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, 2019

Prepared by

Caldwell-West Caldwell School District
Board Office

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, 2019

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

FINANCIAL SECTION (Cont'd)

Required Supplementary Information (Unaudited) (Cont'd)

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
TABLE OF CONTENTS
FISCAL YEAR ENDED JUNE 30, 2019
(Continued)

STATISTICAL SECTION (UNAUDITED)

SINGLE AUDIT SECTION

INTRODUCTORY SECTION

BOARD OF EDUCATION CALDWELL-WEST CALDWELL

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

Thomas J. Lambe
Business Administrator/Board Secretary **(973) 228-3360**

November 8, 2019

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, 2019 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 and 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 2,626 students, based on the annual October 15, 2018 ASSA count, which is an increase of 5 students from the previous year's enrollment.

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 2018-19 school year, the District completed the remaining portions projects of the $18 million referendum that voters had approved in 2014. During November 2018, voters approved a $600,000 budget question to fund full day kindergarten. During the 2018-2019 school year, these funds were used to install bathrooms and make plumbing improvements in order to comply with the standards required of kindergarten classrooms. In 2019-2020 going forward, these funds are being used for the salaries and benefits of kindergarten teachers and aides, along with supplies, furniture and equipment for kindergarten. The curriculum team and teachers developed lessons for a full day kindergarten program.

During 2018-2019, the district prepared for a 4-Day Rotating Block Schedule at James Caldwell High School with professional development for staff, careful planning and creating of student and teacher schedules, and careful budgeting for staffing and food service equipment for a one-hour common lunch.

We also continued to invest in afterschool programming. Year Four of the Expeditionary Learning Program was filled to capacity at each school and Year Two of the After School Program was likewise successful.

The District also implemented year three of implementing Readers Workshop in the elementary schools, with training from K&M Literacy, Jenn Serravallo and Barb Golub. Teachers continued with math professional development from the math experts at Conquer Mathematics.

In other professional development, the District continued its work in design-based pedagogy, which has applications to all grade levels and subject areas. As always, professionals across the school district participated in Professional Learning Communities. Educators regularly met to review student performance data, analyze assessments and calibrate student work.

During 2018-2019, the District continued its $3 million ESIP project, with most of the school having LED lighting installed by June 30. The remaining installations were completed during the summer of 2019. New solar panels will be installed and HVAC controls replaced during the 2019-2020 school year. Additionally, new boilers are being installed at the middle school. Energy savings will fund the projects at no cost to taxpayers.

The District continues to invest in security initiatives, including new and replacement cameras and PA systems. James Caldwell High School and Grover Cleveland Middle School saw the installation of a comprehensive Emergency Notification System and Public Address System during the summer of 2019, and Harrison School saw the upgrade of the Public Address System.

4) INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control system designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). The internal control system is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (I) 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, 2019.

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

7) 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 is included in the financial section of this report. The Auditors' Reports related specifically to the single audit and *Government Auditing Standards* are included in the single audit section of this report.

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,

James Heinegg

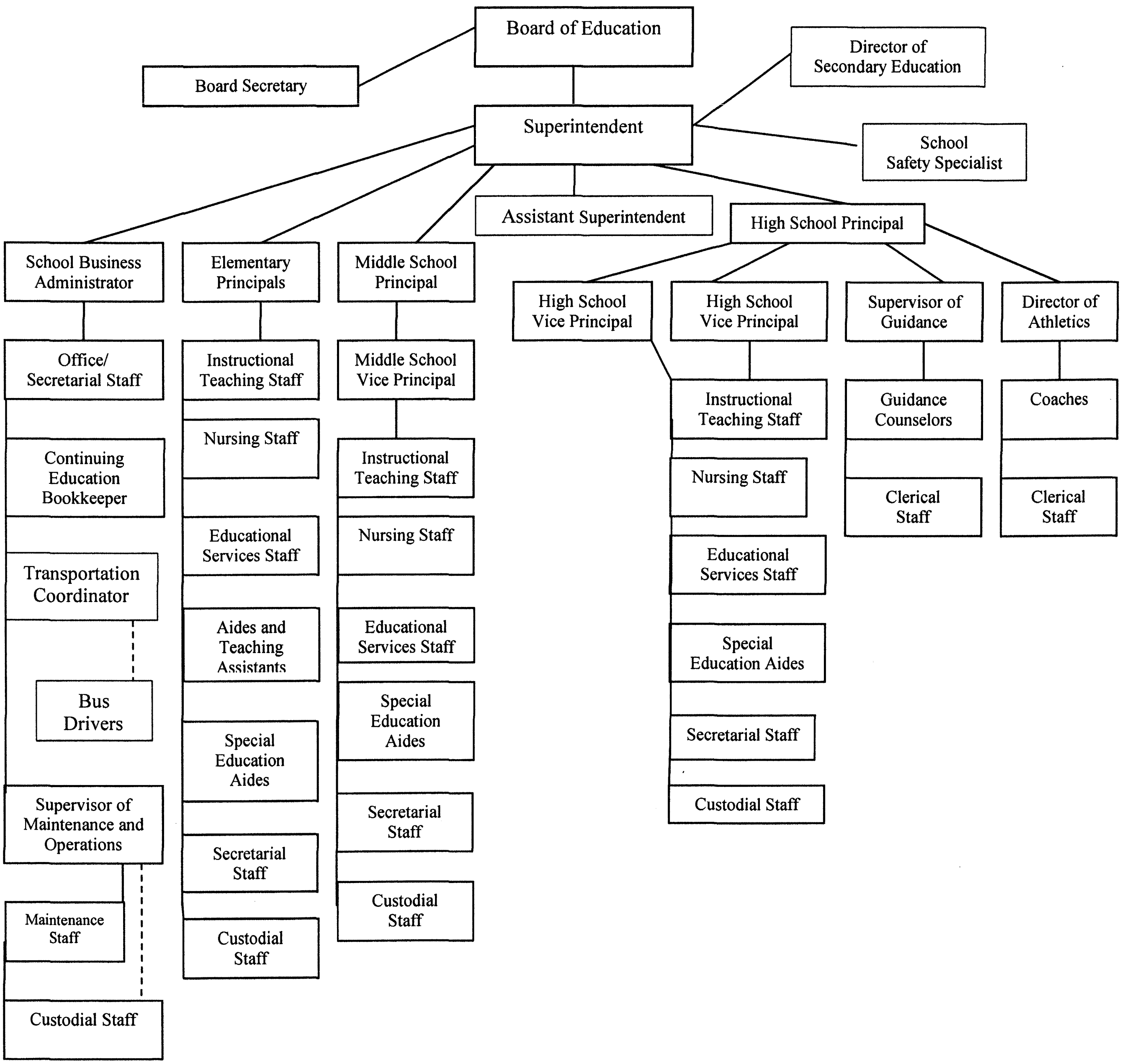
Dr. James G. Heinegg
Superintendent of Schools

Thomas Lambe

Thomas J. Lambe
Business Administrator/Board Secretary

CALDWELL-WEST CALDWELL
BOARD OF EDUCATION

ORGANIZATIONAL CHART



CALDWELL-WEST CALDWELL SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2019

Members of the Board of Education	Term Expires
Marie Lanfrank, President	12/2019
Daniel Cipoletti, Vice President	12/2019
Chris D'Ambola	12/2021
Julianne Grosso	12/2021
John King	12/2020

Other Officers	Title
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

Board Attorney

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

Bond Attorney

Wilentz, Goldman & Spitzer, PA
90 Woodbridge Center Drive
Suite 900 Box 10
Woodbridge, NJ 07095

Special Education Attorney

Isabel Machado
Machado Law Group
1 Cleveland Place
Springfield Township, NJ 07081

Bond Financial Advisor

Phoenix Advisors, LLC
4 West Park Street
Bordentown, NJ 08505

Official Depositories

Valley National Bank

Lakeland Bank

TD Wealth

FINANCIAL SECTION

NISIVOCCIA LLP
Certified Public Accountants & Advisors

Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-298-8500 | 973-298-8501 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, 2019, 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.

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, 2019, 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 and post-retirement benefit schedules in Exhibits L-1 through L-7 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 other supplementary schedules 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 other supplementary schedules 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 other supplementary schedules and the schedules of expenditures of federal and state awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2019 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Nisivoccia, LLP

November 8, 2019
Mount Arlington, New Jersey

NISIVOCCIA, LLP

Kathryn L. Mantell

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, 2019
(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, 2019. 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.

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

Management's Discussion and Analysis	Basic Financial Statements	Required Supplementary Information
District-Wide Financial Statements	Fund Financial Statements	Notes to the Financial Statements

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

		Fund Financial Statements		
	District-Wide 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	• Statement of net position • Statement of activities	• Balance sheet • Statement of revenue, expenditures, and changes in fund balances	• Statement of net position • Statement of revenue, expenses, and changes in net position • Statement of cash flows	• 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

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 is it properly using certain revenue (such as federal grants).

The District has three kinds of funds:

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

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 $3,218,126. Net position from governmental activities increased by $3,040,237 and net position from business-type activities increased by $177,889. Net investment in capital assets increased by $1,686,372, restricted net position increased by $475,420, and unrestricted net position increased by $1,056,334.

Figure A-3
Condensed Statement of Net Position

	Government Activities		Business-Type Activities		Total School District		Percent Change
	2018/19	2017/18	2018/19	2017/18	2018/19	2016/17	2018/19
Assets:							
Current and Other Assets	$ 8,205,593	$ 9,807,101	$ 611,726	$ 458,236	$ 8,817,319	$ 10,265,337	
Capital Assets, Net	38,525,334	36,194,399	160,041	181,660	38,685,375	36,376,059	
Total Assets	46,730,927	46,001,500	771,767	639,896	47,502,694	46,641,396	1.85%
Deferred Outflows of Resources	3,060,652	4,244,364			3,060,652	4,244,364	-27.89%
Liabilities:							
Other Liabilities	891,722	927,767	103,634	149,652	995,356	1,077,419	
Long-Term Liabilities	38,448,209	42,563,365			38,448,209	42,563,365	
Total Liabilities	39,339,931	43,491,132	103,634	149,652	39,443,565	43,640,784	-9.62%
Deferred Inflows of Resources	4,579,449	3,922,770			4,579,449	3,922,770	16.74%
Net Position:							
Net Investment in Capital Assets	15,172,508	13,464,517	160,041	181,660	15,332,549	13,646,177	
Restricted	3,964,714	3,489,294			3,964,714	3,489,294	
Unrestricted/(Deficit)	(13,265,023)	(14,121,849)	508,092	308,584	(12,756,931)	(13,813,265)	
Total Net Position	$ 5,872,199	$ 2,831,962	$ 668,133	$ 490,244	$ 6,540,332	$ 3,322,206	96.87%

Changes in Net Position. The Changes in Net Position shows the cost of program services and the revenues of the District on a comparative schedule (Figure A-4).

Figure A-4
Changes in Net Position from Operating Results

	Governmental Activities		Business-Type Activities		Total School District		Percent Change
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Revenue:							
Program Revenue:							
Charges for Services	$ 45,793	$ 88,584	$ 1,410,126	$ 1,180,602	$ 1,455,919	$ 1,269,186	
Operating Grants and Contributions	15,282,545	17,412,814	99,910	95,238	15,382,455	17,508,052	
General Revenue:							
Property Taxes	46,120,838	44,669,311			46,120,838	44,669,311	
Unrestricted State and Federal Aid	937,385	714,671			937,385	714,671	
Other	456,298	772,948	2,867	892	459,165	773,840	
Total Revenue	62,842,859	63,658,328	1,512,903	1,276,732	64,355,762	64,935,060	-0.89%
Expenses:							
Instruction	33,700,820	35,751,501			33,700,820	35,751,501	
Pupil & Instruction Services	12,597,508	12,034,475			12,597,508	12,034,475	
Administrative & Business	5,733,661	5,368,462			5,733,661	5,368,462	
Maintenance & Operations	5,184,521	5,036,489			5,184,521	5,036,489	
Transportation	1,253,434	1,396,947			1,253,434	1,396,947	
Other	1,332,678	1,412,697	1,335,014	1,145,019	2,667,692	2,557,716	
Total Expenses	59,802,622	61,000,571	1,335,014	1,145,019	61,137,636	62,145,590	-1.62%
Increase in Net Position	$ 3,040,237	$ 2,657,757	$ 177,889	$ 131,713	$ 3,218,126	$ 2,789,470	15.37%

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:

- The District's ESIP projects are more than halfway completed, with all schools having new LED lighting, new HVAC controls, new solar panels being installed. Additionally, new boilers are being installed at the middle school. Energy savings will fund the projects at no cost to taxpayers.
- For the fourth consecutive year, the District entered into an Interlocal Agreement with the Township of West Caldwell to share lawn cutting services.
- Renewal of agreement with the Caldwell Community Center for use of their pool for the James Caldwell High School Boys and Girls Swim Teams.
- Continues to operate its regular education bus routes in-house, with the buses also used after school for Athletics.
- Participation in multiple cooperative purchasing programs for district supplies.
- Shared service agreements with other public entities for busing services for special education students, athletics and field trips.
- The District participates in several cooperative purchasing programs for construction services. We have been able to significantly increase the scope of facility improvement projects by implementing a strategy of bidding and using cooperative purchasing to procure the most favorable prices for construction projects.
- The use of state contracts for reduced pricing in purchasing.
- Participation in the ACES cooperative energy purchasing program.
- Membership in the School Alliance Insurance Fund (SAIF), a joint insurance fund comprised of dozens of school districts that provides liability, workers compensation and automobile insurance. The pooling of resources, experiences and claims with other school districts reduces the risk of the District, resulting in lower claims and more reasonable premiums.
- The District continued participation in the National School Lunch Program in 2018-19, 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-5 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-5
Net Cost of Governmental Activities

	Total Cost of Services 2018/19	Net Cost of Services 2018/19	Total Cost of Services 2017/18	Net Cost of Services 2017/18
Instruction	$ 33,700,820	$ 22,524,554	$ 35,751,501	$ 22,956,685
Pupil and Instruction Services	12,597,508	10,128,360	12,034,475	9,136,544
Administrative and Business	5,733,661	4,419,153	5,368,462	4,350,620
Maintenance and Operations	5,184,521	5,184,521	5,036,489	4,377,335
Transportation	1,253,434	885,018	1,396,947	1,265,292
Other	1,332,678	1,332,678	1,412,697	1,412,697
	$ 59,802,622	$ 44,474,284	$ 61,000,571	$ 43,499,173

Business-Type Activities

Net position from the District's business-type activity increased by $177,889. (Refer to Figure A-4). Factors contributing to these results included:

- Continuing Education Fund revenues exceeded expenses by $125,482 due to an increase in enrollment in the Kindergarten Enrichment program that began its second year in September 2018, and Food Service Fund revenues exceeded expenses by $52,407, resulting in the overall increase in the net position of the business-type activities.
- The increase in the Food Service Fund net position was attributable to increased sales at all schools, increased revenues in the National School Lunch Program, and increased vending revenue from machines installed at James Caldwell High School.

Financial Analysis of the District's Funds

The District's General Fund financial position improved $965,806 on a fund basis. The largest part of the operating budget comes from the local tax levy. The increasing reliance on local tax levy is caused by the lack of increased State funding and Federal funding. All of these factors are likely to continue for the next several years. To maintain a stable financial position, the District will continue to practice sound fiscal management, including efficiency/cost containment practices, evaluation of services and programs, energy conservation, and seeking additional sources of revenues.

The District's Capital Projects Fund financial position decreased $2,540,713 due to project expenditures related to the 2015 referendum and Energy Savings Improvement Program (ESIP) project.

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, including cameras and PA systems for security purposes. This is an ongoing process that will continue during the 2019-2020 school year
- The purchase of two wheelchair accessible buses allows more out-of-district transportation for special needs students to be done in-house. These purchases provide budgetary savings over the long run.

Capital Asset and Long-Term Liabilities

The District's capital assets increased by $2,309,316, or 6.35% as shown in Figure A-6. (More detailed information about the District's capital assets is presented in Note 6 to the financial statements.)

