	Nonpublic				Private	Totals
	Coaches Grant	Nursing	Textbooks	Technology Initiative	Security	Donations	
REVENUES:							
Local Sources						\$ 196,272	\$ 196,272
State Sources	\$ 40,500	\$ 43,650	\$ 27,693	\$ 12,610	\$ 12,125		290,744
Federal Sources							1,109,070
Total Revenues	<u>40,500</u>	<u>43,650</u>	<u>27,693</u>	<u>12,610</u>	<u>12,125</u>	<u>196,272</u>	<u>1,596,086</u>
EXPENDITURES:							
Instruction:							
Salaries of Teachers	32,500					1,900	135,400
Tuition							589,176
General Supplies				12,610	12,125	193,576	354,382
Textbooks			27,693				27,693
Other Objects						796	8,287
Total Instruction	<u>32,500</u>		<u>27,693</u>	<u>12,610</u>	<u>12,125</u>	<u>196,272</u>	<u>1,114,938</u>
Support Services:							
Other Salaries for Instruction							14,992
Personal Services - Employee Benefits							19,654
Purchased Professional and Technical Services		43,650					405,816
Other Purchased Services							24,495
Supplies and Materials	8,000						15,224
Other Objects							967
Total Support Services	<u>8,000</u>	<u>43,650</u>					<u>481,148</u>
Total Expenditures	<u>\$ 40,500</u>	<u>\$ 43,650</u>	<u>\$ 27,693</u>	<u>\$ 12,610</u>	<u>\$ 12,125</u>	<u>\$ 196,272</u>	<u>\$ 1,596,086</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, 2016

Revenue:	
Interest on Investments	\$ 72,099
	<hr/>
Total Revenue	72,099
	<hr/>
Expenditures and Other Financing Uses:	
Legal Services	55,278
Purchased Professional and Technical Services	1,136,019
Construction Services	8,984,908
Transfer to Debt Service Fund:	
Interest on Investments	72,099
	<hr/>
Total Expenditures and Other Financing Uses	10,248,304
	<hr/>
Deficit of Revenue Under Expenditures and Other Financing Uses	(10,176,205)
	<hr/>
Fund Balance - Beginning of Year	19,210,625
	<hr/>
Fund Balance - End of Year	\$ 9,034,420
	<hr/> <hr/>
<u>Recapitulation:</u>	
Restricted Fund Balance	\$ 7,038,294
Restricted - Year End Encumbrances	1,879,481
Committed Fund Balance	116,645
	<hr/>
Total Fund Balance - Budgetary Basis	9,034,420
	<hr/>
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>	
SDA Grant Receivable not Recognized on the GAAP Basis	(29,390)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 9,005,030
	<hr/> <hr/>

Exhibit F-1a

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, 2016

	Prior Periods	Current Year	Totals	Revised Project Authorization
Revenue and Other Financing Sources:				
State Sources - SDA Grant	\$ 587,795		\$ 587,795	\$ 587,795
Transfer from Capital Reserve	1,215,948		1,215,948	1,215,948
Total Revenue and Other Financing Sources	<u>1,803,743</u>		<u>1,803,743</u>	<u>1,803,743</u>
Expenditures:				
Purchased Professional and Technical Services	99,633	\$ 17,812	117,445	118,700
Construction Services	212,967	1,356,686	1,569,653	1,685,043
Total Expenditures	<u>312,600</u>	<u>1,374,498</u>	<u>1,687,098</u>	<u>1,803,743</u>
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	<u>\$ 1,491,143</u>	<u>\$ (1,374,498)</u>	<u>\$ 116,645</u>	<u>\$ - 0 -</u>

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	93.53%
Original Target Completion Date	June 2013
Revised Target Completion Date	October 2015

Exhibit F-1b

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, 2016

	<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:				
Salaries		\$ 55,278	55,278	60,000
Purchased Professional and Technical Services	247,691	1,118,207	1,365,898	1,367,808
Construction Services	237,827	7,628,222	7,866,049	16,777,586
Total Expenditures	485,518	8,801,707	9,287,225	18,205,394
Excess/(Deficit) of Revenue Over/(Under) Expenditures	<u>\$ 17,719,482</u>	<u>\$ (8,801,707)</u>	<u>\$ 8,917,775</u>	<u>\$ - 0 -</u>

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	51%
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, 2016

	<u>Non-Major Fund</u>	<u>Major Fund</u>	<u>Totals</u>
	<u>Continuing Education</u>	<u>Food Service</u>	
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 219,859		\$ 219,859
State		\$ 565	565
Federal		13,058	13,058
Inventories		7,357	7,357
Total Current Assets	<u>219,859</u>	<u>20,980</u>	<u>240,839</u>
Non-Current Assets:			
Capital Assets		533,480	533,480
Less: Accumulated Depreciation		<u>(308,582)</u>	<u>(308,582)</u>
Total Non-Current Assets		<u>224,898</u>	<u>224,898</u>
Total Assets	<u>219,859</u>	<u>245,878</u>	<u>465,737</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Interfund Payable		56,017	56,017
Prepaid Sales		20,782	20,782
Unearned Revenue		1,871	1,871
Total Current Liabilities		<u>78,670</u>	<u>78,670</u>
<u>NET POSITION:</u>			
Investment in Capital Assets		224,898	224,898
Unrestricted/(Deficit)	219,859	<u>(57,690)</u>	<u>162,169</u>
Total Net Position	<u>\$ 219,859</u>	<u>\$ 167,208</u>	<u>\$ 387,067</u>

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, 2016

	<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:			
Reimbursable Programs		\$ 65,797	\$ 65,797
Non-Reimbursable Programs		361,347	361,347
Charges for Services:			
Program Fees	\$ 189,006		189,006
Total Operating Revenue	<u>189,006</u>	<u>427,144</u>	<u>616,150</u>
Operating Expenses:			
Cost of Sales - Reimbursable Programs		93,202	93,202
Cost of Sales - Non-Reimbursable Programs		158,618	158,618
Salaries, Benefits & Payroll Taxes	134,139	222,367	356,506
Purchased Technical Services		30,300	30,300
Other Purchased Services	66,484		66,484
Supplies and Materials	12,572	22,125	34,697
Miscellaneous Expenditures		38,630	38,630
Depreciation Expense		20,071	20,071
Total Operating Expenses	<u>213,195</u>	<u>585,313</u>	<u>798,508</u>
Operating Loss	(24,189)	(158,169)	(182,358)
Non-Operating Revenue:			
Local Sources:			
Interest Earnings		147	147
State Sources:			
State School Lunch Program		2,981	2,981
Federal Sources:			
National School Lunch Program		66,891	66,891
Food Distribution Program		10,089	10,089
Total Non-Operating Income		<u>80,108</u>	<u>80,108</u>
Change in Net Position	(24,189)	(78,061)	(102,250)
Net Position - Beginning of Year	<u>244,048</u>	<u>245,269</u>	<u>489,317</u>
Net Position - End of Year	<u>\$ 219,859</u>	<u>\$ 167,208</u>	<u>\$ 387,067</u>