Figure A-6
Capital Assets (Net of Depreciation)

	Government Activities		Business-Type Activities		Total School District		Percentage Change
	2018/19	2017/18	2018/19	2017/18	2018/19	2017/18	2018/19
Sites	$ 229,918	$ 229,918			$ 229,918	$ 229,918	
Site Improvements	3,148,598	3,167,355			3,148,598	3,167,355	
Construction in Progress	21,228,085	18,559,972			21,228,085	18,559,972	
Buildings & Building Improvements	10,933,708	11,177,640			10,933,708	11,177,640	
Machinery and Equipment	2,985,025	3,059,514	$ 160,041	$ 181,660	3,145,066	3,241,174	
Total Capital Assets, Net	$ 38,525,334	$ 36,194,399	$ 160,041	$ 181,660	$ 38,685,375	$ 36,376,059	6.35%

During the fiscal year, the District acquired or constructed $3,188,815 in capital asset additions ($2,540,713 from ongoing capital projects and $648,102 from current year budgeted capital outlay) and expensed $879,499 in depreciation ($857,880 from its governmental activities and $21,619 from its business-type activities).

Long-term Liabilities

The District's long-term debt decreased by $4,115,156 or 9.67% – as shown in Figure A-7. (More detailed information about the District's long-term liabilities is presented in Note 8 to the financial statements.)

Figure A-7
Outstanding Long-Term Liabilities

	Total School District		Percentage Change
	2018/19	2017/18	2018/19
General Obligation Bonds (Financed with Property Taxes)	$ 25,640,000	$ 27,625,000	
Unamortized Bond Issuance Premium	447,174	536,608	
Net Pension Liabilities	11,581,461	13,631,959	
Other Long-Term Liabilities	779,574	769,798	
	$ 38,448,209	$ 42,563,365	-9.67%

- The District continued to pay down its bonded debt, retiring $1,985,000 of outstanding bonds.
- Unamortized Bond Issuance Premium decreased $89,434.
- Net Pension Liability decreased by $2,050,498.
- Compensated absences payable increased by a net amount of $9,776.

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.
- In February 2018, the district switched from the School Employers Health Benefits Plan (SEHBP) to a private health insurance plan from Horizon, with projected savings to the district and employees of about $1.1 million over 17 months. Additionally, the district changed the base plan for most employees from Direct Access 10 ($10 copay) to Direct Access 15 ($15 copay) in July 2018 for additional savings. The employees will continue to contribute to health benefits at the Tier 4 rates.
- During the fall of 2018, the district settled a three-year contract with its custodial maintenance bargaining unit from 2018-2021, with salary increase of 3.1%, 2.95% and 2.95%. It also made Horizon's OMNIA the base health plan for all new custodial/maintenance employees, as of July 1, 2018. This will provide significant cost savings to both the district and employees going forward.
- This switch in health coverage allowed the district to settle the teacher's contract through June 30, 2021 without delay. The District's contract with the secretarial unit will expire on June 30, 2020. The district agreed on a new contract with administrative bargaining for the time period July 1, 2019 – June 30, 2022.

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

- The collective bargaining agreement with the secretary's association expires on June 30, 2020.
- Through a $2.9 million Energy Savings Improvement Program (ESIP), the district has installed LED lighting throughout the district. The savings have funded boiler replacements at Grover Cleveland Middle School and HVAC controls in all buildings. Additionally, solar panels are being installed on the roofs of most of the buildings. The ESIP is at no cost to taxpayers, with the debt service payments funded by savings from lower utilities bills. Still, there is a risk that the operating budget would need to cover the payments if the savings do not come to fruition as had been forecasted.
- The final debt service payment for the bonds originally issued in 2008 for the 2007 referendum will be made in 2024. The district needs to begin planning for facilities upgrades given that this debt will expire and two its buildings are over 100 years old. The district has engaged with a demographer to project enrollment trends to ensure that the district has adequate space to house its students.

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	$ 3,054,960	$ 650,408	$ 3,705,368
Interfund Receivable - Flexible Spending Trust	9,027		9,027
Interfund Receivable - Payroll Agency	1,412		1,412
Receivables from State Government	1,480,984	252	1,481,236
Receivables from Federal Government	61,980	5,173	67,153
Receivables from Other Governments	197,403		197,403
Other Accounts Receivables	3,522		3,522
Internal Balances	52,547	(52,547)	
Inventories		8,440	8,440
Restricted Cash and Cash Equivalents	3,343,758		3,343,758
Capital Assets, Net:			
Sites (Land) and Construction in Progress	21,458,003		21,458,003
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	17,067,331	160,041	17,227,372
Total Assets	46,730,927	771,767	47,502,694
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Amount on Refunding	336,159		336,159
Deferred Outflows - Pensions	2,724,493		2,724,493
Total Deferred Outflows of Resources	3,060,652		3,060,652
LIABILITIES			
Current Liabilities:			
Accounts Payable	591,238		591,238
Accrued Interest Payable	216,070		216,070
Payable to State Government	38,162		38,162
Unearned Revenue	46,252	103,634	149,886
Noncurrent Liabilities:			
Due Within One Year	2,249,435		2,249,435
Due Beyond One Year	36,198,774		36,198,774
Total Liabilities	39,339,931	103,634	39,443,565
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows - Pensions	4,579,449		4,579,449
Total Deferred Inflows of Resources	4,579,449		4,579,449

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2019

	Governmental Activities	Business-type Activities	Total
NET POSITION			
Net Investment in Capital Assets	$ 15,172,508	$ 160,041	$ 15,332,549
Restricted for:			
Capital Projects	2,643,758		2,643,758
Debt Service	4,751		4,751
Maintenance Reserve	700,000		700,000
Excess Surplus	616,205		616,205
Unrestricted/(Deficit)	(13,265,023)	508,092	(12,756,931)
Total Net Position	$ 5,872,199	$ 668,133	$ 6,540,332

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, 2019

		Program Revenues		Net (Expense) Revenue and Changes in Net Position		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:						
Instruction:						
Regular	$ 24,064,493	$ 28,223	$ 6,373,202	$ (17,663,068)		$ (17,663,068)
Special Education	7,021,339		4,085,452	(2,935,887)		(2,935,887)
Other Special Instruction	510,573		145,009	(365,564)		(365,564)
Other Instruction	2,104,415		544,380	(1,560,035)		(1,560,035)
Support Services:						
Tuition	2,435,394			(2,435,394)		(2,435,394)
Student and Instruction Related Services	10,162,114		2,469,148	(7,692,966)		(7,692,966)
General Administrative Services	917,354		165,181	(752,173)		(752,173)
School Administrative Services	3,293,634		920,340	(2,373,294)		(2,373,294)
Central Services	955,590		228,987	(726,603)		(726,603)
Administrative Information Technology	567,083			(567,083)		(567,083)
Plant Operations and Maintenance	5,184,521			(5,184,521)		(5,184,521)
Pupil Transportation	1,253,434	17,570	350,846	(885,018)		(885,018)
Unallocated Depreciation	626,171			(626,171)		(626,171)
Interest on Long-Term Debt	706,507			(706,507)		(706,507)
Total Governmental Activities	59,802,622	45,793	15,282,545	(44,474,284)		(44,474,284)
Business-Type Activities:						
Continuing Education	714,692	840,174			$ 125,482	125,482
Food Service	620,322	569,952	99,910		49,540	49,540
Total Business-Type Activities	1,335,014	1,410,126	99,910		175,022	175,022

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities	Net (Expense) Revenue and Changes in Net Position: Business-type Activities	Net (Expense) Revenue and Changes in Net Position: Total
Total Primary Government	$ 61,137,636	$ 1,455,919	$ 15,382,455	$ (44,474,284)	$ 175,022	$ (44,299,262)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				44,142,161		44,142,161
Taxes Levied for Debt Service				1,978,677		1,978,677
Federal, State and Local Aid not Restricted				937,385		937,385
Interest Earnings				171,240	2,867	174,107
Miscellaneous Income				285,058		285,058
Total General Revenues				47,514,521	2,867	47,517,388
Change in Net Position				3,040,237	177,889	3,218,126
Net Position - Beginning				2,831,962	490,244	3,322,206
Net Position - Ending				$ 5,872,199	$ 668,133	$ 6,540,332

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	$ 1,451,654	$ 18,912	$ 1,579,643	$ 4,751	$ 3,054,960
Interfund Receivable	162,764				162,764
Receivables From State Government	922,579		558,405		1,480,984
Receivables From Federal Government		61,980			61,980
Receivables From Other Governments	197,403				197,403
Other Accounts Receivable		3,522			3,522
Restricted Cash and Cash Equivalents	3,343,758				3,343,758
Total Assets	$ 6,078,158	$ 84,414	$ 2,138,048	$ 4,751	$ 8,305,371
LIABILITIES AND FUND BALANCES					
Liabilities:					
Interfund Payable			$ 99,778		$ 99,778
Accounts Payable - Vendors	$ 66,912				66,912
Payable to State Government		$ 38,162			38,162
Unearned Revenue		46,252			46,252
Total Liabilities	66,912	84,414	99,778		251,104
Fund Balances:					
Restricted:					
Capital Reserve Account	2,643,758				2,643,758
Maintenance Reserve	700,000				700,000
Excess Surplus - Subsequent Year's Expenditures	316,205				316,205
Excess Surplus	300,000				300,000
Capital Projects			1,951,015		1,951,015
Debt Service				$ 4,751	4,751
Committed:					
Capital Projects			87,255		87,255
Assigned:					
Year-end Encumbrances	822,252				822,252

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Fund Balances:					
Unassigned	$ 1,229,031				$ 1,229,031
Total Fund Balances	6,011,246	$ - 0 -	$ 2,038,270	$ 4,751	8,054,267
Total Liabilities and Fund Balances	$ 6,078,158	$ 84,414	$ 2,138,048	$ 4,751	

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.	$ 38,525,334
Bond Issuance Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold.	(447,174)
The Deferred Amount on the Refunding is not Reported as an Expenditure in the Governmental Funds in the Year of the Expenditure.	336,159
Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due.	(216,070)
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:	
Deferred Outflows	2,109,617
Deferred Inflows	(4,579,449)
Prepaid District Contribution Subsequent to the Measurement Date - Essex County Pension	90,550
Long-Term Liabilities, including Bonds 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.	(38,001,035)
Net Position of Governmental Activities (Exhibit A-1)	$ 5,872,199

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, 2019

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	$ 44,142,161			$ 1,978,677	$ 46,120,838
Tuition from Other LEAs	28,223				28,223
Transportation Fees From Individuals	17,570				17,570
Rents & Royalties	161,205				161,205
Interest Earned on Capital Reserve Funds	40,001				40,001
Unrestricted Miscellaneous Revenue	185,424	$ 30,065	$ 69,668		285,157
Total - Local Sources	44,574,584	30,065	69,668	1,978,677	46,652,994
State Sources	9,169,546	240,883		720,695	10,131,124
Federal Sources		837,989			837,989
Total Revenues	53,744,130	1,108,937	69,668	2,699,372	57,622,107
EXPENDITURES:					
Current:					
Regular Instruction	13,816,724	270,948			14,087,672
Special Education Instruction	3,379,037	591,435			3,970,472
Other Special Instruction	322,504				322,504
School-Sponsored/Other Instruction	1,398,381				1,398,381
Support Services and Undistributed Costs:					
Tuition	2,435,394				2,435,394
Student/Other Instruction Related Services	7,039,984	246,554			7,286,538
General Administrative Services	613,466				613,466
School Administrative Services	1,902,855				1,902,855
Central Services	534,633				534,633
Administrative Information Technology	547,364				547,364

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

EXPENDITURES:	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
Plant Operations and Maintenance	$ 4,863,132				$ 4,863,132
Student Transportation	1,100,220				1,100,220
Allocated Benefits	3,222,305				3,222,305
Unallocated Benefits	10,950,034				10,950,034
Capital Outlay	721,959		$ 2,540,713		3,262,672
Debt Service:					
Principal				$ 1,985,000	1,985,000
Interest and Other Charges				750,972	750,972
Total Expenditures	52,847,992	$ 1,108,937	2,540,713	2,735,972	59,233,614
Excess/(Deficit) of Revenue Over/(Under) Expenditures	896,138		(2,471,045)	(36,600)	(1,611,507)
Other Financing Sources/(Uses):					
Transfers	69,668		(69,668)		
Total Other Financing Sources/(Uses)	69,668		(69,668)		
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	965,806		(2,540,713)	(36,600)	(1,611,507)
Fund Balance - July 1	5,045,440		4,578,983	41,351	9,665,774
Fund Balance - June 30	$ 6,011,246	$ -0-	$ 2,038,270	$ 4,751	$ 8,054,267

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, 2019

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)		$ (1,611,507)
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	$ (857,880)	
Capital Outlays	3,188,815	
		2,330,935
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 (+).		22,262
Proceeds from debt issues are a financing source in the governmental funds, they are not revenue in the Statement of Activities; issuing debt increases long-term liabilities in the Statement of Net Position.		
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.		1,985,000
The governmental funds report the effect of premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		89,434

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, 2019

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 (-).	$ (67,231)
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	2,050,498
Change in Deferred Inflows	(656,679)
Change in Deferred Outflows	(1,099,948)
Change in Prepaid District Contribution Subsequent to the Measurement Date-Pensions	7,249
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 (+).	(9,776)
Change in Net Position of Governmental Activities (Exhibit A-2)	$ 3,040,237

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2019

	Business-Type Activities - Enterprise Funds		
	Major Fund	Non-Major Fund	
	Continuing Education	Food Service	Total
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	$ 512,162	$ 138,246	$ 650,408
Intergovernmental Accounts Receivable:			
State		252	252
Federal		5,173	5,173
Inventories		8,440	8,440
Total Current Assets	512,162	152,111	664,273
Non-Current Assets:			
Capital Assets		533,480	533,480
Less: Accumulated Depreciation		(373,439)	(373,439)
Total Non-Current Assets		160,041	160,041
Total Assets	512,162	312,152	824,314
LIABILITIES:			
Current Liabilities:			
Interfund Payable - General Fund	474	52,073	52,547
Unearned Revenue - Prepaid Sales	71,430	30,004	101,434
Unearned Revenue - Donated Commodities		2,200	2,200
Total Current Liabilities	71,904	84,277	156,181
NET POSITION:			
Investment in Capital Assets		160,041	160,041
Unrestricted	440,258	67,834	508,092
Total Net Position	$ 440,258	$ 227,875	$ 668,133

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, 2019

	Business-Type Activities - Enterprise Funds		
	Major Fund	Non-Major Fund	
	Continuing Education	Food Service	Total
Operating Revenue:			
Daily Sales - Reimbursable Programs		$ 536,897	$ 536,897
Daily Sales - Non-Reimbursable Programs		33,055	33,055
Charges for Services:			
Program Fees	$ 840,174		840,174
Total Operating Revenue	840,174	569,952	1,410,126
Operating Expenses:			
Cost of Sales - Reimbursable Programs		122,681	122,681
Cost of Sales - Non-Reimbursable Programs		207,218	207,218
Salaries, Benefits & Payroll Taxes	591,179	211,990	803,169
Purchased Professional and Technical Services		30,600	30,600
Other Purchased Services	4,245		4,245
Supplies and Materials	119,268	25,614	144,882
Miscellaneous Expense		600	600
Depreciation Expense		21,619	21,619
Total Operating Expenses	714,692	620,322	1,335,014
Operating Income/(Loss)	125,482	(50,370)	75,112
Non-Operating Revenue:			
Local Sources:			
Interest Income		2,867	2,867
State Sources:			
State School Lunch Program		3,906	3,906
Federal Sources:			
National School Lunch Program		80,629	80,629
Food Distribution Program		15,375	15,375
Total Non-Operating Revenue		102,777	102,777
Change in Net Position	125,482	52,407	177,889
Net Position - Beginning of Year	314,776	175,468	490,244
Net Position - End of Year	$ 440,258	$ 227,875	$ 668,133

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Business-Type Activities - Enterprise Funds		
	Major Fund	Non-Major Fund	
	Continuing Education	Food Service	Total
Cash Flows from Operating Activities:			
Receipts from Customers	$ 790,424	$ 574,594	$ 1,365,018
Payments to Food Service Contractors		(370,302)	(370,302)
Payments for Salaries, Payroll Taxes and Benefits	(591,179)	(211,990)	(803,169)
Payments to Suppliers	(123,513)		(123,513)
Net Cash Provided by/(Used for) Operating Activities	75,732	(7,698)	68,034
Cash Flows from Investing Activities:			
Interest Income		2,867	2,867
Net Cash Provided by Investing Activities		2,867	2,867
Cash Flows from Noncapital Financing Activities:			
State Sources		4,361	4,361
Federal Sources		90,924	90,924
Net Cash Provided by Noncapital Financing Activities		95,285	95,285
Net Increase in Cash and Cash Equivalents	75,732	90,454	166,186
Cash and Cash Equivalents, July 1	436,430	47,792	484,222
Cash and Cash Equivalents, June 30	$ 512,162	$ 138,246	$ 650,408
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	$ 125,482	$ (50,370)	$ 75,112
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation		21,619	21,619
Food Distribution Program		15,375	15,375
Changes in Assets and Liabilities:			
(Increase)/Decrease in Inventory		1,946	1,946
Increase/(Decrease) in Unearned Revenue -			
Prepaid Sales	(49,750)	4,642	(45,108)
Donated Commodities		(910)	(910)
Net Cash Provided by/(Used for) Operating Activities	$ 75,732	$ (7,698)	$ 68,034

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 $14,465 and Utilized Commodities Valued at $15,375.

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, 2019

	Agency	Unemployment Compensation Trust	Flexible Spending Trust
ASSETS:			
Cash and Cash Equivalents	$ 327,684	$ 132,479	$ 31,109
Total Assets	327,684	132,479	31,109
LIABILITIES:			
Interfund Payable - General Fund	1,412		9,027
Payroll Deductions and Withholdings	15,373		
Due to Student Groups	310,899		
Total Liabilities	327,684		9,027
NET POSITION:			
Held in Trust for:			
Unemployment Claims		132,479	
Flexible Spending Claims			22,082
Total Net Position	$ -0-	$ 132,479	$ 22,082

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, 2019

	Unemployment Compensation Trust	Flexible Spending Trust
ADDITIONS:		
Contributions:		
Plan Members	$ 74,197	$ 78,900
Total Contributions	74,197	78,900
Investment Earnings:		
Interest	2,103	336
Net Investment Earnings	2,103	336
Total Additions	76,300	79,236
DEDUCTIONS:		
Flexible Spending Claims		68,589
Quarterly Unemployment Contributions	64,392	
Total Deductions	64,392	68,589
Change in Net Position	11,908	10,647
Net Position - Beginning of the Year	120,571	11,435
Net Position - End of the Year	$ 132,479	$ 22,082

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

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 ("GASB") Codification Section 2100, "Defining the Financial Reporting Entity" establishes standards to determine whether a governmental component unit should be included in the financial reporting entity. Component units are legally separate organizations for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading. The primary government is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A legally separate, tax-exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) The economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents. (2) The primary government, or its component units, is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization. (3). The economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. 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.

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

B. Basis of Presentation (Cont'd)

District-Wide Financial Statements: (Cont'd)

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.

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 capital 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.

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

B. Basis of Presentation (Cont'd)

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.

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.

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

C. Measurement Focus and Basis of Accounting (Cont'd)

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.

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, 2019 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.

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

D. Budgets/Budgetary Control (Cont'd)

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:

Sources/Inflows of Resources:	General Fund	Special Revenue Fund
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	$ 53,790,601	$ 1,082,371
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		(2,434)
Prior Year Encumbrances		29,000
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	99,484	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(145,955)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 53,744,130	$ 1,108,937

Uses/Outflows of Resources:	General Fund	Special Revenue Fund
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 52,847,992	$ 1,082,371
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		(2,434)
Prior Year Encumbrances		29,000
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 52,847,992	$ 1,108,937

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:

	Capital Projects Fund Fund Balance
Fund Balance (Budgetary Basis)	$ 2,067,660
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Revenue/Receivable Not Recognized on the GAAP Basis	(29,390)
Fund Balance per Governmental Funds (GAAP)	$ 2,038,270

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.

The District generally records investments at fair value and records the unrealized gains and losses as part of investment income. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

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.

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

E. Cash and Cash Equivalents and Investments (Cont'd)

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.

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 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.

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as 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, 2019.

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 acquisition value. 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:

	Estimated Useful Life
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.

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

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, 2019.

N. Compensated Absences:

The District accounts for compensated absences (e.g., unused vacation, sick leave) as directed by GASB. A liability for compensated absences attributable to services already rendered and not contingent on a specific event that is outside the control of the employer and employee is accrued as employees earn the rights to the benefits.

District employees are granted varying amounts of vacation and sick leave in accordance with the District's 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 $6,011,246 General Fund fund balance at June 30, 2019, $822,252 is assigned for year-end encumbrances; $2,643,758 is restricted in the capital reserve account; $700,000 is restricted in the maintenance reserve account; $300,000 is restricted for current year excess surplus in accordance with N.J.S.A. 18A:7F-7 as amended by P.L. 2004, C.73 (S1701) and will be appropriated and included as anticipated revenue for the fiscal year ending June 30, 2021; $316,205 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2020; and $1,229,031 is unassigned, which is $145,955 less than the calculated unassigned fund balance on the budgetary basis due to the last two state aid payments (which are not recognized on the GAAP basis until the fiscal year ended June 30, 2020).

Capital Projects Fund: Of the $2,038,270 fund balance in the Capital Projects Fund at June 30, 2019, $1,951,015 is restricted and $87,255 is committed (which is $29,390 less than the budgetary basis due to the recognition of SDA grants (which are not recognized on the GAAP basis until expended and submitted for reimbursement).

Debt Service Fund: The $4,751 fund balance in the Debt Service Fund at June 30, 2019 is restricted.

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

P. Fund Balance Appropriated: (Cont'd)

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, 2019 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.

Q. Deficit Net Position

The District has a deficit in unrestricted net position of $13,265,023 in governmental activities, which is primarily due to the accrual of compensated absences payable, unamortized bond premiums, net pension liability and the related deferred inflows and outflows. This deficit 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, 2019 for Pensions. The District had deferred outflows of resources at June 30, 2019 for the Deferred Amount on Bond Refunding, and Pensions.

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

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

R. Net Position (Cont'd):

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

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

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

S. Fund Balance Restrictions, Commitments and Assignments:

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

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

The 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, 2019 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 $822,252 of assigned resources for year-end encumbrances in the General Fund at June 30, 2019.

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

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.

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.

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 requires disclosure of the level of custodial credit risk assumed by the District in its cash, cash equivalents and investments, if those items are uninsured or unregistered. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned.

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

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

Custodial Credit Risk – The District's policy with respect to custodial credit risk 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.

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.

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

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 of the school district or bonds or other obligations of the local unit or units within which the school district is located.

(5) Bonds or other obligations, having a maturity date not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the "Local Authorities Fiscal Control Law", P.L. 1983, c.313 (C.40A:5A-1 et seq.). Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by local units;

(6) Local government investment pools;

(7) Deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); or

(8) Agreements for the repurchase of fully collateralized securities if:

(a) the underlying securities are permitted investments pursuant to paragraphs (1) and (3) of this subsection a. or are bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the requirements of the "Local Authorities Fiscal Control Law," P.L. 1983, c. 313 (C.40A:5A-1 et seq.). ;

(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 section 1 of P.L. 1970, c.236 (C.17:9-41); and

(e) a master repurchase agreement providing for the custody and security of collateral is executed; or

(9) Deposit of funds in accordance with the following conditions:

(a) The funds are initially invested through a public depository as defined in section 1 of P.L. 1970, c. 236 (C.17:9-41) designated by the school district;

(b) The designated public depository arranges for the deposit of the funds in deposit accounts in one or more federally insured banks, savings banks or savings and loan associations or credit unions for the account of the school district;

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

Investments: (Cont'd)

(c) 100 percent of the principal and accrued interest of each deposit is insured by the Federal Deposit Insurance Corporation or the National Credit Union Share Insurance Fund;

(d) The designated public depository acts as custodian for the school district with respect to these deposits; and

(e) On the same date that the school district's funds are deposited pursuant to subparagraph (b) of this paragraph, the designated public depository receives an amount of deposits from customers of other financial institutions, wherever located, equal to the amounts of funds initially invested by the school district through the designated public depository.

As of June 30, 2019, cash and cash equivalents of the District consisted of the following:

	Restricted Cash and Cash Equivalents			
	Capital Reserve	Maintenance Reserve	Cash and Cash Equivalents	Total
Checking/Money Market Accounts	$ 2,643,758	$ 700,000	$ 4,196,640	$ 7,540,398
	$ 2,643,758	$ 700,000	$ 4,196,640	$ 7,540,398

During the period ended June 30, 2019, the District did not hold any investments other than certificates of deposit. The carrying amount of the Board's cash and cash equivalents at June 30, 2019, was $7,540,398 and the bank balance was $10,081,159.

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, 2018	$	2,131,738
Add: Interest Earnings		40,001
Transfer from Unassigned Fund Balance as per Board Resolution - June 2019		472,019
Ending Balance, June 30, 2019	$	2,643,758

The balance in the capital reserve account at June 30, 2019 does not exceed the local support costs of uncompleted capital projects in the District's approved LRFP.

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.

NOTE 5. MAINTENANCE RESERVE ACCOUNT (Cont'd)

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, 2018 to June 30, 2019 fiscal year is as follows:

Beginning Balance, July 1, 2018	$ 700,000
Ending Balance, June 30, 2019	$ 700,000

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2019 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	18,559,972	$ 2,668,113		21,228,085
Total Capital Assets Not Being Depreciated	18,789,890	2,668,113		21,458,003
Capital Assets Being Depreciated:				
Site Improvements	6,644,187	186,175		6,830,362
Buildings and Building Improvements	29,242,584			29,242,584
Machinery and Equipment	8,654,693	334,527		8,989,220
Total Capital Assets Being Depreciated	44,541,464	520,702		45,062,166
Governmental Activities Capital Assets	63,331,354	3,188,815		66,520,169
Less Accumulated Depreciation for:				
Site Improvements	(3,476,832)	(204,932)		(3,681,764)
Buildings and Building Improvements	(18,064,944)	(243,932)		(18,308,876)
Machinery and Equipment	(5,595,179)	(409,016)		(6,004,195)
	(27,136,955)	(857,880)		(27,994,835)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	$36,194,399	$ 2,330,935	$ -0-	$38,525,334

NOTE 6. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the year ended June 30, 2019 were as follows:

	Beginning Balance	Increases	Adjustments/ Decreases	Ending Balance
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	$ 533,480			$ 533,480
Less: Accumulated Depreciation	(351,820)	$ (21,619)		(373,439)
Business Type Activities Capital Assets, Net of Accumulated Depreciation	$ 181,660	$ (21,619)	$ -0-	$ 160,041

During the fiscal year, the District acquired or constructed $3,188,815 in capital asset additions and expensed $879,499 in depreciation ($857,880 from its governmental activities and $21,619 from its business-type activities).

As of June 30, 2019, the District has $21,100,685 in active construction in progress, including $472,403 of encumbrances.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	$ 28,738
Special Education Instruction	6,308
Student and Other Instruction Related Services	3,698
General Administration	7,395
School Administration	51,766
Central Services	7,395
Administrative Information Technology	3,698
Operations and Maintenance of Plant	34,744
Student Transportation	87,967
Unallocated	626,171
	$ 857,880

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2019, the District made transfers to capital outlay accounts in the amount of $393,175 for equipment which did not require County Superintendent approval. The District transferred $689,175 to construction services which required County Superintendent approval.

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2019, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2018	Accrued	Retired	Balance 6/30/2019
Serial Bonds Payable	$ 27,625,000		$ 1,985,000	$ 25,640,000
Unamortized Bond Issuance Premium	536,608		89,434	447,174
Net Pension Liability:				
PERS	12,869,452		2,079,624	10,789,828
Essex County	762,507	$ 29,126		791,633
Compensated Absences Payable	769,798	121,152	111,376	779,574
	$ 42,563,365	$ 150,278	$ 4,265,434	$ 38,448,209

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 was 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 were 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 realized 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.

On May 16, 2018, the District issued energy savings obligation refunding bonds in the amount of $2,800,000 to finance the Energy Savings Improvement Program (ESIP). The bonds were issued with interest rates ranging from 2.000% to 5.500%. The bonds mature on July 15, 2019 through 2033 and July 15, 2026 is the first optional redemption date at 100% of par. The energy savings obligation refunding bonds were issued to fund the implementation of the District's energy savings improvement plan ("ESIP"), entailing various permitted energy conservation measures under the ESIP Law, at school district facilities.

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

A. Bonds Payable: (Cont'd)

The ESIP Law (P.L. 2009, c. 4) allowed the District to issue energy savings obligation refunding bonds without voter approval to fund certain improvements that result in reduced energy use, facilities for production of renewable energy or water conservation improvements (collectively, "ECMs"); provided that the value of the savings will cover the cost of the ECMs. The ESIP law provides, however, that notwithstanding any law to the contrary, energy savings obligation refunding bonds shall not be excepted from any budget or school levy limitation otherwise provided by law, and shall be funded through appropriations in the General Fund annual budget, on the basis that the costs of implemented energy conservation measures should be fully offset by energy savings to be generated by such measures (on both an annual and aggregated basis).

The District had bonds outstanding as of June 30, 2019 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
School Bonds	03/15/33	2.750-3.000%	$ 15,510,000
Refunding School Bonds	09/01/24	3.000-4.000%	7,330,000
Energy Savings Improvement Program Bonds	07/15/33	2.000-5.500%	2,800,000
			$ 25,640,000

Principal and interest due on serial bonds outstanding will be liquidated through the Debt Service Fund and the Energy Savings Improvement Program Bonds will be liquidated through the General Fund are as follows:

Fiscal Year Ending June 30,	Bonds Principal	Bonds Interest	Bonds Total
2020	$ 2,160,000	$ 816,675	$ 2,976,675
2021	2,270,000	753,650	3,023,650
2022	2,360,000	679,900	3,039,900
2023	2,385,000	597,475	2,982,475
2024	2,425,000	514,225	2,939,225
Thereafter 5 Years (2025-2029)	7,630,000	1,738,725	9,368,725
Thereafter 5 Years (2030-2034)	6,410,000	573,025	6,983,025
	$ 25,640,000	$ 5,673,675	$ 31,313,675

B. Bonds Authorized But Not Issued:

As of June 30, 2019, 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 did not have any Capital Leases Payable at June 30, 2019.

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. The current portion of the compensated absences balance of the governmental funds at June 30, 2019 is $-0- and is shown separately from the long-term portion of compensated absences of $779,574. The entire 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, 2019 is $-0- and the long-term portion is $10,789,828. See Note 10 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, 2019 is $-0- and the long-term portion is $791,633. See Note 10 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 $357,739.

NOTE 9. OPERATING LEASES

The District has commitments to lease copying equipment under operating leases which expire in 2020 through 2023. Total operating lease payments made during the year ended June 30, 2019 were $72,744. Future minimum lease payments are as follows:

Year Ending	Amount
June 30, 2020	$ 69,629
June 30, 2021	67,404
June 30, 2022	30,380
June 30, 2023	3,956
Total future minimum lease payments	$ 171,369

NOTE 10. 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 tax-qualified defined contribution money purchase pension plan under Internal Revenue Code (IRC) 401(a). 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/financial-reports.shtml.

Benefits Provided

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

The following represents the membership tiers for PERS:

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

NOTE 10. PENSION PLANS (Cont'd)

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

Benefits Provided (Cont'd)

Service retirement benefits of 1/55th of final average salary for each year of service credit is available to Tiers 1 and 2 members upon reaching age 60 and to Tier 3 members upon reaching age 62. Service retirement benefits of 1/60th of final average salary for each year of service credit is available to Tier 4 members upon reaching age 62 and to Tier 5 members upon reaching age 65. Early retirement benefits are available to Tiers 1 and 2 members before reaching age 60, to Tiers 3 and 4 with 25 or more years of service credit before age 62 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 member 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 55 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. 43:15A 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 is being paid by the employer in level annual payments over a period of 15 years, which began 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 $548,108 for fiscal year 2019.

The employee contribution rate was 7.50% effective July 1, 2018.

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

At June 30, 2019, the District reported a liability of $10,789,828 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.055%, which was a decrease of 0.0005% from its proportion measured as of June 30, 2017.