Exhibit G-3

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Non-Major Fund</u>	<u>Major Fund</u>	
	<u>Continuing</u>	<u>Food</u>	
	<u>Education</u>	<u>Service</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 189,006	\$ 428,253	\$ 617,259
Payments to Food Service Contractors		(600,424)	(600,424)
Payments for Salaries, Payroll Taxes and Benefits	(136,867)		(136,867)
Payments to Suppliers	(79,056)		(79,056)
Net Cash Provided by/(Used for) Operating Activities	<u>(26,917)</u>	<u>(172,171)</u>	<u>(199,088)</u>
Cash Flows from Investment Activities:			
Interest Income		147	147
Net Cash Provided by Investment Activities		<u>147</u>	<u>147</u>
Cash Flows from Noncapital & Financing Activities:			
State Sources		2,653	2,653
Federal Sources		59,093	59,093
Interfund Payable - General Fund		56,017	56,017
Net Cash Provided by Noncapital & Financing Activities		<u>117,763</u>	<u>117,763</u>
Net Decrease in Cash and Cash Equivalents	(26,917)	(54,261)	(81,178)
Cash and Cash Equivalents, July 1	<u>246,776</u>	<u>54,261</u>	<u>301,037</u>
Cash and Cash Equivalents, June 30	<u>\$ 219,859</u>	<u>\$ -0 -</u>	<u>\$ 219,859</u>
Reconciliation of Operating Loss to Net Cash Provided by/(Used for) Operating Activities:			
Operating Loss	\$ (24,189)	\$ (158,169)	\$ (182,358)
Adjustment to Reconcile Operating Loss to Net Provided by/(Used for) Operating Activities:			
Depreciation		20,071	20,071
Food Distribution Program		10,089	10,089
Increase in Interfund Payable	(2,728)		(2,728)
(Increase)/Decrease in Inventory		(1,340)	(1,340)
(Increase)/Decrease in Accounts Payable		(44,976)	(44,976)
(Increase)/Decrease in Prepaid Sales		1,109	1,109
(Increase)/Decrease in Unearned Revenue		1,045	1,045
Net Cash Used for Operating Activities	<u>\$ (26,917)</u>	<u>\$ (172,171)</u>	<u>\$ (199,088)</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 \$11,134 and Utilized Commodities Valued at \$10,089.

FIDUCIARY FUNDS

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2016

	<u>Agency</u>			<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
	<u>Student Activity</u>	<u>Payroll</u>	<u>Totals</u>		
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 303,129	\$ 9,410	\$ 312,539	\$ 87,682	\$ 20,775
Investments	14,207		14,207		
Total Assets	<u>317,336</u>	<u>9,410</u>	<u>326,746</u>	<u>87,682</u>	<u>20,775</u>
<u>LIABILITIES:</u>					
Interfund Payable - General Fund					9,027
Payroll Deductions and Withholdings Due to Student Groups	317,336	9,410	9,410 317,336		
Total Liabilities	<u>317,336</u>	<u>9,410</u>	<u>326,746</u>		<u>9,027</u>
<u>NET POSITION:</u>					
Held in Trust for:					
Unemployment Claims				87,682	
Flexible Spending Claims					11,748
Total Net Position	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ 87,682</u>	<u>\$ 11,748</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, 2016

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 64,178	\$ 61,162
Total Contributions	<u>64,178</u>	<u>61,162</u>
Investment Earnings:		
Interest	<u>207</u>	
Net Investment Earnings	<u>207</u>	
Total Additions	<u>64,385</u>	<u>61,162</u>
DEDUCTIONS:		
Flexible Spending Claims		58,981
Quarterly Unemployment Contributions	<u>63,339</u>	
Total Deductions	<u>63,339</u>	<u>58,981</u>
Change in Net Position	1,046	2,181
Net Position - Beginning of the Year	<u>86,636</u>	<u>9,567</u>
Net Position - End of the Year	<u>\$ 87,682</u>	<u>\$ 11,748</u>

Exhibit H-3

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 85,817	\$ 34,246,735	\$ 34,323,142	\$ 9,410
Total Assets	<u>\$ 85,817</u>	<u>\$ 34,246,735</u>	<u>\$ 34,323,142</u>	<u>\$ 9,410</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 85,817	\$ 34,246,735	\$ 34,323,142	\$ 9,410
Total Liabilities	<u>\$ 85,817</u>	<u>\$ 34,246,735</u>	<u>\$ 34,323,142</u>	<u>\$ 9,410</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, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 280,852	\$ 646,076	\$ 623,799	\$ 303,129
Investments	14,195	12		14,207
Total Assets	<u>\$ 295,047</u>	<u>\$ 646,088</u>	<u>\$ 623,799</u>	<u>\$ 317,336</u>
<u>LIABILITIES:</u>				
Liabilities:				
Due to Student Groups	<u>\$ 295,047</u>	<u>\$ 646,088</u>	<u>\$ 623,799</u>	<u>\$ 317,336</u>
Total Liabilities	<u>\$ 295,047</u>	<u>\$ 646,088</u>	<u>\$ 623,799</u>	<u>\$ 317,336</u>

Exhibit H-5

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

	<u>Balance</u> <u>July 1, 2015</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2016</u>
Elementary Schools:				
Jefferson	\$ 17,678	\$ 23,474	\$ 21,215	\$ 19,937
Washington	7,813	35,679	31,993	11,499
Wilson	32,847	15,372	19,483	28,736
Lincoln	15,877	16,045	18,710	13,212
Junior High School:				
Grover Cleveland	21,296	87,451	82,528	26,219
Senior High School:				
James Caldwell:				
Activity Account	191,850	455,773	433,535	214,088
Athletic Account	7,686	12,294	16,335	3,645
Total Assets	<u>\$ 295,047</u>	<u>\$ 646,088</u>	<u>\$ 623,799</u>	<u>\$ 317,336</u>