NOTE 10. 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)

For the fiscal year ended June 30, 2019, the District recognized pension expense of $355,585. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Year	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	6.44	$ 85,402	
	2015	5.72	385,454	
	2016	5.57	1,307,129	
	2017	5.48		$ (1,989,023)
	2018	5.63		(1,460,990)
			1,777,985	(3,450,013)
Changes in Proportion	2014	6.44		(80,643)
	2015	5.72	125,868	
	2016	5.57		(184,666)
	2017	5.48		(586,185)
	2018	5.63		(89,969)
			125,868	(941,463)
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5.00		65,199
	2016	5.00		364,497
	2017	5.00		(328,065)
	2018	5.00		(202,840)
				(101,209)
Difference Between Expected and Actual Experience	2015	5.72	106,942	
	2016	5.57	39,669	
	2017	5.48	59,153	
	2018	5.63		(55,636)
			205,764	(55,636)
District Contribution Subsequent to the Measurement Date	2018	1.00	524,326	
			$ 2,633,943	$ (4,548,321)

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

Fiscal Year Ending June 30,	Total
2019	$ 74,887
2020	(103,682)
2021	(743,485)
2022	(644,463)
2023	(206,366)
	$ (1,623,109)

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions:

Inflation Rate	2.25%
Salary Increases:	
Through 2026	1.65 – 4.15% based on age
Thereafter	2.65 – 5.15% based on age
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014. 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.

NOTE 10. PENSION PLANS (Cont'd)

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

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2018) 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 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 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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate

The discount rate used to measure the total pension liability was 5.66% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 contribution rate in the most recent fiscal year. The local employers contributed 100% of their 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 June 30, 2046. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through June 30, 2046, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 10. PENSION PLANS (Cont'd)

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

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

The following presents the District's proportionate share of the collective net pension liability as of June 30, 2018 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, 2018	1% Decrease (4.66%)	Current Discount Rate (5.66%)	1% Increase (6.66%)
District's proportionate share of the Net Pension Liability	$ 13,566,965	$ 10,789,828	$ 8,459,987

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/financial-reports.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.

NOTE 10. 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:

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

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 member 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 2019, the State's pension contribution was less than the actuarial determined amount.

Special Funding Situation

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 2019, the State of New Jersey contributed $3,569,808 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of $6,595,347.

The employee contribution rate was 7.50% effective July 1, 2018.

NOTE 10. 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, 2019, the State's proportionate share of the net pension liability associated with the District was $113,134,524. The net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. 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, 2018, the District's proportion was 0.178%, which was an increase of 0.0001% from its proportion measured as of June 30, 2017.

District's Proportionate Share of the Net Pension Liability	$ -0-
State's Proportionate Share of the Net Pension Liability Associated to the District	113,134,524
Total	$ 113,134,524

For the fiscal year ended June 30, 2019, the State recognized pension expense on behalf of the District in the amount of $6,595,347 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2019 financial statements.

NOTE 10. PENSION PLANS (Cont'd)

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

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

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

	Year of Deferral	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2014	8.5	$ 1,076,424,469	
	2015	8.3	3,063,649,492	
	2016	8.3	6,913,685,892	
	2017	8.3		$ 10,084,192,916
	2018	8.29		5,994,557,085
			11,053,759,853	16,078,750,001
Difference Between Expected and Actual Experience	2014	8.5		10,252,211
	2015	8.3	189,214,650	
	2016	8.3		85,977,601
	2017	8.3	179,419,108	
	2018	8.29	1,051,605,259	
			1,420,239,017	96,229,812
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2015	5		(192,642,062)
	2016	5		(863,710,381)
	2017	5		678,024,787
	2018	5		384,121,486
				5,793,830
			$ 12,473,998,870	$ 16,180,773,643

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:

Fiscal Year Ending June 30,	Total
2019	$ 401,574,312
2020	208,932,249
2021	(222,922,941)
2022	(149,225,008)
2023	(735,040,983)
Thereafter	(3,210,092,402)
	$ (3,706,774,773)

NOTE 10. PENSION PLANS (Cont'd)

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

Actuarial Assumptions

The total pension liability for the June 30, 2018 measurement date was determined by an actuarial valuation as of July 1, 2017 which was rolled forward to June 30, 2018. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.25%
Salary Increases:	
2011-2026	1.55-4.55%
Thereafter	2.00-5.45%
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

The actuarial assumptions used in the July 1, 2017 valuation were based on the results of an actuarial experience study for the period July 1, 2012 to June 30, 2015.

Long Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on pension plan investments (7.00% at June 30, 2018) 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 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.

NOTE 10. 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, 2018 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Risk Mitigation Strategies	5.00%	5.51%
Cash Equivalents	5.50%	1.00%
U.S. Treasuries	3.00%	1.87%
Investment Grade Credit	10.00%	3.78%
High Yield	2.50%	6.82%
Global Diversified Credit	5.00%	7.10%
Credit Oriented Hedge Funds	1.00%	6.60%
Debt Related Private Equity	2.00%	10.63%
Debt Related Real Estate	1.00%	6.61%
Private Real Asset	2.50%	11.83%
Equity Related Real Estate	6.25%	9.23%
U.S. Equity	30.00%	8.19%
Non-U.S. Developed Market Equity	11.50%	9.00%
Emerging Markets Equity	6.50%	11.64%
Buyouts/Venture Capital	8.25%	13.08%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 4.86% as of June 30, 2018. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.87% as of June 30, 2018 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 contribution rate in the most recent fiscal year. The State contributed 50% of the actuarially determined contributions. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2040. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2040, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

NOTE 10. 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, 2018 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:

June 30, 2018	At 1% Decrease (3.86%)	At Current Discount Rate (4.86%)	At 1% Increase (5.86%)
State's Proportionate Share of the Net Pension Liability Associated with the District	$ 133,722,859	$ 113,134,524	$ 96,067,296

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 $33,270 for the fiscal year ended June 30, 2019. Employee contributions to DCRP amounted to $45,181 for the year ended June 30, 2019.

NOTE 10. 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 plan 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. District contributions to the Plan amounted to $83,301 for fiscal year 2019.

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

At June 30, 2019, the District reported a liability of $791,633 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019. 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, 2019, the District's proportion was 2.37%, which was a decrease of 0.06% from its proportion measured as of June 30, 2018.

NOTE 10. PENSION PLANS (Cont'd)

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

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

For the fiscal year ended June 30, 2019, the District recognized pension expense of $170,057. At June 30, 2019, the District reported deferred outflows and inflows of resources related to pension from the sources noted in the below table. For the fiscal year ended June 30, 2019, the District amortized the deferred outflow of resources and inflows at June 30, 2018 by the amount to be amortized for the fiscal year ended June 30, 2019 per the June 30, 2018 actuarial valuation.

	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments			
2015	5		$ 5,766
2016	5		67,745
2017	5		(54,640)
2018	5		(11,035)
2019	5		(38,964)
Subtotal			(31,128)
District Contribution Subsequent to the Measurement Date	1	$ 90,550	
		$ 90,550	$ (31,128)

Amounts reported as deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year Ending June 30,	Total
2020	$ 10,873
2021	5,108
2022	(28,765)
2023	(10,552)
2024	(7,792)
	$ (31,128)

NOTE 10. 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, 2019 measurement date was determined by an actuarial valuation as of June 30, 2019. This actuarial valuation used the actuarial assumptions on the following page, 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	6.00%
Cost of Living Adjustments ("COLA")	2.00%

The mortality rates were based on the 110% of the Public Sector General and Non-Safety Disabled Annuitant Mortality Tables (PubG-2010) projected generationally with scale MP-2018.

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, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return *
U.S. Fixed Income	50.00%	1.96%
U.S. Large CAP Equities	40.00%	6.41%
U.S. Small CAP Equities	10.00%	6.41%

* - Net of 2.0% inflation assumption

NOTE 10. 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 6.00% as of June 30, 2019. 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, 2019 calculated using the discount rate of 6.00%, 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, 2019		
	1% Decrease (5.00%)	Current Discount Rate (6.00%)	1% Increase (7.00%)
District's proportionate share of the Net Pension Liability	$ 1,069,777	$ 791,633	$ 550,779

Pension Plan Fiduciary Net Position

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

NOTE 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. Health Benefits are provided by Horizon Blue Cross Blue Shield.

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.

NOTE 11. RISK MANAGEMENT (Cont'd)

Property and Liability Insurance (Cont'd)

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.

The June 30, 2019 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, 2018 is as follows:

	School Alliance Insurance Fund
Total Assets	$ 45,062,979
Net Position	$ 12,432,937
Total Revenue	$ 42,084,945
Total Expenses	$ 39,779,381
Change in Net Position	$ 2,305,564
Members Dividends	$ -0-

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

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

NOTE 11. RISK MANAGEMENT (Cont'd)

New Jersey Unemployment Compensation Insurance

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

Fiscal Year	District Contributions	Interest Earned	Employee Contributions	Amount Reimbursed	Ending Balance
2018-2019	-0-	$ 2,103	$ 74,197	$ 64,392	$ 132,479
2017-2018	-0-	972	73,807	56,391	120,571
2016-2017	-0-	311	68,567	54,377	102,183

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.

NOTE 13. INTERFUND RECEIVABLES AND PAYABLES

Fund	Interfund Receivable	Interfund Payable
General Fund	$ 162,764	
Capital Projects Fund		$ 99,778
Enterprise Fund - Food Service		52,073
Enterprise Fund - Continuing Education		474
Fiduciary Fund - Payroll Agency		1,412
Fiduciary Fund - Flexible Spending Trust		9,027
	$ 162,764	$ 162,764

The interfund payables in the Capital Projects Fund and Payroll Agency Fund represent interest earnings that are due to the General Fund. The interfund payable in the Food Service Fund and in the Continuing Education Fund represents cash advanced in the prior year. The interfund payable in the Flexible Spending Trust are June claims paid by General Fund on behalf of the Flexible Spending Trust.

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)
AXA Equivest
Penserv
NJ Pension Supplemental Annuity
Vanguard Group

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.

NOTE 16. CONTINGENT LIABILITIES

Grant Programs

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

Litigation

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

NOTE 16. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2019, there were encumbrances as detailed below in the governmental funds. All of the governmental funds are considered to be major funds:

General Fund	Special Revenue Fund	Capital Projects Fund	Total Governmental Funds
$ 822,252	$ 2,434	$ 472,403	$ 1,297,089

On the District's Governmental Funds Balance Sheet as of June 30, 2019, $-0- is assigned for year-end encumbrances in the Special Revenue Fund. Encumbrances in the Special Revenue Fund of $2,434 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 $472,403 in the Capital Projects Fund are included in the $1,951,015 restricted fund balance.

NOTE 17. ACCOUNTS PAYABLE

The following accounts payable existed as of June 30, 2019:

	Governmental Funds		District	
	General Fund	Special Revenue Fund	Contribution Subsequent to the Measurement Date	Total Governmental Activities
Vendors	$ 66,912			$ 66,912
Due to the State of New Jersey		$ 38,162	$ 524,326	562,488
	$ 66,912	$ 38,162	$ 524,326	$ 629,400

NOTE 18. TAX ABATEMENTS

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated may have entered into tax abatement agreements, and that potential must be disclosed in these financial statements. If the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district.

NOTE 18. TAX ABATEMENTS (Cont'd)

For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth.

The Borough of Caldwell recognized revenue in the amount of $190,459 from one payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid on these properties for 2018 without the abatement would have been $504,411 of which $255,640 would have been for the local school tax.

Note 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund)

General Information about the OPEB Plan

Plan Description and Benefits Provided

The District is in a "special funding situation", as described in GASB Codification Section P50, in that OPEB contributions and expenses are legally required to be made by and are the sole responsibility of the State of New Jersey, not the District.

The State of New Jersey reports a liability as a result of its statutory requirements to pay other post-employment (health) benefits for the State Health Benefit Local Education Retired Education Plan. The State Health Benefit Local Education Retired Employees Plan is a multiple-employer defined benefit OPEB plan that is administered on a pay-as-you-go basis. Accordingly, no assets are accumulated in a qualifying trust that meets the criteria in GASB Codification Section P50. The State Health Benefits Local Education Retired Employees Plan provides medical, prescription drug, and Medicare Part B reimbursement to retirees and their covered dependents of local education employers.

The employer contributions for the participating local education employers are legally required to be funded by the State of New Jersey in accordance with N.J.S.A. 52:14-17.32f. According to N.J.S.A. 52:14-17.32f, the State provides employer-paid coverage to employees who retire from a board of education or county college with 25 years or more of service credit in, or retires on a disability pension from, one or more of the following plans: the Teachers' Pension and Annuity Fund (TPAF), the Public Employees' Retirement System (PERS), the Police and Firemen Retirement System (PFRS), or the Alternate Benefit Program (ABP). Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 years or more of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

The total nonemployer OPEB liability does not include certain other postemployment benefit obligations that are provided by the local education employers. The reporting of these benefits, if any, is the responsibility of the individual education employers.

For additional information about the State Health Benefit Local Education Retired Education Plan, please refer to the Division's Comprehensive Annual Financial Report (CAFR) which can be found at https://www.state.nj.us/treasury/pensions/gasb-notices-opeb.shtml.

Note 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Employees Covered by Benefit Terms

At June 30, 2017, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	145,050
Active Plan Members	217,131
Total	362,181

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2018 was determined by an actuarial valuation as of June 30, 2017, which was rolled forward to June 30, 2018. The total nonemployer OPEB liability as of June 30, 2017 was determined by an actuarial valuation as of June 30, 2016 which was rolled forward to June 30, 2017.

Actuarial Assumptions and Other Inputs

The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
	TPAF/ABP	PERS
Salary Increases:		
Through 2026	1.55 - 4.55% based on years of service	2.15 - 4.15% based on age
Thereafter	2.00 - 5.45% based on years of service	3.15 - 5.15% based on age

The actuarial assumptions used in the June 30, 2017 valuation were based on the results of actuarial experience studies for the periods July 1, 2012 - June 30, 2015 and July 1, 2011 – June 30, 2014 for TPAF and PERS, respectively.

100% of all retirees who currently have healthcare coverage are assumed to continue with that coverage. 100% of active members are considered to participate in the Plan upon retirement, having a coverage blend of 85% and 15% in PPO and HMO, respectively.

Note 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Mortality Rates

Pre-retirement mortality rates were based on the RP-2006 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using the MP-2017 scale. Post-retirement mortality rates were based on the RP-2006 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2006 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using MP-2017 scale.

Health Care Trend Assumptions

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

Discount Rate

The discount rates for June 30, 2018 and 2017 were 3.87% and 3.58%, respectively, a change of +.29%. This represents the municipal bond rate as chosen by the State of New Jersey Division of Pensions and Benefits. The source is 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.

Changes in the State's Proportionate Share of the Total OPEB Liability Associated with the District

	Total OPEB Liability
Balance at June 30, 2017	$ 90,472,475
Changes for Year:	
Service Cost	3,412,214
Interest on the Total OPEB Liability	3,324,872
Changes of Assumptions	(9,069,540)
	(7,065,782)
Gross Benefit Payments by the State	(2,113,339)
Contributions from Members	73,040
Net Changes	(11,438,535)
Balance at June 30, 2018	$ 79,033,940

Note 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Discount Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2017 and 2016, respectively, calculated using the discount rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District 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, 2018	At 1% Decrease (2.87%)	At Discount Rate (3.87%)	At 1% Increase (4.87%)
Total OPEB Liability Attributable to the District	$ 93,434,206	$ 79,033,940	$ 67,587,216

Sensitivity of the Total Nonemployer OPEB Liability Attributable to the District to Changes in the Healthcare Trend Rate

The following presents the total nonemployer OPEB Liability attributable to the District as of June 30, 2018, calculated using the healthcare trend rate as disclosed in this note, as well as what the total nonemployer OPEB liability attributable to the District would be if it were calculated using a healthcare trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate:

June 30, 2018	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	$ 65,326,155	$ 79,033,940	$ 97,163,011

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019 the District recognized OPEB expense of $3,848,368 as determined by the State of New Jersey Division of Pensions and Benefits. This expense and the related offsetting revenue are for benefits provided by the State through a defined benefit OPEB plan that meets the criteria in GASB Codification Section P50, in which there is a special funding situation.