LONG-TERM DEBT

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2015	Issued	Defeased	Retired or Matured	Balance June 30, 2016
			Date	Amount						
School Bonds	06/19/08	\$ 14,765,000	09/01/16	\$ 940,000	4.125%	\$ 11,290,000		\$ 7,435,000	\$ 860,000	\$ 2,995,000
			09/01/17	940,000	4.125%					
			09/01/18	1,115,000	4.125%					
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
Refunding School Bonds	02/17/16	7,350,000	09/01/17	10,000	2.000%					
			09/01/18	10,000	2.000%					
			09/01/19	1,120,000	3.000%					
			09/01/20	1,190,000	3.000%					
			09/01/21	1,275,000	4.000%					
			09/01/22	1,270,000	4.000%					
			09/01/23	1,265,000	4.000%					
							\$ 7,350,000			7,350,000
							\$ 7,350,000	\$ 7,435,000	\$ 860,000	\$ 28,550,000

Exhibit I-2

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

<u>Purpose</u>	<u>Interest Rate</u>	<u>Original Issue</u>	<u>Balance July 1, 2015</u>	<u>Matured</u>	<u>Balance June 30, 2016</u>
District-wide Savin Copiers	N/A	\$ 299,142	\$ 166,951	\$ 60,534	\$ 106,417
District-wide Chromebooks	2.00%	240,000	<u>158,937</u>	<u>79,464</u>	<u>79,473</u>
			<u>\$ 325,888</u>	<u>\$ 139,998</u>	<u>\$ 185,890</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

REVENUES:	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Local Sources:					
Local Tax Levy	\$ 1,365,293		\$ 1,365,293	\$ 1,365,293	
State Sources:					
Debt Service Aid Type II	398,424		398,424	398,424	
Total Revenues	<u>1,763,717</u>		<u>1,763,717</u>	<u>1,763,717</u>	
EXPENDITURES:					
Regular Debt Service:					
Interest	975,624		975,624	975,624	
Redemption of Principal	860,000		860,000	860,000	
Total Expenditures	<u>1,835,624</u>		<u>1,835,624</u>	<u>1,835,624</u>	
Deficit of Revenues Under Expenditures	(71,907)		(71,907)	(71,907)	
Other Financing Sources/(Uses):					
School Refunding Bonds Issued				7,350,000	\$ 7,350,000
School Bonds Defeased				(7,435,000)	(7,435,000)
Bond Premium				804,913	804,913
Bond Issuance Costs				(114,828)	(114,828)
Deferred amount on Refunding				(605,085)	(605,085)
Transfers				72,099	72,099
Total Other Financing Sources/(Uses)				<u>72,099</u>	<u>72,099</u>
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	(71,907)		(71,907)	192	72,099
Fund Balance, July 1	<u>91,857</u>		<u>91,857</u>	<u>91,857</u>	
Fund Balance, June 30	<u>\$ 19,950</u>	<u>\$ - 0 -</u>	<u>\$ 19,950</u>	<u>\$ 92,049</u>	<u>\$ 72,099</u>
Recapitulation:					
Restricted - For Subsequent Year's Expenditures				\$ 19,950	
Restricted				<u>72,099</u>	
Total Restricted Fund Balance				<u>\$ 92,049</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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Net Investment in Capital Assets	\$ 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	\$ 10,089,913
Restricted	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	1,881,100
Unrestricted (Deficit)	(93,307)	3,825	(72,914)	142,425	652,171	(16,912)	1,539,685	(11,948,153)	(11,675,726)	(13,196,876)
Total Governmental Activities										
Net Position/(Deficit)	<u>\$ 3,461,450</u>	<u>\$ 4,281,649</u>	<u>\$ 3,815,380</u>	<u>\$ 5,261,697</u>	<u>\$ 7,095,888</u>	<u>\$ 8,165,157</u>	<u>\$ 8,406,959</u>	<u>\$ (3,688,392)</u>	<u>\$ (2,708,000)</u>	<u>\$ (1,225,863)</u>
Business-type Activities:										
Investment in Capital Assets	\$ 50,438	\$ 41,113	\$ 32,380	\$ 24,073	\$ 16,580	\$ 11,540	\$ 294,393	\$ 269,565	\$ 244,969	\$ 224,898
Unrestricted	587,983	644,190	706,430	681,931	698,717	683,374	311,513	263,545	244,348	162,169
Total Business-type Activities										
Net Position	<u>\$ 638,421</u>	<u>\$ 685,303</u>	<u>\$ 738,810</u>	<u>\$ 706,004</u>	<u>\$ 715,297</u>	<u>\$ 694,914</u>	<u>\$ 605,906</u>	<u>\$ 533,110</u>	<u>\$ 489,317</u>	<u>\$ 387,067</u>
District-wide:										
Net Investment in Capital Assets	\$ 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	\$ 10,314,811
Restricted	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	1,881,100
Unrestricted (Deficit)	494,676	648,015	633,516	824,356	1,350,888	666,462	1,851,198	(11,684,608)	(11,431,378)	(13,034,707)
Total District-wide Net Position/(Deficit)										
Net Position/(Deficit)	<u>\$ 4,099,871</u>	<u>\$ 4,966,952</u>	<u>\$ 4,554,190</u>	<u>\$ 5,967,701</u>	<u>\$ 7,811,185</u>	<u>\$ 8,860,071</u>	<u>\$ 9,012,865</u>	<u>\$ (3,155,282)</u>	<u>\$ (2,218,683)</u>	<u>\$ (838,796)</u>