Note 19. POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Cont'd)

State Health Benefit Program Fund – Local Education Retired (including Prescription Drug Program Fund) (Cont'd)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Cont'd)

In accordance with GASB Codification Section P50, as the District's proportionate share of the OPEB liability is $-0-, there is no recognition of the allocation of the proportionate share of the deferred inflows and outflows of resources. At June 30, 2018 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	Deferral Year	Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in Assumptions	2017	9.54		$ (9,600,006)
Changes in Assumptions	2018	9.51		(8,115,856)
			$ -0-	$ (17,715,862)
Differences Between Expected and Actual Experience	2018	9.51		(7,672,009)
Changes in Proportion	N/A	N/A	$ 1,581,693	
			$ 1,581,693	$ (25,387,871)

N/A - Not Available

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ending June 30,	Total
2019	$ (3,128,424)
2020	(3,128,424)
2021	(3,128,424)
2022	(3,128,424)
2023	(3,128,424)
Thereafter	(9,745,753)
	$ (25,387,871)

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 FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's proportion of the Net Pension Liability	0.0593593597%	0.0615338408%	0.0595188544%	0.0552849481%	0.0547999042%
District's proportionate share of the Net Pension Liability	$ 11,113,696	$ 13,813,114	$ 17,627,777	$ 12,869,452	$ 10,789,828
District's Covered Employee Payroll	$ 3,913,666	$ 3,914,297	$ 3,855,789	$ 3,795,373	$ 3,764,162
District's proportionate share of the Net Pension Liability as a percentage of its Covered Employee Payroll	283.97%	352.89%	457.18%	339.08%	286.65%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%

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

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

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually Required Contribution	$ 489,350	$ 529,026	$ 534,791	$ 520,864	$ 548,108
Contributions in relation to the Contractually Required Contribution	(489,350)	(529,026)	(534,791)	(520,864)	(548,108)
Contribution Deficiency/(Excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
District's Covered Employee Payroll	$ 3,835,393	$ 3,913,666	$ 3,914,297	$ 3,855,789	$ 3,795,373
Contributions as a percentage of Covered Employee Payroll	12.76%	13.52%	13.66%	13.51%	14.44%

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 STATE'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY ASSOCIATED WITH THE DISTRICT
TEACHERS' PENSION AND ANNUITY FUND
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
State's proportion of the Net Pension Liability attributable to the District	0.1807731877%	0.1725556498%	0.1677900007%	0.1777261680%	0.1778345545%
State's proportionate share of the Net Pension Liability attributable to the District	$ 96,617,385	$ 109,062,539	$ 131,994,298	$ 119,829,391	$ 113,134,524
District's Covered Employee Payroll	$ 16,272,569	$ 18,859,397	$ 18,225,898	$ 18,474,319	$ 19,273,897
State's proportionate share of the Net Pension Liability attributable to the District as a percentage of the District's Covered Employee Payroll	593.74%	578.29%	724.21%	648.63%	586.98%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%

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 STATE CONTRIBUTIONS
TEACHERS' PENSION AND ANNUITY FUND
LAST FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually Required Contribution	$ 5,198,922	$ 6,659,250	$ 9,917,535	$ 8,301,173	$ 6,595,347
Contributions in relation to the Contractually Required Contribution	(624,840)	(925,660)	(1,929,171)	(2,618,875)	(3,569,808)
Contribution Deficiency/(Excess)	$ 4,574,082	$ 5,733,590	$ 7,988,364	$ 5,682,298	$ 3,025,539
District's Covered Employee Payroll	$ 16,272,569	$ 18,859,397	$ 18,225,898	$ 18,474,319	$ 19,273,897
Contributions as a percentage of Covered Employee Payroll	3.84%	4.91%	10.58%	14.18%	18.52%

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 BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION SCHEDULES
SCHEDULE OF CHANGES IN THE STATE'S PROPORTIONATE SHARE OF THE TOTAL OPEB LIABILITY ASSOCIATED WITH THE DISTRICT AND RELATED RATIOS
LAST TWO FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,	
	2017	2018
Service Cost	$ 4,102,223	$ 3,412,214
Interest Cost	2,863,647	3,324,872
Changes in Assumptions	(11,853,755)	(9,069,540)
Differences between Expected and Actual Experience		(7,065,782)
Member Contributions	77,163	73,040
Gross Benefit Payments	(2,095,535)	(2,113,339)
Net Change in Total OPEB Liability	(6,906,257)	(11,438,535)
Total OPEB Liability - Beginning	97,378,732	90,472,475
Total OPEB Liability - Ending	$ 90,472,475	$ 79,033,940
District's Covered Employee Payroll *	$ 22,081,687	$ 22,269,692
Total OPEB Liability as a Percentage of Covered Employee Payroll	410%	355%

* - Covered payroll for the fiscal years ending June 30, 2017 and June 30, 2018 are based on the payroll on the June 30, 2016 and June 30, 2017 census data.

Note: This schedule does not contain ten years of information as GASB No. 75 was implemented during the fiscal year ended June 30, 2018.

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 FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
District's Proportion of the Net Pension Liability	2.8052491%	2.7948026%	2.7409447%	2.4263189%	2.3722327%
District's Proportionate Share of the Net Pension Liability	$ 1,080,551	$ 1,011,675	$ 783,367	$ 762,507	$ 791,633
District's Covered Employee Payroll	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%
Plan Fiduciary Net Position (*) as a Percentage of the Total Pension Liability	76.05%	75.39%	79.51%	77.36%	75.78%
* Fiduciary Net Position Excludes: Amount Designated for Insurance Benefits	$ 19,628,046	$ 19,972,514	$ 21,556,614	$ 22,656,498	$ 24,050,359

N/A - Not available

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 FIVE FISCAL YEARS
UNAUDITED

	Fiscal Year Ending June 30,				
	2015	2016	2017	2018	2019
Contractually Required Contribution	$ 164,185	$ 145,337	$ 113,008	$ 95,190	$ 83,301
Contributions in Relation to the Contractually Required Contribution	(164,185)	(145,337)	(113,008)	(95,190)	(83,301)
Contribution Deficiency (Excess)	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
District's Covered Employee Payroll	$ -0-	$ -0-	$ -0-	$ -0-	$ -0-
Contributions as a Percentage of Covered Employee Payroll	0.00%	0.00%	0.00%	0.00%	0.00%

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.00% as of June 30, 2017 to 5.66% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members and a one-year static projection based on mortality improvement Scale AA. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from the base year of 2013 using a generational approach based on the plan actuary's modified MP-2014 projection scale. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2000 Employee Pre-retirement Mortality Table for male and female active participants. For local employees, mortality tables are set back 2 years for males and 7 years for females. In addition, the tables provide for future improvements in mortality from the base year of 2013 using a generational approach based on the Conduent modified 2014 projection scale. Post-retirement mortality rates were based on the RP-2000 Combined Healthy Male and Female Mortality Tables (set back 1 year for males and females) for service retirements and beneficiaries of former members. In addition, the tables for service retirements and beneficiaries of former members provide for future improvements in mortality from 2012 to 2013 using Projection Scale AA and a generational approach based on the Conduent 2014 projection scale thereafter. Disability retirement rates used to value disabled retirees were based on the RP-2000 Disabled Mortality Table (set back 3 years for males and set forward one year for females).

B. TEACHERS PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.25% as of June 30, 2017 to 4.86% as of June 30, 2018. The municipal bond rate changed from 3.58% to 3.87%.

The inflation rate changed from 2.50% as of June 30, 2016 to 2.25% as of June 30, 2017.

B. TEACHERS PENSION AND ANNUITY FUND (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The salary increases in the July 1, 2016 valuation were as follows: 2012-2021 and thereafter – varies based on experience. The salary increases in the July 1, 2017 valuation are as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2016 valuation were as follows: Pre-retirement, post-retirement and disabled mortality rates were based on the experience of TPAF members reflecting mortality improvement on a generational basis based on a 60-year average of Social Security data from 1953 to 2013.

The mortality rates utilized in the July 1, 2017 valuation were as follows: Pre-retirement mortality rates were based on the RP-2006 Employee White Collar Mortality Tables, set back 3 years for males and 5 years for females, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Post-retirement mortality rates were based on the RP-2006 Healthy Annuitant White Collar Mortality Tables, with adjustments as described in the latest experience study, projected on a generational basis from a base year of 2006 using a 60 year average of improvement rates based on Social Security data from 1953 to 2013. Disabled mortality rates were based on the RP-2006 Disabled Retiree Mortality Tables with rates adjusted by 90%. No mortality improvement is assumed for disabled retiree mortality.

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

Benefit Changes

There were none known.

Changes of Assumptions

Mortality table change increases the actuarial accrued liability by 3.5% and the normal cost by 4.4%.

D. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 3.58% as of June 30, 2017 to 3.87% as of June 30, 2018.

The mortality rates in the valuation as of June 30, 2017 were based on the following:

Preretirement mortality rates were based on the RP-2014 Headcount-Weighted Healthy Employee Male/Female Mortality Table with fully generational mortality improvement projections from the central year using MP-2017 scale. Postretirement mortality rates were based on the RP-2014 Headcount-Weighted Health Annuitant Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale. Disability mortality was based on the RP-2014 Headcount-Weighted Disabled Male/Female mortality table with fully generational improvement projections from the central year using the MP-2017 scale.

D. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN (Cont'd)

Changes of Actuarial Assumptions (Cont'd)

The health care trend rates in the valuation as of June 30, 2017 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.9% and decreases to a 5.0% long term trend rate after nine years. For self-insured post 65 PPO medical benefits, the trend rate is 4.5%. For health maintenance organization (HMO) medical benefits, the trend rate is initially 5.9% and decreases to a 5.0% long term rate after eight years. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

The health care trend rates in the valuation as of June 30, 2018 were based on the following:

For pre-Medicare preferred provider organization (PPO) medical benefits and health maintenance organization (HMO) medical benefits, trend rate is initially 5.8% and decreases to a 5.0% long term trend rate after eight years. For self-insured post-65 PPO and HMO medical benefits, the trend rate is 4.5%. For prescription drug benefits, the initial trend rate is 8.0% decreasing to a 5.0% long term rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.0%. The Medicare Advantage trend rate is 4.5% and will continue in all future years.

BUDGETARY COMPARISON SCHEDULES

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 43,661,234	$ 480,927	$ 44,142,161	$ 44,142,161	
Tuition From Other LEAs	35,000		35,000	28,223	$ (6,777)
Transportation Fees From Individuals	5,000		5,000	17,570	12,570
Rents & Royalties	80,000		80,000	161,205	81,205
Interest Earned on Capital Reserve Funds	200		200	40,001	39,801
Interest Earned on Maintenance Reserve	50		50		(50)
Unrestricted Miscellaneous Revenue	40,000		40,000	185,424	145,424
Total - Local Sources	43,821,484	480,927	44,302,411	44,574,584	272,173
State Sources:					
Special Education Aid	971,862	103,789	1,075,651	1,075,651	
Security Aid	46,270	180,022	226,292	226,292	
Transportation Aid	257,436	85,262	342,698	342,698	
Extraordinary Special Education Costs Aid	401,419		401,419	822,187	420,768
Excess Nonpublic School Transportation Costs				31,610	31,610
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,653,154	1,653,154
TPAF On-Behalf Pension Contributions (Non-Budgeted)				3,569,808	3,569,808
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				74,725	74,725
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				3,681	3,681
TPAF Social Security (Reimbursed - Non-Budgeted)				1,416,211	1,416,211
Total State Sources	1,676,987	369,073	2,046,060	9,216,017	7,169,957
Federal Sources:					
Medicaid Assistance Program	36,231		36,231		(36,231)
Total - Federal Sources	36,231		36,231		(36,231)
Total Revenues	45,534,702	850,000	46,384,702	53,790,601	7,405,899

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	$ 332,298	$ 5,373	$ 337,671	$ 304,422	$ 33,249
Grades 1-5 - Salaries of Teachers	5,027,254	(132,408)	4,894,846	4,888,954	5,892
Grades 6-8 - Salaries of Teachers	2,823,519	(9,630)	2,813,889	2,813,889	
Grades 9-12 - Salaries of Teachers	4,605,886	(175,284)	4,430,602	4,430,602	
Regular Programs - Home Instruction:					
Salaries of Teachers	19,000	(14,470)	4,530	4,530	
Purchased Professional-Educational Services	15,430	2,381	17,811	12,937	4,874
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	59,572		59,572	51,583	7,989
Purchased Professional-Educational Services	7,086	37,966	45,052	45,052	
Other Purchased Services	127,774	(16,132)	111,642	105,768	5,874
General Supplies	871,970	167,054	1,039,024	1,032,507	6,517
Textbooks	121,282	156,423	277,705	116,795	160,910
Other Objects	31,953	(22,268)	9,685	9,685	
Total Regular Programs - Instruction	14,043,024	(995)	14,042,029	13,816,724	225,305
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	199,849	2,632	202,481	202,481	
General Supplies	2,114	17,152	19,266	18,746	520
Total Learning and/or Language Disabilities	201,963	19,784	221,747	221,227	520

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Special Education - Instruction:					
Behavioral Disabilities					
Salaries of Teachers		$ 55,000	$ 55,000	$ 55,000	
General Supplies		775	775	775	
Total Behavioral Disabilities		55,775	55,775	55,775	
Resource Room/Resource Center:					
Salaries of Teachers	$ 2,793,131	(209,659)	2,583,472	2,583,472	
Purchased Prof. Ed. Services		4,278	4,278	4,278	
General Supplies	15,936	12,661	28,597	24,311	$ 4,286
Textbooks		14,430	14,430	1,573	12,857
Total Resource Room/Resource Center	2,809,067	(178,290)	2,630,777	2,613,634	17,143
Preschool Disabilities - Part-Time:					
Salaries of Teachers	90,339	(18,836)	71,503	71,503	
Other Salaries for Instruction	191,148	68,838	259,986	259,986	
General Supplies	1,486	1,430	2,916	2,906	10
Other Objects		347	347	347	
Total Preschool Disabilities - Part-Time	282,973	51,779	334,752	334,742	10
Preschool Disabilities - Full Time:					
Salaries of Teachers	90,339	21,068	111,407	111,407	
Purchased Professional-Educational Services	191,148	(191,148)			
General Supplies	1,323	(1,323)			
Total Preschool Disabilities - Full-Time	282,810	(171,403)	111,407	111,407	
Home Instruction:					
Salaries of Teachers	20,000	(8,324)	11,676	11,676	
Purchased Professional-Educational Services	15,000	16,296	31,296	30,576	720
Total Home Instruction	35,000	7,972	42,972	42,252	720
Total Special Education - Instruction	3,611,813	(214,383)	3,397,430	3,379,037	18,393
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	194,694	(23,528)	171,166	171,166	
Purchased Professional-Educational Services		6,117	6,117	6,117	
General Supplies	9,000	8,900	17,900	17,900	
Textbooks	2,500	(2,500)			
Total Basic Skills/Remedial - Instruction	206,194	(11,011)	195,183	195,183	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Bilingual Education - Instruction:					
Salaries of Teachers	$ 130,483	$ (4,752)	$ 125,731	$ 125,731	
General Supplies	72	1,518	1,590	1,590	
Total Bilingual Education - Instruction	130,555	(3,234)	127,321	127,321	
School Sponsored Cocurricular Activities:					
Salaries	351,175	15,162	366,337	366,337	
Purchased Services	19,778	(2,666)	17,112	13,317	$ 3,795
Supplies and Materials	18,171	3,733	21,904	20,790	1,114
Other Objects	15,154	(3,945)	11,209	1,833	9,376
Transfers to Cover Deficit (Agency Funds)	7,500		7,500	2,836	4,664
Total School-Sponsored Cocurricular Activities	411,778	12,284	424,062	405,113	18,949
School-Sponsored Athletics:					
Salaries	682,365	(12,562)	669,803	669,803	
Purchased Services	133,031	(7,851)	125,180	125,180	
Supplies and Materials	113,957	(20,103)	93,854	86,875	6,979
Other Objects	15,259	4,987	20,246	19,951	295
Transfers to Cover Deficit (Agency Funds)	9,530	3,485	13,015	13,015	
Total School-Sponsored Athletics	954,142	(32,044)	922,098	914,824	7,274
Community Services Programs:					
Salaries	78,396	48	78,444	78,444	
Total Community Services Programs	78,396	48	78,444	78,444	
Total Instruction	19,435,902	(249,335)	19,186,567	18,916,646	269,921

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures - Instruction:					
Tuition to Other LEA's Within the State - Special	$ 165,492	$ 145,031	$ 310,523	$ 310,523	
Tuition to County Vocational School - Regular	21,517	(8,506)	13,011	13,011	
Tuition to County Vocational School - Special	57,607	(29,821)	27,786	27,786	
Tuition to CSSD & Regional Day Schools	204,521	(204,521)			
Tuition to Private Schools for the Handicapped Within State	2,427,411	(344,253)	2,083,158	2,079,574	$ 3,584
Tuition - State Facilities	4,500		4,500	4,500	
Total Undistributed Expenditures - Instruction	2,881,048	(442,070)	2,438,978	2,435,394	3,584
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries	24,118	350	24,468	24,468	
Attendance and Social Work Services	24,118	350	24,468	24,468	
Health Services:					
Salaries	606,341	3,570	609,911	609,911	
Purchased Professional and Technical Services	17,110	2,534	19,644	19,268	376
Supplies and Materials	16,224	7,458	23,682	23,682	
Other Objects	3,732	(3,618)	114	114	
Total Health Services	643,407	9,944	653,351	652,975	376

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Speech, OT, PT & Related Services:					
Salaries	$ 470,357	$ (103,378)	$ 366,979	$ 366,979	
Purchased Professional - Educational Services	162,853	17,870	180,723	180,723	
Supplies and Materials	6,500	(499)	6,001	6,001	
Other Objects	10,000	2,962	12,962	12,962	
Total Speech, OT, PT & Related Services	649,710	(83,045)	566,665	566,665	
Other Support Services - Extraordinary Services:					
Salaries	737,203	(29,890)	707,313	707,313	
Purchased Professional - Educational Services	969,821	(82,279)	887,542	854,827	$ 32,715
Total Other Support Services - Extraordinary Services	1,707,024	(112,169)	1,594,855	1,562,140	32,715
Guidance:					
Salaries of Other Professional Staff	486,158	13,482	499,640	499,640	
Purchased Professional-Educational Services	350,000	12,740	362,740	362,740	
Other Purchased Professional and Technical Services	10,232	(3,631)	6,601	6,601	
Other Purchased Professional Services	800	(800)			
Supplies and Materials	5,100	(1,509)	3,591	3,591	
Other Objects	1,894	(401)	1,493	1,493	
Total Guidance	854,184	19,881	874,065	874,065	
Child Study Team:					
Salaries of Other Professional Staff	1,093,835	92,832	1,186,667	1,186,667	
Salaries of Secretarial and Clerical Assistants	121,726	(2,598)	119,128	119,128	
Other Purchased Professional and Technical Services	441,311	346,159	787,470	777,409	10,061

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Child Study Team: (Cont'd)					
Miscellaneous Purchased Services	$ 6,785	$ 801	$ 7,586	$ 7,058	$ 528
Supplies and Materials	34,555	1,569	36,124	35,570	554
Other Objects	11,287	742	12,029	12,029	
Total Child Study Team	1,709,499	439,505	2,149,004	2,137,861	11,143
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	143,273	114,371	257,644	257,644	
Salaries of Other Professional Staff		23,625	23,625	23,625	
Other Salaries		59,059	59,059	59,059	
Purchased Professional - Educational Services	44,174	(37,161)	7,013	7,013	
Other Purch Prof. and Tech. Services	13,408	(7,908)	5,500	5,500	
Other Purchased Services	3,723	(3,723)			
Supplies and Materials	97,152	(63,351)	33,801	33,801	
Other Objects	21,385	(12,865)	8,520	8,241	279
Total Improvement of Instructional Services	323,115	72,047	395,162	394,883	279
Educational Media Services/School Library:					
Salaries	509,607	(18,416)	491,191	491,191	
Salaries of Technology Coordinators	204,909	90	204,999	204,999	
Supplies and Materials	78,506	408	78,914	72,452	6,462
Total Educational Media Services/School Library	793,022	(17,918)	775,104	768,642	6,462

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Instructional Staff Training Services:					
Purchased Professional - Educational Services	$ 14,121	$ 28,834	$ 42,955	$ 40,676	$ 2,279
Other Purchased Prof. and Tech Services	19,449	(17,090)	2,359	2,359	
Other Purchased Services	1,664	(1,619)	45	45	
Other Objects	100,765	(85,560)	15,205	15,205	
Total Instructional Staff Training Services	135,999	(75,435)	60,564	58,285	2,279
General Administration:					
Salaries	335,697	2,501	338,198	338,198	
Legal Services	60,000	(20,000)	40,000	36,360	3,640
Audit Fees	42,000	5,000	47,000	47,000	
Architectural/Engineering Services	20,000	65,550	85,550	63,614	21,936
Other Purchased Professional Services	9,319	(9,319)			
Purchased Technical Services	1,500	(1,500)			
Communications/Telephone	74,552	(11,296)	63,256	63,192	64
BOE Other Purchased Services	2,282	(1,226)	1,056	1,056	
Miscellaneous Purchased Services (400-500)	31,391	(567)	30,824	30,770	54
General Supplies	6,668	197	6,865	6,865	
Miscellaneous Expenditures	13,981	(274)	13,707	8,155	5,552
BOE Membership Dues and Fees	18,933	(677)	18,256	18,256	
Total General Administration	616,323	28,389	644,712	613,466	31,246
School Administration:					
Salaries of Principals/Assistant Principals	1,297,950	(67,349)	1,230,601	1,230,601	
Salaries of Secretarial and Clerical Assistants	692,080	(41,392)	650,688	650,688	
Other Salaries		3,049	3,049	3,049	
Other Purchased Services	2,980	(2,522)	458	258	200
Supplies and Materials	29,833	(12,954)	16,879	10,037	6,842

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
School Administration: (Cont'd)					
Other Objects	$ 10,300	$ 665	$ 10,965	$ 8,222	$ 2,743
Total School Administration	2,033,143	(120,503)	1,912,640	1,902,855	9,785
Central Services:					
Salaries	466,936	1,901	468,837	468,837	
Purchased Technical Services	1,622	(1,622)			
Purchased Professional Services	41,867	(9,387)	32,480	32,480	
Miscellaneous Purchased Services	12,390	5,875	18,265	17,749	516
Supplies and Materials	7,951	5,518	13,469	13,469	
Miscellaneous Expenditures	14,220	(11,423)	2,797	2,098	699
Total Central Services	544,986	(9,138)	535,848	534,633	1,215
Administrative Information Technology:					
Salaries	142,714	(32,250)	110,464	110,464	
Purchased Professional Services	123,750	10,675	134,425	134,425	
Other Purchased Services	237,739	62,966	300,705	300,705	
Supplies and Materials	24,712	(22,942)	1,770	1,770	
Total Administrative Information Technology	528,915	18,449	547,364	547,364	
Required Maintenance for School Facilities:					
Salaries	758,011	6,051	764,062	763,836	226
Cleaning, Repair and Maintenance Services	722,606	181,999	904,605	893,925	10,680
General Supplies	118,050	497,865	615,915	454,186	161,729
Other Objects	9,925	(1,970)	7,955	7,955	
Total Required Maintenance for School Facilities	1,608,592	683,945	2,292,537	2,119,902	172,635

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

EXPENDITURES:	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Custodial Services:					
Salaries	$ 1,272,641	$ (19,543)	$ 1,253,098	$ 1,252,099	$ 999
Salaries of Non-Instructional Aides	95,390	(8,501)	86,889	86,843	46
Cleaning, Repair and Maintenance Services	116,763	(22,255)	94,508	84,926	9,582
Other Purchased Property Services	107,298	(27,452)	79,846	47,381	32,465
Insurance	269,849	1,250	271,099	269,849	1,250
General Supplies	106,715	(3,348)	103,367	85,087	18,280
Energy (Natural Gas)	285,456	(38,104)	247,352	232,654	14,698
Energy (Electricity)	517,646	(116,125)	401,521	372,931	28,590
Energy (Gasoline)	20,000		20,000	13,094	6,906
Other Objects	2,175		2,175		2,175
Interest-Energy Savings Bonds		86,803	86,803	86,803	
Total Custodial Services	2,793,933	(147,275)	2,646,658	2,531,667	114,991
Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	143,796	35,027	178,823	154,741	24,082
General Supplies	56,500	6,744	63,244	56,822	6,422
Total Care & Upkeep of Grounds	200,296	41,771	242,067	211,563	30,504
Student Transportation Services:					
Salaries for Pupil Transportation:					
Between Home and School - Regular	82,617	(14,849)	67,768	67,176	592
Between Home and School - Special Education	238,787	80,747	319,534	319,534	
Other than Between Home and School	58,000	9,940	67,940	63,157	4,783
Management Fees - ESC Transportation Programs	36,000	(6,684)	29,316	26,210	3,106
Other Purchased Prof. and Technical Sevice	1,001	13,914	14,915	14,915	
Cleaning, Repair and Maintenance Services	16,000	8,952	24,952	24,952	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Student Transportation Services: (Cont'd)					
Contracted Services:					
Other than Between Home and School -Vendors	$ 12,069	$ (5,444)	$ 6,625	$ 2,543	$ 4,082
Special Education Students - ESCs & CTSAs	968,922	(527,800)	441,122	434,101	7,021
Aid in Lieu of Payments for Nonpublic School Students	131,759	(6,428)	125,331	109,932	15,399
General Supplies	6,200	(5,699)	501	501	
Transportation Supplies	20,000	(15,742)	4,258	4,258	
Fuel Costs Funded by Advertising Revenue		32,941	32,941	32,941	
Total Student Transportation Services	1,571,355	(436,152)	1,135,203	1,100,220	34,983
Allocated Benefits:					
Regular Programs - Instruction:					
Health Benefits	1,917,346		1,917,346	1,917,346	
Total Regular Programs - Instruction	1,917,346		1,917,346	1,917,346	
Special Programs - Instruction:					
Health Benefits	944,852		944,852	944,852	
Total Special Programs - Instruction	944,852		944,852	944,852	
Undist. Expend. - Support Serv. - General Administration:					
Health Benefits	82,000		82,000	82,000	
Total Undist. Expend. - Support Serv. - General Administration	82,000		82,000	82,000	
Undist. Expend. - Support Serv. - School Administration:					
Health Benefits	156,000		156,000	156,000	
Total Undist. Expend. - Support Serv. - School Administration	156,000		156,000	156,000	
Undist. Expend. - Support Serv. - Central Services:					
Health Benefits	122,107		122,107	122,107	
Total Undist. Expend. - Support Serv. - Central Services	122,107		122,107	122,107	
Total Allocated Benefits	3,222,305		3,222,305	3,222,305	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Unallocated Benefits:					
Social Security Contributions	$ 638,763	$ (43,074)	$ 595,689	$ 595,145	$ 544
Other Retirement Contributions - PERS	608,051	(59,943)	548,108	548,108	
Other Retirement Contributions - ERIP	1,183	(601)	582	338	244
Other Retirement Contributions - DCRP	25,000	8,282	33,282	33,270	12
Other Retirement Contributions - Regular	181,950	(91,400)	90,550	90,550	
Workmen's Compensation	280,987	(8,674)	272,313	268,271	4,042
Health Benefits	2,073,870	462,572	2,536,442	2,519,010	17,432
Tuition Reimbursement	134,707	(5,000)	129,707	84,782	44,925
Other Employee Benefits	59,293	35,855	95,148	92,981	2,167
Total Unallocated Benefits	4,003,804	298,017	4,301,821	4,232,455	69,366
On-Behalf Contributions (Non-budgeted):					
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,653,154	(1,653,154)
TPAF On-Behalf Pension Contributions (Non-Budgeted)				3,569,808	(3,569,808)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				74,725	(74,725)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				3,681	(3,681)
TPAF Social Security (Reimbursed - Non-Budgeted)				1,416,211	(1,416,211)
Total On-Behalf Contributions (Non-Budgeted)				6,717,579	(6,717,579)
Total Unallocated Benefits	4,003,804	298,017	4,301,821	10,950,034	(6,648,213)
Total Personal Services - Employee Benefits	7,226,109	298,017	7,524,126	14,172,339	(6,648,213)
Total Undistributed Expenditures	26,844,778	168,593	27,013,371	33,209,387	(6,196,016)
TOTAL GENERAL CURRENT EXPENSE	46,280,680	(80,742)	46,199,938	52,126,033	(5,926,095)

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5		$ 10,212	$ 10,212		$ 10,212
Grades 6-8		29,102	29,102	$ 29,102	
Grades 9-12		3,158	3,158	3,158	
Undistributed Expenditures:					
Instruction		79,131	79,131	77,157	1,974
Support Services Students Special		165,502	165,502	165,502	
Required Maint for School Fac.	$ 49,060	106,070	155,130	127,988	27,142
Total Equipment	49,060	393,175	442,235	402,907	39,328
Facilities Acquisition and Construction Services:					
Construction Services		689,175	689,175	313,575	375,600
Assessment for Debt Service on SDA Funding	5,477		5,477	5,477	
Total Facilities Acquisition and Construction Services	5,477	689,175	694,652	319,052	375,600
TOTAL CAPITAL OUTLAY	54,537	1,082,350	1,136,887	721,959	414,928
Transfer of Funds to Charter Schools	32,535	(32,535)			
TOTAL EXPENDITURES	46,367,752	969,073	47,336,825	52,847,992	(5,511,167)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(833,050)	(119,073)	(952,123)	942,609	1,894,732
Other Financing Sources:					
Transfer In- Capital Projects Fund Interest				69,668	69,668
Total Other Financing Sources				69,668	69,668
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	(833,050)	(119,073)	(952,123)	1,012,277	1,964,400
Fund Balance, July 1	5,144,924		5,144,924	5,144,924	
Fund Balance, June 30	$ 4,311,874	$ (119,073)	$ 4,192,801	$ 6,157,201	$ 1,964,400

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				$ 2,643,758	
Maintenance Reserve				700,000	
Excess Surplus - Designated for Subsequent Year's Expenditures				316,205	
Excess Surplus				300,000	
Assigned Fund Balance:					
Year End Encumbrances				822,252	
Unassigned Fund Balance				1,374,986	
				6,157,201	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				(145,955)	
Fund Balance per Governmental Funds (GAAP)				$ 6,011,246	

Exhibit C-2

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(UNAUDITED)

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources		$ 34,674	$ 34,674	$ 28,722	$ (5,952)
State Sources	$ 119,893	141,150	261,043	222,881	(38,162)
Federal Sources	741,179	131,075	872,254	830,768	(41,486)
Total Revenues	861,072	306,899	1,167,971	1,082,371	(85,600)
EXPENDITURES:					
Instruction:					
Salaries of Teachers	102,003	49,977	151,980	151,980	
Tuition	502,690	71,046	573,736	573,736	
General Supplies	67,018	51,186	118,204	110,733	7,471
Textbooks	23,389		23,389	23,075	314
Total Instruction	695,100	172,209	867,309	859,524	7,785
Support Services:					
Salaries of Other Professional Staff	21,000	(1,350)	19,650	19,650	
Personal Services - Employee Benefits	27,820	(27,820)			
Purchased Professional and Technical Services	115,955	142,898	258,853	181,817	77,036
Other Purchased Services		20,476	20,476	19,697	779
Supplies and Materials	1,197	486	1,683	1,683	
Total Support Services	165,972	134,690	300,662	222,847	77,815
Total Expenditures	861,072	306,899	1,167,971	1,082,371	85,600
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ - 0 -	$ - 0 -	$ - 0 -	$ - 0 -	$ - 0 -

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
NOTE TO RSI
FOR THE FISCAL YEAR ENDED JUNE 30, 2019
(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	$ 53,790,601	$ 1,082,371
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		(2,434)
Prior Year Encumbrances		29,000
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	99,484	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(145,955)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	$ 53,744,130	$ 1,108,937
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	$ 52,847,992	$ 1,082,371
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		(2,434)
Prior Year Encumbrances		29,000
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	$ 52,847,992	$ 1,108,937

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, 2019 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, 2019
(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, 2019

	I.D.E.A.		Elementary and Secondary Education Act			Fund for the Improvement of Education
	Basic	Preschool	Title I	Title IIA	Title IV	
REVENUES:						
Local Sources						
State Sources						
Federal Sources	$ 568,461	$ 19,406	$ 171,656	$ 49,960	$ 11,617	$ 9,668
Total Revenues	568,461	19,406	171,656	49,960	11,617	9,668
EXPENDITURES:						
Instruction:						
Salaries of Teachers			151,980			
Tuition	554,429	19,307				
General Supplies		99			1,299	
Textbooks						
Total Instruction	554,429	19,406	151,980		1,299	
Support Services:						
Salaries of Other Professional Staff			19,650			
Purchased Professional and Technical Services	14,032			49,500	10,318	8,471
Other Purchased Services						
Supplies and Materials			26	460		1,197
Total Support Services	14,032		19,676	49,960	10,318	9,668
Total Expenditures	$ 568,461	$ 19,406	$ 171,656	$ 49,960	$ 11,617	$ 9,668