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 21,971,767
Special Education	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	6,438,375
Other Special Education	273,582	299,873	363,106	482,953	437,846	444,186	310,318	274,181	307,121	364,984
Other Instruction	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	1,815,902
Support Services:										
Tuition	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	2,472,465
Student & Instruction Related Services	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	8,300,424
General Administrative Services	602,766	764,249	672,186	649,484	652,454	721,574	617,134	707,478	795,701	729,656
School Administrative Services	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	3,003,053
Central Services	577,183	581,209	588,916	632,244	655,997	697,969	571,121	662,830	849,090	811,180
Administrative Information Technology	425,050	435,933	505,947	499,754	540,943	476,397	631,273	927,055	742,986	899,185
Plant Operations and Maintenance	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	4,344,130
Pupil Transportation	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	1,385,225
Transfer of Funds to Charter School		2,560	127							
Capital Outlay									7,263	5,477
Interest on Long-term Debt	120,773	92,738	489,045	657,494	611,528	584,922	558,316	519,300	591,939	1,044,412
Unallocated Depreciation								176,037	176,037	529,643
Total Governmental Activities Expenses	38,986,266	39,893,538	41,042,490	41,404,897	40,887,690	42,206,837	43,301,527	44,866,362	50,144,276	54,115,878
Business-type Activities:										
Enterprise Funds	846,037									
Food Service		485,853	479,998	475,356	526,328	460,560	531,833	524,044	548,047	585,313
Continuing Education		262,259	266,779	230,623	207,418	199,188	196,336	193,360	204,636	213,195
Total Business-type Activities Expense	846,037	748,112	746,777	705,979	733,746	659,748	728,169	717,404	752,683	798,508
Total District-wide Expenses	\$ 39,832,303	\$ 40,641,650	\$ 41,789,267	\$ 42,110,876	\$ 41,621,436	\$ 42,866,585	\$ 44,029,696	\$ 45,583,766	\$ 50,896,959	\$ 54,914,386
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction								\$ 26,828	\$ 30,114	\$ 57,149
Pupil Transportation								1,773	6,148	4,685
Operating Grants and Contributions	\$ 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	12,539,154
Capital Grants and Contributions								12,544	112,896	558,405
Total Governmental Activities Program Revenues	4,727,730	4,880,359	3,253,887	3,883,092	3,417,756	3,726,882	4,528,522	5,945,767	10,594,100	13,159,393
Business-type Activities:										
Charges for Services:										
Food Service		504,215	456,691	459,179	508,566	434,942	439,049	368,329	381,778	427,144
Continuing Education		268,955	304,489	205,763	233,207	203,897	199,306	228,037	255,585	189,006
Operating Grants and Contributions								48,462	71,518	79,961
Total Business-type Activities Program Revenues		773,170	761,180	664,942	741,773	638,839	638,355	644,828	708,881	696,111
Total District-wide Program Revenues	\$ 4,727,730	\$ 5,653,529	\$ 4,015,067	\$ 4,548,034	\$ 4,159,529	\$ 4,365,721	\$ 5,166,877	\$ 6,590,595	\$ 11,302,981	\$ 13,855,504

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

	Fiscal Year Ending June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Net (Expense)/Revenue:										
Governmental Activities	\$ (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)	\$ (40,956,485)
Business-type Activities	(846,037)	25,058	14,403	(41,037)	8,027	(20,909)	(89,814)	(72,576)	(43,802)	(102,397)
Total District-wide Net Expense	<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>	<u>\$ (41,058,882)</u>
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 40,210,804
Taxes Levied for Debt Service	657,872	690,243	718,253	938,970	871,348	852,738	838,642	846,504	950,124	1,365,293
Unrestricted Grants and Contributions	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	489,147
Investment Earnings	210,330	161,610	55,805	15,611	4,740	1,253	1,524	3,580	23,164	72,548
Miscellaneous Income	303,765	239,746	177,745	172,412	215,989	228,282	250,722	205,658	209,334	300,830
Special Item							(18,534)			
Insurance Recovery Related to Flood Damages								807,788		
Transfers								6,871		
Total Governmental Activities	<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>	<u>42,438,622</u>
Business-type Activities:										
Investment Earnings	26,374	21,824	13,739	4,152	1,267	526	\$ 41	\$ 13	\$ 9	\$ 147
Miscellaneous Income	874,015	773,170	786,545	4,079			29,583			
Special Item							(31,267)	(233)		
Total Business-type Activities	<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>	<u>147</u>
Total District-wide General Revenues and Other Changes in Net Position	<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>	<u>\$ 42,438,769</u>
Change in Net Position:										
Governmental Activities	\$ 288,441	\$ 820,199	\$ (466,269)	\$ 1,446,317	\$ 1,834,190	\$ 1,069,269	\$ 731,948	\$ 798,330	\$ 980,392	\$ 1,482,137
Business-type Activities	54,352	820,052	814,687	(32,806)	9,294	(20,383)	(91,457)	(72,796)	(43,793)	(102,250)
Total District-wide Change in Net Position	<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>	<u>\$ 1,379,887</u>

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

	June 30,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General Fund:										
Reserved	\$ 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	\$ 1,789,051
Assigned								928,240	356,154	248,298
Unassigned	332,153	1,257,352	555,777	827,222	1,221,780	571,730	532,455	815,154	871,190	1,028,064
Total General Fund	\$ 1,818,325	\$ 2,606,857	\$ 2,725,563	\$ 3,090,562	\$ 3,304,864	\$ 3,230,955	\$ 3,626,891	\$ 3,771,509	\$ 2,485,314	\$ 3,065,413
All Other Governmental Funds:										
Reserved	\$ 30,000	\$ 95,713	\$ 5,735,683	\$ 950,836	\$ 2,073,718	\$ 1,049,050				
Restricted							\$ 85,622	\$ 71,907	\$17,811,339	\$ 9,009,824
Committed							58,708	174,968	903,348	87,255
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	\$ 30,000	\$14,365,348	\$ 8,951,808	\$ 2,925,783	\$ 2,799,354	\$ 1,063,926	\$ 144,330	\$ 246,875	\$18,714,687	\$ 9,097,079
Total Governmental Funds	\$ 1,848,325	\$16,972,205	\$11,677,371	\$ 6,016,345	\$ 6,104,218	\$ 4,294,881	\$ 3,771,221	\$ 4,018,384	\$21,200,001	\$ 12,162,492