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Nonpublic Auxiliary Services		Nonpublic Handicapped Services		
	Compensatory Education	Transportation	Supplementary Instruction	Examination and Classification	Corrective Speech
REVENUES:					
Local Sources					
State Sources	$ 11,214	$ 19,697	$ 14,195	$ 24,204	$ 7,397
Federal Sources					
Total Revenues	11,214	19,697	14,195	24,204	7,397
EXPENDITURES:					
Instruction:					
Salaries of Teachers					
Tuition					
General Supplies					
Textbooks					
Total Instruction					
Support Services:					
Salaries of Other Professional Staff					
Purchased Professional and Technical Services	11,214		14,195	24,204	7,397
Other Purchased Services		19,697			
Supplies and Materials					
Total Support Services	11,214	19,697	14,195	24,204	7,397
Total Expenditures	$ 11,214	$ 19,697	$ 14,195	$ 24,204	$ 7,397

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Nonpublic					
REVENUES:	Nursing	Textbooks	Technology Initiative	Security	Private Donations	Totals
Local Sources					$ 28,722	$ 28,722
State Sources	$ 42,486	$ 23,075	$ 15,590	$ 65,023		222,881
Federal Sources						830,768
Total Revenues	42,486	23,075	15,590	65,023	28,722	1,082,371
EXPENDITURES:						
Instruction:						
Salaries of Teachers						151,980
Tuition						573,736
General Supplies			15,590	65,023	28,722	110,733
Textbooks		23,075				23,075
Total Instruction		23,075	15,590	65,023	28,722	859,524
Support Services:						
Salaries of Other Professional Staff						19,650
Purchased Professional and Technical Services	42,486					181,817
Other Purchased Services						19,697
Supplies and Materials						1,683
Total Support Services	42,486					222,847
Total Expenditures	$ 42,486	$ 23,075	$ 15,590	$ 65,023	$ 28,722	$ 1,082,371

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, 2019

Revenue:	
Interest on Investments	$ 69,668
Total Revenue	69,668
Expenditures and Other Financing Uses:	
Purchased Professional and Technical Services	15,678
Construction Services	2,525,035
Transfer to General Fund:	
Interest on Investments	69,668
Total Expenditures and Other Financing Uses	2,610,381
Deficit of Revenue and Other Financing Sources Under Expenditures and Other Financing Uses	(2,540,713)
Fund Balance - Beginning of Year	4,608,373
Fund Balance - End of Year	$ 2,067,660
Recapitulation:	
Restricted Fund Balance	$ 1,478,612
Restricted - Year End Encumbrances	472,403
Committed Fund Balance	116,645
Total Fund Balance - Budgetary Basis	2,067,660
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Receivable not Recognized on the GAAP Basis	(29,390)
Fund Balance per Governmental Funds (GAAP)	$ 2,038,270

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, 2019

	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	1,803,743		1,803,743	1,803,743
Expenditures:				
Purchased Professional and Technical Services	117,445		117,445	118,700
Construction Services	1,569,653		1,569,653	1,685,043
Total Expenditures	1,687,098		1,687,098	1,803,743
Excess/(Deficit) of Revenue and Other Financing Sources Over/(Under) Expenditures	$ 116,645	$ - 0 -	$ 116,645	$ - 0 -

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

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, 2019

	Prior Periods	Current Year	Totals	Project Authorization
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	117,805		117,805	60,000
Purchased Professional and Technical Services	1,504,778	$ 15,678	1,520,456	1,525,000
Construction Services	15,235,791	1,330,948	16,566,739	16,620,394
Total Expenditures	16,858,374	1,346,626	18,205,000	18,205,394
Excess/(Deficit) of Revenue Over/(Under) Expenditures	$ 1,346,626	$ (1,346,626)	$ -0-	$ - 0 -

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	10/13/14
Bonds Authorized	$ 18,205,394
Bonds Issued	$ 18,205,000
Original Authorized Cost	$ 18,205,394
Additional Authorized Cost	$ - 0 -
Revised Authorized Cost	$ 18,205,394
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	June 2018
Revised Target Completion Date	August 2019

Exhibit F-1c

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE AND PROJECT STATUS - BUDGETARY BASIS
ENERGY SAVINGS IMPROVEMENT PROGRAM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Prior Periods	Current Year	Totals	Project Authorization
Revenue:				
Bond Proceeds	$ 2,800,000		$ 2,800,000	$ 2,800,000
Reoffering Premium	359,602		359,602	359,602
Total Revenue	3,159,602		3,159,602	3,159,602
Expenditures:				
Purchased Professional and Technical Services	14,500		14,500	525,631
Construction Services		$ 1,194,087	1,194,087	2,233,971
Other Objects				400,000
Total Expenditures	14,500	1,194,087	1,208,587	3,159,602
Excess/(Deficit) of Revenue Over/(Under) Expenditures	$ 3,145,102	$ (1,194,087)	$ 1,951,015	$ - 0 -

Additional Project Information:

Project Numbers	N/A
Grant Date	N/A
Bond Authorization Date	04/02/18
Bonds Authorized	$ 5,000,000
Bonds Issued	$ 2,800,000
Original Authorized Cost	$ 3,159,602
Additional Authorized Cost	$ - 0 -
Revised Authorized Cost	$ 3,159,602
Percentage Increase over Original Authorized Cost	0%
Percentage Completion	38%
Original Target Completion Date	June 2020

PROPRIETARY FUNDS

Exhibit G-1

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Major Fund Continuing Education	Non-Major Fund Food Service	Totals
ASSETS:			
Current Assets:			
Cash and Cash Equivalents	$ 512,162	$ 138,246	$ 650,408
Intergovernmental Accounts Receivable:			
State		252	252
Federal		5,173	5,173
Inventories		8,440	8,440
Total Current Assets	512,162	152,111	664,273
Non-Current Assets:			
Capital Assets		533,480	533,480
Less: Accumulated Depreciation		(373,439)	(373,439)
Total Non-Current Assets		160,041	160,041
Total Assets	512,162	312,152	824,314
LIABILITIES:			
Current Liabilities:			
Interfund Payable	474	52,073	52,547
Unearned Revenue - Prepaid Sales	71,430	30,004	101,434
Unearned Revenue - Donated Commodities		2,200	2,200
Total Current Liabilities	71,904	84,277	156,181
NET POSITION:			
Investment in Capital Assets		160,041	160,041
Unrestricted	440,258	67,834	508,092
Total Net Position	$ 440,258	$ 227,875	$ 668,133

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, 2019

	Major Fund	Non-Major Fund	
	Continuing Education	Food Service	Totals
Operating Revenue:			
Daily Sales:			
Reimbursable Programs		$ 536,897	$ 536,897
Non-Reimbursable Programs		33,055	33,055
Charges for Services:			
Program Fees	$ 840,174		840,174
Total Operating Revenue	840,174	569,952	1,410,126
Operating Expenses:			
Cost of Sales - Reimbursable Programs		122,681	122,681
Cost of Sales - Non-Reimbursable Programs		207,218	207,218
Salaries, Benefits & Payroll Taxes	591,179	211,990	803,169
Purchased Technical Services		30,600	30,600
Other Purchased Services	4,245		4,245
Supplies and Materials	119,268	25,614	144,882
Miscellaneous Expense		600	600
Depreciation Expense		21,619	21,619
Total Operating Expenses	714,692	620,322	1,335,014
Operating Income/(Loss)	125,482	(50,370)	75,112
Non-Operating Revenue:			
Local Sources:			
Interest Earnings		2,867	2,867
State Sources:			
State School Lunch Program		3,906	3,906
Federal Sources:			
National School Lunch Program		80,629	80,629
Food Distribution Program		15,375	15,375
Total Non-Operating Income		102,777	102,777
Change in Net Position	125,482	52,407	177,889
Net Position - Beginning of Year	314,776	175,468	490,244
Net Position - End of Year	$ 440,258	$ 227,875	$ 668,133

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Major Fund Continuing Education	Non-Major Fund Food Service	Totals
Cash Flows from Operating Activities:			
Receipts from Customers	$ 790,424	$ 574,594	$ 1,365,018
Payments to Food Service Contractors		(370,302)	(370,302)
Payments for Salaries, Payroll Taxes and Benefits	(591,179)	(211,990)	(803,169)
Payments to Suppliers	(123,513)		(123,513)
Net Cash Provided by/(Used for) Operating Activities	75,732	(7,698)	68,034
Cash Flows from Investment Activities:			
Interest Income		2,867	2,867
Net Cash Provided by Investment Activities		2,867	2,867
Cash Flows from Noncapital Financing Activities:			
State Sources		4,361	4,361
Federal Sources		90,924	90,924
Net Cash Provided by Noncapital Financing Activities		95,285	95,285
Net Increase in Cash and Cash Equivalents	75,732	90,454	166,186
Cash and Cash Equivalents, July 1	436,430	47,792	484,222
Cash and Cash Equivalents, June 30	$ 512,162	$ 138,246	$ 650,408
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	$ 125,482	$ (50,370)	$ 75,112
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation		21,619	21,619
Food Distribution Program		15,375	15,375
Changes in Assets and Liabilities:			
(Increase)/Decrease in Inventory		1,946	1,946
Increase/(Decrease) in Unearned Revenue -			
Prepaid Sales	(49,750)	4,642	(45,108)
Donated Commodities		(910)	(910)
Net Cash Provided by/(Used for) Operating Activities	$ 75,732	$ (7,698)	$ 68,034

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 $14,465 and Utilized Commodities Valued at $15,375.

FIDUCIARY FUNDS

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
FIDUCIARY FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2019

	Agency			Unemployment	Flexible
	Student Activity	Payroll	Totals	Compensation Trust	Spending Trust
ASSETS:					
Cash and Cash Equivalents	$ 310,899	$ 16,785	$ 327,684	$ 132,479	$ 31,109
Total Assets	310,899	16,785	327,684	132,479	31,109
LIABILITIES:					
Interfund Payable - General Fund		1,412	1,412		9,027
Payroll Deductions and Withholdings		15,373	15,373		
Due to Student Groups	310,899		310,899		
Total Liabilities	310,899	16,785	327,684		9,027
NET POSITION:					
Held in Trust for:					
Unemployment Claims				132,479	
Flexible Spending Claims					22,082
Total Net Position	$ -0-	$ -0-	$ -0-	$ 132,479	$ 22,082

Exhibit H-2

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Unemployment Compensation Trust	Flexible Spending Trust
ADDITIONS:		
Contributions:		
Plan Members	$ 74,197	$ 78,900
Total Contributions	74,197	78,900
Investment Earnings:		
Interest	2,103	336
Net Investment Earnings	2,103	336
Total Additions	76,300	79,236
DEDUCTIONS:		
Flexible Spending Claims		68,589
Quarterly Unemployment Contributions	64,392	
Total Deductions	64,392	68,589
Change in Net Position	11,908	10,647
Net Position - Beginning of the Year	120,571	11,435
Net Position - End of the Year	$ 132,479	$ 22,082

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS:				
Cash and Cash Equivalents	$ 14,987	$ 27,506,212	$ 27,504,414	$ 16,785
Total Assets	$ 14,987	$ 27,506,212	$ 27,504,414	$ 16,785
LIABILITIES:				
Payroll Deductions and Withholdings	$ 13,575	$ 27,506,212	$ 27,504,414	$ 15,373
Interfund Payable - General Fun	1,412			1,412
Total Liabilities	$ 14,987	$ 27,506,212	$ 27,504,414	$ 16,785

Exhibit H-4

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
ASSETS:				
Cash and Cash Equivalents	$ 266,456	$ 619,520	$ 575,077	$ 310,899
Total Assets	$ 266,456	$ 619,520	$ 575,077	$ 310,899
LIABILITIES:				
Liabilities:				
Due to Student Groups	$ 266,456	$ 619,520	$ 575,077	$ 310,899
Total Liabilities	$ 266,456	$ 619,520	$ 575,077	$ 310,899

Exhibit H-5

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Balance July 1, 2018	Additions	Deletions	Balance June 30, 2019
Elementary Schools:				
Jefferson	$ 10,565	$ 28,347	$ 27,122	$ 11,790
Washington	14,911	27,237	26,706	15,442
Wilson	2,349	12,570	10,914	4,005
Lincoln	13,490	16,303	13,393	16,400
Junior High School:				
Grover Cleveland	16,749	100,637	97,385	20,001
Senior High School:				
James Caldwell:				
Activity Account	206,520	413,867	378,215	242,172
Athletic Account	1,872	20,559	21,342	1,089
Total All Schools	$ 266,456	$ 619,520	$ 575,077	$ 310,899

LONG-TERM DEBT

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2019 Date	Amount	Interest Rate	Balance July 1, 2018	Retired or Matured	Balance June 30, 2019
School Bonds	06/19/08	$ 14,765,000			4.125%	$ 1,115,000	$ 1,115,000	
School Bonds	03/19/15	18,205,000	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%	16,370,000	860,000	$ 15,510,000
Refunding School Bonds	02/17/16	7,350,000	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%			
			09/01/24	1,210,000	4.000%	7,340,000	10,000	7,330,000

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding June 30, 2019 Date	Maturities of Bonds Outstanding June 30, 2019 Amount	Interest Rate	Balance July 1, 2018	Retired or Matured	Balance June 30, 2019
Energy Savings								
Improvement Program	05/16/18	$ 2,800,000	07/15/19	$ 150,000	2.000%			
			07/15/20	160,000	3.000%			
			07/15/21	135,000	4.000%			
			07/15/22	135,000	4.000%			
			07/15/23	145,000	4.000%			
			07/15/24	140,000	4.000%			
			07/15/25	155,000	5.000%			
			07/15/26	165,000	5.000%			
			07/15/27	180,000	5.000%			
			07/15/28	195,000	5.000%			
			07/15/29	210,000	5.000%			
			07/15/30	230,000	5.000%			
			07/15/30	245,000	5.500%			
			07/15/32	265,000	5.500%			
			07/15/33	290,000	5.500%	$ 2,800,000		$ 2,800,000
						$ 27,625,000	$ 1,985,000	$ 25,640,000

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

NOT APPLICABLE

Exhibit I-3

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	$ 1,978,677		$ 1,978,677	$ 1,978,677	
State Sources:					
Debt Service Aid Type II	720,695		720,695	720,695	
Total Revenues	2,699,372		2,699,372	2,699,372	
EXPENDITURES:					
Regular Debt Service:					
Interest	750,822	$ 150	750,972	750,972	
Redemption of Principal	1,990,000	(150)	1,989,850	1,985,000	$ 4,850
Total Expenditures	2,740,822		2,740,822	2,735,972	4,850
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(41,450)		(41,450)	(36,600)	4,850
Fund Balance, July 1	41,351		41,351	41,351	
Fund Balance/(Deficit) June 30	$ (99)	$ - 0 -	$ (99)	$ 4,751	$ 4,850
Recapitulation:					
Restricted				$ 4,751	

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

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental Activities:										
Net Investment in Capital Assets	$ 2,855,932	$ 4,360,633	$ 5,522,844	$ 5,216,182	$ 6,159,739	$ 7,617,899	$ 10,089,913	$ 11,783,889	$ 13,464,517	$ 15,172,508
Restricted	2,263,340	2,083,084	2,659,225	1,651,092	2,100,022	1,349,827	1,881,100	2,540,850	3,489,294	3,964,714
Unrestricted (Deficit)	142,425	652,171	(16,912)	1,539,685	(11,948,153)	(11,675,726)	(13,196,876)	(14,150,534)	(14,121,849)	(13,265,023)
Total Governmental Activities Net Position/(Deficit)	$ 5,261,697	$ 7,095,888	$ 8,165,157	$ 8,406,959	$ (3,688,392)	$ (2,708,000)	$ (1,225,863)	$ 174,205	$ 2,831,962	$ 5,872,199
Business-type Activities:										
Investment in Capital Assets	$ 24,073	$ 16,580	$ 11,540	$ 294,393	$ 269,565	$ 244,969	$ 224,898	$ 203,279	$ 181,660	$ 160,041
Unrestricted	681,931	698,717	683,374	311,513	263,545	244,348	162,169	155,252	308,584	508,092
Total Business-type Activities Net Position	$ 706,004	$ 715,297	$ 694,914	$ 605,906	$ 533,110	$ 489,317	$ 387,067	$ 358,531	$ 490,244	$ 668,133
District-wide:										
Net Investment in Capital Assets	$ 2,880,005	$ 4,377,213	$ 5,534,384	$ 5,510,575	$ 6,429,304	$ 7,862,868	$ 10,314,811	$ 11,987,168	$ 13,646,177	$ 15,332,549
Restricted	2,263,340	2,083,084	2,659,225	1,651,092	2,100,022	1,349,827	1,881,100	2,540,850	3,489,294	3,964,714
Unrestricted (Deficit)	824,356	1,350,888	666,462	1,851,198	(11,684,608)	(11,431,378)	(13,034,707)	(13,995,282)	(13,813,265)	(12,756,931)
Total District-wide Net Position/(Deficit)	$ 5,967,701	$ 7,811,185	$ 8,860,071	$ 9,012,865	$ (3,155,282)	$ (2,218,683)	$ (838,796)	$ 532,736	$ 3,322,206	$ 6,540,332