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Revenues:										
Tax Levy	\$ 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	\$ 41,576,097
Tuition from Other LEA's									4,592	28,677
Tuition from Individuals								26,828	25,522	28,472
Transportation Fees				3,694	1,424	1,161	1,424	1,773	6,148	4,685
Rents and Royalties									76,785	85,961
Interest Earned on Capital Reserve Funds	11,826	16,723	6,363	1,193	101	92	101	2,329	3,214	449
Miscellaneous	387,269	372,133	227,187	183,135	250,722	228,282	250,722	318,689	201,891	482,790
State Sources	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	6,969,131
Federal Sources	592,560	610,821	601,758	1,184,771	754,884	677,131	590,289	960,664	797,730	1,105,895
Total Revenue	39,159,707	40,698,738	40,576,221	42,851,214	42,511,880	43,276,106	44,052,010	44,850,033	46,858,645	50,282,157
Expenditures:										
Instruction:										
Regular Instruction	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	13,278,595
Special Education Instruction	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	3,687,893
Other Special Instruction	183,490	217,276	284,786	358,472	215,809	311,496	215,809	192,571	186,693	229,197
School-Sponsored/Other Instruction	949,463	999,779	1,034,583	1,073,255	997,374	1,029,678	1,070,315	1,100,445	1,137,496	1,227,617
Support Services:										
Tuition	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	2,472,465
Student & Other Instruction Related Services	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	6,088,655
General Administrative Services	602,766	651,376	576,346	573,707	1,782,847	631,702	543,184	511,712	524,083	530,010
School Administrative Services	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	1,823,562
Central Services	485,178	495,370	504,949	523,289	535,677	564,932	465,764	466,973	542,591	492,065
Administrative Information Technology	404,073	371,549	433,809	474,930	513,258	562,857	602,217	832,683	629,266	833,117
Plant Operations and Maintenance	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	3,981,547
Student Transportation	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	1,344,658
Allocated Benefits										2,940,097
Unallocated Benefits	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	8,173,163
Transfer of Funds to Charter School		2,560	127							
Capital Outlay	273,158	479,224	5,555,997	6,694,900	1,292,086	2,539,546	1,100,375	628,283	1,582,043	10,381,401
Debt Service:										
Principal	630,000	650,000	700,000	734,000	645,000	645,000	645,000	680,000	860,000	860,000
Interest and Other Charges	120,773	92,738	489,045	657,494	611,528	584,922	558,315	530,988	499,225	975,624
Total Expenditures	39,149,361	40,324,857	45,871,055	48,512,240	42,582,170	45,085,443	44,629,042	45,417,529	48,122,028	59,319,666

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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Excess/(Deficit) of Revenues Over/(Under)										
Expenditures	\$ 10,346	\$ 373,881	\$ (5,294,834)	\$ (5,661,026)	\$ (70,290)	\$ (1,809,337)	\$ (577,032)	\$ (567,496)	\$ (1,263,383)	\$ (9,037,509)
Other Financing Sources/(Uses):										
Long Term Debt Issued		14,765,000								
School Refunding Bonds Issued										7,350,000
Serial Bonds Issued									18,205,000	
Bond Premium										804,913
Serial Bonds Defeased										(7,435,000)
Bond Issuance Costs										(114,828)
Deferred amount on Refunding										(605,085)
Capital Leases									240,000	
Transfers	(114,250)							6,871		
Special Item							(18,534)			
Total Other Financing Sources/(Uses)	(114,250)	14,765,000	-0-	-0-	-0-	-0-	(18,534)	814,659	18,445,000	-0-
Net Change in Fund Balances	<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>	<u>\$ (9,037,509)</u>
Debt Service as a % of Noncapital Expenditures	<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>	<u>3.75%</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	Gate Receipts	Transportation Fees	Rentals	Prior Year Refunds	Adjustment of Prior Years' Orders	Miscellaneous	Total
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
2016	11,220		57,149	12,320	4,685	85,961	91,351		100,427	363,113

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 ^a	Net Valuation Taxable	Tax Exempt Property	Total Direct School Tax Rate ^b	Estimated Actual (County Equalized Value)
<u>Borough of Caldwell</u>												
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
2015	3,219,600	803,972,450	-0-	121,488,700	-0-	75,779,900	1,004,460,650	3,118,098	1,007,578,748	126,250,300	1.26	1,064,904,624
<u>Township of West Caldwell</u>												
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
2015	15,436,100	1,532,626,400	81,800	339,895,200	331,551,200	15,683,900	2,235,274,600	1,442,400	2,236,717,000	133,733,464	1.31	2,183,656,002

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

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

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

* Revaluation became effective in this year.

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

Exhibit J-7
1 of 2

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
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Caldwell	Essex County	
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
2015	1.22	0.04	1.26	0.73	0.55	2.54

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

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

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

Source: Borough of Caldwell Tax Collector and School Business Administrator.

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 ^a	Debt Service ^b				
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
2015	1.27	0.04	1.31	0.57	0.51	2.39

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

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

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

* Revaluation became effective in this year.

Source: Township of West Caldwell Tax Collector and School Business Administrator.

Exhibit J-8

1 of 2

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

Borough of Caldwell

Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Westover Associates	\$ 11,198,500	1	1.13%
Panyork Group, Inc.	8,015,000	2	0.81%
Carlyle Towers, A Partnership	7,931,500	3	0.80%
Caldwell Plaza Inc.	6,000,000	4	0.60%
S&S 550 Bloomfield Ave. LLC	5,000,000	5	0.50%
Parkview Common Apartments	3,616,200	6	0.36%
Sidebrook Associates	3,609,500	7	0.36%
Rumsey Park Associates	3,563,000	8	0.36%
Hillside Realty (Prospect St.)	3,142,800	9	0.32%
Hillside Realty (Academy Rd.)	3,014,100	10	0.30%
Total	<u>\$ 55,090,600</u>		<u>5.53%</u>

Taxpayer	2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

Exhibit J-8
2 of 2

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

Township of West Caldwell

Taxpayer	2015		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Lutheran Social Ministries, Inc.	\$ 81,000,000	1	3.61%
GR/SS Caldwell	38,433,800	2	1.71%
Toyota Motor Sales	32,033,900	3	1.43%
LTS Lohmann Therapy Systems	32,016,600	4	1.43%
West Caldwell Plaza	22,911,600	5	1.02%
Leknarf Associates LLC	22,724,000	6	1.01%
Mountain Ridge Country Club	19,642,900	7	0.88%
CMI Essex Property	19,500,000	8	0.87%
Henderson Drive LLC	16,943,500	9	0.76%
Eagle Rock Convalescent Center	14,200,000	10	0.63%
Total	<u>\$ 299,406,300</u>		<u>13.34%</u>

Taxpayer	2006		
	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
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</u> ^a		<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>				
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-
2016	13,628,983	13,628,983	100.00%	-0-
<u>Township of West Caldwell</u>				
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-
2016	27,947,114	27,947,114	100.00%	-0-

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

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 ^a	Per Capita ^a
	General Obligation Bonds	Obligations Under Capital Leases				
2007	\$ 2,084,000	\$ 330,890	\$ -0-	\$ 2,414,890	0.28%	\$ 135
2008	16,199,000	191,374	-0-	16,390,374	1.80%	930
2009	15,499,000	443,174	-0-	15,942,174	1.71%	911
2010	14,765,000	340,903	-0-	15,105,903	1.68%	862
2011	14,120,000	238,632	-0-	14,358,632	1.47%	771
2012	13,475,000	122,204	-0-	13,597,204	1.32%	726
2013	12,830,000	317,096	-0-	13,147,096	1.27%	703
2014	12,150,000	225,115	-0-	12,375,115	1.18%	659
2015	29,495,000	325,888	-0-	29,820,888	2.71%	1,578
2016	28,550,000	185,890	-0-	28,735,890	2.59%	1,512

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

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

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 ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
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%	758
2012	13,475,000	-0-	13,475,000	0.41%	720
2013	12,830,000	-0-	12,830,000	0.39%	686
2014	12,150,000	-0-	12,150,000	0.37%	647
2015	29,495,000	-0-	29,495,000	0.91%	1,560
2016	28,550,000	-0-	28,550,000	0.88%	1,502

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

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

^b 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, 2015
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Borough of Caldwell	\$ 11,380,717	100.000%	\$ 11,380,717
Township of West Caldwell	19,149,050	100.000%	19,149,050
Essex County General Obligation Debt:			
Borough of Caldwell Share	463,895,104	1.291%	5,989,344
Township of West Caldwell Share	463,895,104	2.647%	<u>12,281,538</u>
Subtotal, Overlapping Debt			48,800,648
Caldwell-West Caldwell School District Direct Debt			<u>28,820,890</u>
Total Direct and Overlapping Debt			<u><u>\$ 77,621,538</u></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									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Debt Limit	\$ 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	\$ 131,419,808
Total Net Debt Applicable to Limit	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	28,550,000
Legal Debt Margin	<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>	<u>\$ 102,869,808</u>
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	1.74%	11.54%	10.68%	10.17%	9.98%	9.77%	9.36%	9.10%	22.54%	21.72%

Legal Debt Margin Calculation for Fiscal Year 2016

	Borough of Caldwell	Township of West Caldwell	Total
Equalized valuation basis:			
2015	\$ 1,117,433,141	\$ 2,284,622,445	\$ 3,402,055,586
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
			<u>\$ 9,856,485,614</u>
Average Equalized Valuation of Taxable Property			<u>\$ 3,285,495,205</u>
Debt Limit (4% of average equalization value) ^a			\$ 131,419,808
Net Bonded School Debt			<u>28,550,000</u>
Legal Debt Margin			<u>\$ 102,869,808</u>

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

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

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

Borough of Caldwell

Year	Population ^a	Essex County Per Capita Personal Income ^b	Borough of Caldwell Personal Income ^c	Unemployment Rate ^d
2007	7,160	\$ 51,568	\$ 369,226,880	2.10%
2008	7,106	53,136	377,584,416	2.50%
2009	7,115	51,288	364,914,120	5.10%
2010	7,823	52,324	409,330,652	5.20%
2011	7,874	55,014	433,180,236	4.90%
2012	7,869	55,404	435,974,076	5.10%
2013	7,888	55,692	439,298,496	6.50%
2014	7,917	58,319	461,711,523	5.40%
2015	7,948	58,319 *	463,519,412	5.10%
2016	7,948 **	58,319 *	463,519,412 ***	N/A

* - Latest Essex County per capita personal income available (2014) was used for calculation purposes.

** - Latest population data available (2015) was used for calculation purposes.

*** - Latest available population data (2015) and latest available Essex County per capita personal income (2014) was used for calculation purposes.

N/A - Information is not available.

Sources:

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

Year	Population ^a	Essex County Per Capita Personal Income ^b	Township of West Caldwell Personal Income ^c	Unemployment Rate ^d
2007	10,469	\$ 51,568	\$ 539,865,392	2.90%
2008	10,391	53,136	552,136,176	3.60%
2009	10,407	51,288	533,754,216	7.30%
2010	10,799	52,324	565,046,876	7.30%
2011	10,849	55,014	596,846,886	7.00%
2012	10,843	55,404	600,745,572	7.20%
2013	10,877	55,692	605,761,884	4.00%
2014	10,984	58,319	640,575,896	5.10%
2015	11,060	58,319 *	645,008,140	4.10%
2016	11,060 **	58,319 *	645,008,140 ***	N/A

* - Latest Essex County per capita personal income available (2014) was used for calculation purposes.

** - Latest population data available (2015) was used for calculation purposes.

*** - Latest available population data (2015) and latest available Essex County per capita personal income (2014) was used for calculation purposes.

N/A - Information is not available.

Sources:

^a Population information provided by the NJ Department of Labor and Workforce Development.

^b Per capita personal income by municipality estimated based upon the 2000 Census published by the US Bureau of Economic Analysis.

^c Personal income has been estimated based upon the municipal population and per capita personal income presented.

^d 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	2015		
	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.64%
Verizon	17,100	2	4.94%
Prudential 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	2006		
	Employees	Rank (Optional)	Percentage of Total Employment

INFORMATION IS NOT AVAILABLE

Source: Essex County Economic Development Corporation

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

<u>Function/Program</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>	<u>2016</u>
Instruction:										
Regular	164	164	165	166	161	161	164	160	165	165
Special Education	42	44	44	46	44	46	46	47	45	45
Other Special Education	9	10	10	10	10	11	8	8	7	
Other Instruction	19	19	19	19	18	18	20	23	38	48
Support Services:										
Student & Instruction Related Services	58	62	63	63	55	50	54	55	42	41
School Administration	22	23	23	23	23	22	24	24	23	22
General Administration	9	9	9	9	9	10	5	5	4	4
Central Services	6	6	6	6	6	6	6	6	6	7
Plant Operations and Maintenance	39	39	39	39	37	40	36	37	36	35
Pupil Transportation	2	3	3	3	3	4	4	2	2	2
Total	<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>	<u>369</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 ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School				
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%
2016	2,664	47,102,641	17,681	3.43%	238	1:10	1:11	1:12	2,658	2,566	0.23%	96.54%

Note: Enrollment based on annual October District count.

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

^b 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.

^c Teaching staff includes only full-time equivalents of certificated staff.

^d 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 TEN FISCAL YEARS
UNAUDITED

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	284	283	293	305	295	309	307	320	326	294
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	230	220	227	235	234	237	256	252	246	237
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	425	404	401	375	367	362	372	354	346	360
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	234	244	239	239	251	255	245	248	298	288
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	621	627	613	631	634	645	647	637	626	633
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	809	819	848	788	791	757	781	792	801	795

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

District Building	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
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	33	35	18	20	21	23	34	42	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, 2016

- 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 School Building	Grover Cleveland Middle School	James Caldwell High School	Total
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
2016	138,943	108,551	146,318	96,632	119,897	424,960	425,428	1,460,729

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

Exhibit J-20

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2016
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



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

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

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

Independent Auditors' Report

The Honorable President and Members
 of the Board of Education
 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, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 8, 2016.

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.

December 8, 2016
Mount Arlington, New Jersey

Nisivoccia, LLP

NISIVOCCIA, LLP

Kathryn L. Mantell

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



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

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

Report on Compliance For Each Major Federal and State Program;
 Report on Internal Control Over Compliance

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 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, 2016. 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; the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the Uniform Guidance and New Jersey's OMB Circular 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, 2016.

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 the Uniform Guidance and NJOMB 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 the Uniform Guidance or NJOMB 15-08. Accordingly, this report is not suitable for any other purpose.

Nisivoccia, LLP

December 8, 2016
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, 2016

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015		Cash Received	Budgetary Expenditures	Balance at June 30, 2016		Amounts Paid to Subrecipients
					Budgetary Accounts Receivable	Budgetary Unearned Revenue			Budgetary Accounts Receivable	Budgetary Unearned Revenue	
U.S. Department of Education:											
Passed-through State Department of Education:											
Special Revenue Fund:											
Special Education Cluster:											
I.D.E.A. Part B, Basic	84.027	IDEA066016	7/1/15-6/30/16	\$ 605,784			\$ 593,289	\$ (605,784)	\$ (12,495)		
I.D.E.A. Part B, Basic	84.027	IDEA066015	7/1/14-6/30/15	595,771	\$ (14,311)		14,311				
I.D.E.A. Preschool	84.173	IDEA066016	7/1/15-6/30/16	18,656			18,656	(18,656)			
Total Special Education Cluster					(14,311)		626,256	(624,440)	(12,495)		
No Child Left Behind:											
Title I	84.391	NCLB066016	7/1/15-6/30/16	182,081				(182,081)	(182,081)		
Title I	84.391	NCLB066015	7/1/14-6/30/15	45,151	(45,151)		45,151				
Total Title I					(45,151)		45,151	(182,081)	(182,081)		
Title II	84.391	NCLB066016	7/1/15-6/30/16	39,490				(39,490)	(39,490)		
Title II	84.391	NCLB066015	7/1/14-6/30/15	35,977	(35,365)		35,365				
Total Title II					(35,365)		35,365	(39,490)	(39,490)		
Title III	84.365	NCLB066015	7/1/14-6/30/15	8,546	(8,546)		8,546				
Total Title III					(8,546)		8,546				
IIS Competitive Grant (RTTT- Phase III)	84.413A	N/A	7/1/14-11/30/15	114,306	(98,770)		114,306	(15,536)			
Fund for the Improvement of Education	84.215E	N/A	5/1/15-4/30/18	253,572			247,523	(247,523)			
Total Special Revenue Fund					(202,143)		1,077,147	(1,109,070)	(234,066)		
Total U.S. Department of Education					(202,143)		1,077,147	(1,109,070)	(234,066)		
U.S. Department of Agriculture:											
Passed-through State Department of Agriculture:											
Child Nutrition Cluster:											
Food Distribution Program	10.555	N/A	7/1/15-6/30/16	11,134			11,134	(9,263)		\$ 1,871	
Food Distribution Program	10.555	N/A	7/1/14-6/30/15	10,438		\$ 826		(826)			
National School Lunch Program	10.555	N/A	7/1/15-6/30/16	66,891			53,833	(66,891)	(13,058)		
National School Lunch Program	10.555	N/A	7/1/14-6/30/15	58,800	(5,260)		5,260				
Total Child Nutrition Cluster					(5,260)	826	70,227	(76,980)	(13,058)	1,871	
Total Federal Awards					\$ (207,403)	\$ 826	\$ 1,147,374	\$ (1,186,050)	\$ (247,124)	\$ 1,871	\$ -0-

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016		MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund State Aid:													
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	\$ 848,871				\$ 771,640	\$ (848,871)			\$ (77,231)	\$ 848,871	
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	40,034				36,392	(40,034)			(3,642)	40,034	
Transportation Aid	16-495-034-5120-014	7/1/15-6/30/16	72,385				65,799	(72,385)			(6,586)	72,385	
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	26,025				23,657	(26,025)			(2,368)	26,025	
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	26,025				23,657	(26,025)			(2,368)	26,025	
Extraordinary Special Education Costs Aid	16-495-034-5120-044	7/1/15-6/30/16	462,589					(462,589)		\$ (462,589)	(462,589)	462,589	
Excess Nonpublic Transportation Costs	16-495-034-5120-014	7/1/15-6/30/16	28,014					(28,014)		(28,014)	(28,014)	28,014	
Reimbursed TPAF Social Security Contributions	16-495-034-5094-003	7/1/15-6/30/16	1,289,314				1,225,137	(1,289,314)		(64,177)	(64,177)	1,289,314	
Special Education Aid	15-495-034-5120-089	7/1/14-6/30/15	848,871	\$ (64,693)			64,693					848,871	
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	40,034	(3,051)			3,051					40,034	
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	72,385	(5,517)			5,517					72,385	
PARCC Readiness Aid	15-495-034-5120-098	7/1/14-6/30/15	26,025	(1,983)			1,983					26,025	
Per Pupil Growth Aid	15-495-034-5120-097	7/1/14-6/30/15	26,025	(1,983)			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	
Excess Nonpublic Transportation Costs	15-495-034-5120-014	7/1/14-6/30/15	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	(70,196)			70,196					1,283,707	
Subtotal - General Fund				(649,149)			2,795,431	(2,793,257)		(554,780)	(646,975)	5,592,030	
Special Revenue Fund Aid:													
Nonpublic Auxiliary Services:													
Compensatory Education	16-100-034-5120-067	7/1/15-6/30/16	20,305				20,305	(12,775)		\$ 7,530		12,775	
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	17,916			\$ 4,748			\$ (4,748)			13,168	
Transportation	16-100-034-5120-068	7/1/15-6/30/16	24,495				24,495	(24,495)				24,495	
Home Instruction	15-100-034-5120-067	7/1/14-6/30/15	3,776	(3,776)			3,776					3,776	
Nonpublic Handicapped Services:													
Supplementary Instruction	16-100-034-5120-066	7/1/15-6/30/16	11,139				11,139	(7,231)			3,908	7,231	
Supplementary Instruction	15-100-034-5120-066	7/1/14-6/30/15	10,201			1,176			(1,176)			9,025	
Corrective Speech	16-100-034-5120-066	7/1/15-6/30/16	10,033				10,033	(7,514)			2,519	7,514	
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	16,787			7,825			(7,825)			8,962	
Examination and Classification	16-100-034-5120-066	7/1/15-6/30/16	36,130				36,130	(26,759)			9,371	26,759	
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	38,179			8,819			(8,819)			29,360	
N.J. Nonpublic Textbook Aid	16-100-034-5120-064	7/1/15-6/30/16	27,693				27,693	(27,693)				27,693	
N.J. Nonpublic Nursing Aid	16-100-034-5120-070	7/1/15-6/30/16	43,650				43,650	(43,650)				43,650	
N.J. Nonpublic Technology Initiative	16-100-034-5120-373	7/1/15-6/30/16	12,610				12,610	(12,610)				12,610	
N.J. Nonpublic Security Aid	16-100-034-5120-509	7/1/15-6/30/16	12,125				12,125	(12,125)				12,125	
Future Ready NJ	NGO 16-TG04-G02	2/1/16-8/31/16	92,120					(75,392)		(75,392)	(75,392)	75,392	
Achievement Coaches Grant	N/A	2/1/15-8/31/15	70,000	(29,500)			62,000	(40,500)		(8,000)	(8,000)	70,000	
Subtotal - Special Revenue Fund				(33,276)		22,568	263,956	(290,744)	(22,568)	(83,392)	23,328	(83,392)	384,535

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2015			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2016		MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Debt Service Fund Aid:													
Debt Service Aid - State Support	16-100-034-5120-125	7/1/15-6/30/16	\$ 398,424				\$ 398,424	\$ (398,424)					\$ 398,424
Subtotal - Debt Service Fund							398,424	(398,424)					398,424
State Department of Education:													
Food Service Fund:													
State School Lunch Program	16-100-010-3350-023	7/1/15-6/30/16	2,981				2,416	(2,981)		\$ (565)		\$ (565)	2,981
State School Lunch Program	15-100-010-3350-023	7/1/14-6/30/15	2,688	\$ (237)			237						2,688
Subtotal - Food Service Fund				(237)			2,653	(2,981)		(565)		(565)	5,669
Total State Department of Education				(682,662)		\$ 22,568	3,460,464	(3,485,406)	\$ (22,568)	(638,737)	\$ 23,328	(730,932)	6,380,658
NJ Schools Development Authority:													
Capital Projects Fund:													
Educational Facilities Construction and Financing Act:													
Lincoln Elementary Windows Project	0660-080-14-1002	2/18/14-6/30/15	125,440	(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)				(558,405)		(558,405)		(587,795)	(558,405)
Total NJ Schools Development Authority				(700,691)			112,896	(558,405)		(558,405)		(587,795)	(432,965)
Total State Awards				\$ (1,383,353)	\$ -0-	\$ 22,568	\$ 3,573,360	\$ (4,043,811)	\$ (22,568)	\$ (1,197,142)	\$ 23,328	\$ (1,318,727)	\$ 5,947,693

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, 2016

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, 2016. The information in these schedules are presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance") and New Jersey's OMB Circular 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 on the accrual basis of accounting. These bases of accounting are described in Note 1 to the District's basic financial statements. Such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Negative amounts, if any, shown on the Schedules represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years.

NOTE 3. INDIRECT COST RATE

The District has elected to use the 10 percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 4. 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 (\$14,968) for the General Fund and (\$3,355) for the Special Revenue Fund (of which \$450 is attributable to local grants). 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 \$1,343,392 and \$1,599,607, respectively. Revenue from federal and state awards is reported in the Board's basic financial statements on the GAAP basis as presented below:

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

NOTE 4. RELATIONSHIP TO BASIC FINANCIAL STATEMENTS (Cont'd)

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 5,721,288	\$ 5,721,288
Special Revenue Fund	\$ 1,105,895	291,014	1,396,909
Capital Projects Funds		558,405	558,405
Debt Service Fund		398,424	398,424
Food Service Fund	76,980	2,981	79,961
Total Awards	<u>\$ 1,182,875</u>	<u>\$ 6,972,112</u>	<u>\$ 8,154,987</u>

NOTE 5. 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 6. 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, 2016.

NOTE 7. 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. The Lincoln Elementary School window project was completed and \$125,440 was submitted for reimbursement in the prior year. The prior year receivable balance of \$112,896 was collected during the current fiscal year. The Jefferson Elementary School HVAC and boiler replacement project was completed and \$558,405 was expended, submitted for reimbursement and realized as revenue on the GAAP basis during the current fiscal year. 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 the 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, 2016

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*.
- The auditor's report on compliance for the major federal and state programs for the District expresses an unmodified opinion on all major federal and state programs.
- The audit did not disclose any audit findings which are required to be reported in accordance with New Jersey's OMB Circular 15-08 or 2 CFR 200.516(a) of the Uniform Guidance.
- The District's programs tested as major federal and state programs for the current fiscal year consisted of the following:

	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	7/1/15-6/30/16	\$ 605,784	\$ 605,784
I.D.E.A. Preschool	84.173	7/1/15-6/30/16	18,656	18,656
<u>State:</u>				
Special Education Aid	16-495-034-5120-089	7/1/15-6/30/16	848,871	848,871
Security Aid	16-495-034-5120-084	7/1/15-6/30/16	40,034	40,034
PARCC Readiness Aid	16-495-034-5120-098	7/1/15-6/30/16	26,025	26,025
Per Pupil Growth Aid	16-495-034-5120-097	7/1/15-6/30/16	26,025	26,025

- The threshold used for distinguishing between both federal and state Type A and Type B programs was \$750,000.
- The District was determined to be a "low-risk" auditee for both federal and state programs.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016
(Continued)

Summary of Auditors' Results: (Cont'd)

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

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

Findings and Questioned Costs for Federal Awards:

- The audit did not disclose any findings or questioned costs for federal awards as defined in 2 CFR 200.516(a) of the Uniform Guidance.

Findings and Questioned Costs for State Awards:

- The audit did not disclose any findings or questioned costs for state awards as defined in 2 CFR 200.516(a) of the Uniform Guidance and New Jersey's OMB Circular 15-08.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2016

Status of Prior Year Findings:

The District had no prior year audit findings.