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 Accunting)

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Expenses:										
Governmental Activities:										
Instruction:										
Regular	$ 17,620,118	$ 17,288,070	$ 18,183,952	$ 18,699,651	$ 17,597,863	$ 20,725,346	$ 21,971,767	$ 24,442,624	$ 25,621,193	$ 24,064,493
Special Education	4,043,701	3,930,359	3,978,308	4,334,306	4,731,689	5,426,362	6,438,375	7,456,464	7,655,254	7,021,339
Other Special Education	482,953	437,846	444,186	310,318	274,181	307,121	364,984	299,775	322,585	510,573
Other Instruction	1,266,121	1,193,152	1,243,831	1,270,526	1,471,628	1,718,067	1,815,902	2,119,540	2,152,469	2,104,415
Support Services:										
Tuition	2,068,588	2,263,498	2,510,239	2,591,562	2,201,414	2,760,285	2,472,465	2,634,435	2,458,883	2,435,394
Student & Instruction Related Services	5,731,157	5,583,897	5,664,327	5,745,182	6,669,738	7,677,084	8,300,424	9,041,452	9,575,592	10,162,114
General Administrative Services	649,484	652,454	721,574	617,134	707,478	795,701	729,656	790,157	986,508	917,354
School Administrative Services	2,399,848	2,400,576	2,504,564	2,483,110	2,498,544	2,724,898	3,003,053	3,429,065	3,464,280	3,293,634
Central Services	632,244	655,997	697,969	571,121	662,830	849,090	811,180	924,068	917,674	955,590
Administrative Information Technology	499,754	540,943	476,397	631,273	927,055	742,986	899,185	767,237	659,154	567,083
Plant Operations and Maintenance	4,244,849	4,202,786	4,121,393	4,266,708	5,241,904	4,457,300	4,344,130	4,288,007	4,377,335	5,184,521
Pupil Transportation	1,108,586	1,126,584	1,075,175	1,222,320	1,186,701	1,184,797	1,385,225	1,601,034	1,396,947	1,253,434
Capital Outlay						7,263	5,477	5,477		
Interest on Long-Term Debt	657,494	611,528	584,922	558,316	519,300	591,939	1,044,412	839,110	773,146	706,507
Unallocated Depreciation					176,037	176,037	529,643	658,129	639,551	626,171
Total Governmental Activities Expenses	41,404,897	40,887,690	42,206,837	43,301,527	44,866,362	50,144,276	54,115,878	59,296,574	61,000,571	59,802,622
Business-type Activities:										
Food Service	475,356	526,328	460,560	531,833	524,044	548,047	585,313	565,350	568,300	620,322
Continuing Education	230,623	207,418	199,188	196,336	193,360	204,636	213,195	237,065	576,719	714,692
Total Business-type Activities Expense	705,979	733,746	659,748	728,169	717,404	752,683	798,508	802,415	1,145,019	1,335,014
Total District-wide Expenses	$ 42,110,876	$ 41,621,436	$ 42,866,585	$ 44,029,696	$ 45,583,766	$ 50,896,959	$ 54,914,386	$ 60,098,989	$ 62,145,590	$ 61,137,636
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction					$ 26,828	$ 30,114	$ 57,149	$ 64,067	$ 78,049	$ 28,223
Pupil Transportation					1,773	6,148	4,685	8,324	10,535	17,570
Operating Grants and Contributions	$ 3,883,092	$ 3,417,756	$ 3,726,882	$ 4,528,522	5,904,622	10,444,942	12,539,154	15,720,600	17,412,814	15,282,545
Capital Grants and Contributions					12,544	112,896	558,405			
Total Governmental Activities Program Revenues	3,883,092	3,417,756	3,726,882	4,528,522	5,945,767	10,594,100	13,159,393	15,792,991	17,501,398	15,328,338
Business-type Activities:										
Charges for Services:										
Food Service	459,179	508,566	434,942	439,049	368,329	381,778	427,144	458,677	495,940	569,952
Continuing Education	205,763	233,207	203,897	199,306	228,037	255,585	189,006	224,039	684,662	840,174
Operating Grants and Contributions					48,462	71,518	79,961	90,920	95,238	99,910
Total Business-type Activities Program Revenues	664,942	741,773	638,839	638,355	644,828	708,881	696,111	773,636	1,275,840	1,510,036
Total District-wide Program Revenues	$ 4,548,034	$ 4,159,529	$ 4,365,721	$ 5,166,877	$ 6,590,595	$ 11,302,981	$ 13,855,504	$ 16,566,627	$ 18,777,238	$ 16,838,374

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Net (Expense)/Revenue:										
Governmental Activities	$ (37,521,805)	$ (37,469,934)	$ (38,479,955)	$ (38,773,005)	$ (38,920,595)	$ (39,550,176)	$ (40,956,485)	$ (43,503,583)	$ (43,499,173)	$ (44,474,284)
Business-type Activities	(41,037)	8,027	(20,909)	(89,814)	(72,576)	(43,802)	(102,397)	(28,779)	130,821	175,022
Total District-wide Net Expense	$ (37,562,842)	$ (37,461,907)	$ (38,500,864)	$ (38,862,819)	$ (38,993,171)	$ (39,593,978)	$ (41,058,882)	$ (43,532,362)	$ (43,368,352)	$ (44,299,262)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Ne	$ 35,501,924	$ 36,921,252	$ 36,939,862	$ 36,712,440	$ 37,446,765	$ 38,851,019	$ 40,210,804	$ 41,618,188	$ 42,805,131	$ 44,142,161
Taxes Levied for Debt Service	938,970	871,348	852,738	838,642	846,504	950,124	1,365,293	1,942,691	1,864,180	1,978,677
Unrestricted Grants and Contributions	2,339,205	1,290,795	1,527,089	1,720,159	401,759	496,927	489,147	986,802	714,671	937,385
Investment Earnings	15,611	4,740	1,253	1,524	3,580	23,164	72,548	53,662	69,719	171,240
Miscellaneous Income	172,412	215,989	228,282	250,722	205,658	209,334	300,830	302,308	703,229	285,058
Special Item				(18,534)						
Insurance Recovery Related to Flood Damages					807,788					
Transfers					6,871					
Total Governmental Activities	38,968,122	39,304,124	39,549,224	39,504,953	39,718,925	40,530,568	42,438,622	44,903,651	46,156,930	47,514,521
Business-type Activities:										
Investment Earnings	4,152	1,267	526	$ 41	$ 13	$ 9	$ 147	$ 243	$ 892	$ 2,867
Miscellaneous Income	4,079			29,583						
Special Item				(31,267)	(233)					
Total Business-type Activities	8,231	1,267	526	(1,643)	(220)	9	147	243	892	2,867
Total District-wide General Revenues and Other Changes in Net Position	$ 38,976,353	$ 39,305,391	$ 39,549,750	$ 39,503,310	$ 39,718,705	$ 40,530,577	$ 42,438,769	$ 44,903,894	$ 46,157,822	$ 47,517,388
Change in Net Position:										
Governmental Activities	$ 1,446,317	$ 1,834,190	$ 1,069,269	$ 731,948	$ 798,330	$ 980,392	$ 1,482,137	$ 1,400,068	$ 2,657,757	$ 3,040,237
Business-type Activities	(32,806)	9,294	(20,383)	(91,457)	(72,796)	(43,793)	(102,250)	(28,536)	131,713	177,889
Total District-wide Change in Net Position	$ 1,413,511	$ 1,843,484	$ 1,048,886	$ 640,491	$ 725,534	$ 936,599	$ 1,379,887	$ 1,371,532	$ 2,789,470	$ 3,218,126

Source: Caldwell-West Caldwell School District Financial Reports.

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

	June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Fund:										
Reserved	$ 2,263,340	$ 2,083,084	$ 2,659,225							
Restricted				$ 3,094,436	$ 2,028,115	$ 1,257,970	$ 1,789,051	$ 2,425,831	$ 3,447,943	$ 3,959,963
Assigned					928,240	356,154	248,298	380,619	533,300	822,252
Unassigned	827,222	1,221,780	571,730	532,455	815,154	871,190	1,028,064	884,718	1,064,197	1,229,031
Total General Fund	$ 3,090,562	$ 3,304,864	$ 3,230,955	$ 3,626,891	$ 3,771,509	$ 2,485,314	$ 3,065,413	$ 3,691,168	$ 5,045,440	$ 6,011,246
All Other Governmental Funds:										
Reserved	$ 950,836	$ 2,073,718	$ 1,049,050							
Restricted				$ 85,622	$ 71,907	$ 17,811,339	$ 9,009,824	$ 4,713,173	$ 4,533,079	$ 1,955,766
Committed				58,708	174,968	903,348	87,255	87,255	87,255	87,255
Unreserved, Reported in:										
Capital Projects Fund	1,974,946	725,636	14,876							
Debt Service Fund	1									
Total All Other Governmental Funds	$ 2,925,783	$ 2,799,354	$ 1,063,926	$ 144,330	$ 246,875	$ 18,714,687	$ 9,097,079	$ 4,800,428	$ 4,620,334	$ 2,043,021
Total Governmental Funds	$ 6,016,345	$ 6,104,218	$ 4,294,881	$ 3,771,221	$ 4,018,384	$ 21,200,001	$ 12,162,492	$ 8,491,596	$ 9,665,774	$ 8,054,267

Source: Caldwell-West Caldwell School District Financial Reports.

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

	Fiscal Year Ending June 30,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Revenues:										
Tax Levy	$36,440,894	$37,551,082	$37,792,600	$37,551,082	$38,293,269	$39,801,143	$41,576,097	$43,560,879	$ 44,669,311	$46,120,838
Tuition from Other LEA's						4,592	28,677	39,547	78,049	28,223
Tuition from Individuals					26,828	25,522	28,472	24,520		
Transportation Fees	3,694	1,424	1,161	1,424	1,773	6,148	4,685	8,324	10,535	17,570
Rents and Royalties						76,785	85,961	132,486	127,633	161,205
Interest Earned on Capital Reserve Funds	1,193	101	92	101	2,329	3,214	449	609	5,069	40,001
Miscellaneous	183,135	250,722	228,282	250,722	318,689	201,891	482,790	289,553	642,132	285,157
State Sources	5,037,527	3,953,667	4,576,840	5,658,392	5,246,481	5,941,620	6,969,131	7,604,288	8,360,697	10,131,124
Federal Sources	1,184,771	754,884	677,131	590,289	960,664	797,730	1,105,895	1,048,071	970,584	837,989
Total Revenue	42,851,214	42,511,880	43,276,106	44,052,010	44,850,033	46,858,645	50,282,157	52,708,277	54,864,010	57,622,107
Expenditures:										
Instruction:										
Regular Instruction	12,942,086	12,364,390	12,663,677	12,364,390	12,488,647	13,115,671	13,278,595	13,292,141	13,594,248	14,087,672
Special Education Instruction	2,963,223	2,934,542	2,770,617	2,934,542	3,485,438	3,540,324	3,687,893	3,834,722	3,982,573	3,970,472
Other Special Instruction	358,472	215,809	311,496	215,809	192,571	186,693	229,197	170,664	187,413	322,504
School-Sponsored/Other Instruction	1,073,255	997,374	1,029,678	1,070,315	1,100,445	1,137,496	1,227,617	1,308,775	1,321,568	1,398,381
Support Services:										
Tuition	2,068,588	2,263,498	2,510,239	2,591,562	2,201,414	2,760,285	2,472,465	2,634,435	2,458,883	2,435,394
Student & Other Instruction Related Services	4,924,002	4,639,043	4,664,312	4,873,166	5,152,377	5,413,031	6,088,655	6,224,473	6,371,531	7,286,538
General Administrative Services	573,707	1,782,847	631,702	543,184	511,712	524,083	530,010	557,575	624,685	613,466
School Administrative Services	1,810,620	569,162	1,827,199	1,774,829	1,798,218	1,790,915	1,823,562	1,888,836	1,939,895	1,902,855
Central Services	523,289	535,677	564,932	465,764	466,973	542,591	492,065	533,077	505,594	534,633
Administrative Information Technology	474,930	513,258	562,857	602,217	832,683	629,266	833,117	697,518	623,303	547,364
Plant Operations and Maintenance	3,769,387	3,728,131	3,622,480	3,770,095	4,620,397	3,954,120	3,981,547	3,913,382	4,030,562	4,863,132
Student Transportation	1,077,685	1,088,816	1,036,595	1,222,320	1,123,218	1,118,579	1,344,658	1,530,196	1,270,795	1,100,220
Allocated Benefits							2,940,097	3,243,710	3,697,787	3,222,305
Unallocated Benefits	7,866,602	8,401,009	9,120,191	9,897,159	9,604,165	10,467,706	8,173,163	8,959,389	9,634,718	10,950,034
Capital Outlay	6,694,900	1,292,086	2,539,546	1,100,375	628,283	1,582,043	10,381,401	4,762,102	3,646,846	3,262,672
Debt Service:										
Principal	734,000	645,000	645,000	645,000	680,000	860,000	860,000	1,940,000	1,785,000	1,985,000
Interest and Other Charges	657,494	611,528	584,922	558,315	530,988	499,225	975,624	888,178	814,431	750,972
Total Expenditures	48,512,240	42,582,170	45,085,443	44,629,042	45,417,529	48,122,028	59,319,666	56,379,173	56,489,832	59,233,614

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,									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Excess/(Deficit) of Revenues Over/(Under) Expenditures	$ (5,661,026)	$ (70,290)	$ (1,809,337)	$ (577,032)	$ (567,496)	$ (1,263,383)	$ (9,037,509)	$ (3,670,896)	$ (1,625,822)	$ (1,611,507)
Other Financing Sources/(Uses):										
School Refunding Bonds Issued							7,350,000			
Serial Bonds Issued						18,205,000			2,800,000	
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					6,871					
Special Item				(18,534)						
Total Other Financing Sources/(Uses)	-0-	-0-	-0-	(18,534)	814,659	18,445,000	-0-	-0-	2,800,000	-0-
Net Change in Fund Balances	$ (5,661,026)	$ (70,290)	$ (1,809,337)	$ (595,566)	$ 247,163	$17,181,617	$ (9,037,509)	$ (3,670,896)	$ 1,174,178	$ (1,611,507)
Debt Service as a % of Noncapital Expenditures	3.33%	3.04%	2.89%	2.76%	2.70%	2.92%	3.75%	5.48%	4.92%	4.89%

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
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
2017	11,603		64,067	15,889	8,324	132,486	37,783		116,760	386,912
2018	38,619		78,049	14,075	10,535	127,633	66,492		69,239	404,642
2019	101,572		28,223	7,057	17,570	161,205	16,847		99,949	432,423

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)
Borough of Caldwell												
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
2016	3,035,300	792,493,600	-0-	120,879,700	-0-	75,779,900	992,188,500	3,177,900	995,366,400	128,315,500	1.37	1,111,963,138
2017	3,685,800	804,887,800	-0-	128,263,100	-0-	91,967,400	1,028,804,100	3,534,500	1,032,338,600	261,463,500	1.36	1,089,486,704
2018	3,079,100	804,675,200	-0-	126,859,900		90,397,700	1,025,011,900	3,164,000	1,028,175,900	263,220,900	1.38	1,160,886,094
Township of West Caldwell												
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
2016	11,956,300	1,544,338,600	81,800	337,384,300	331,022,200	17,783,900	2,242,567,100	1,425,500	2,243,992,600	134,599,564	1.26	2,303,581,422
2017	12,550,700	1,549,818,100	81,800	332,431,900	328,425,500	24,265,600	2,247,573,600	1,378,900	2,248,952,500	134,826,400	1.34	2,407,987,039
2018	17,912,200	1,556,160,600	79,200	326,220,300		24,265,600	1,924,637,900	1,318,900	1,925,956,800	134,389,400	1.37	2,506,672,943

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
UNAUDITED

(Rate per $100 of Assessed Value)

	Caldwell-West Caldwell School District Direct Rate			Overlapping Rates		Total Direct
Year Ended December 31,	Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Borough of Caldwell	Essex County	and Overlapping Tax Rate
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
2016	1.31	0.06	1.37	0.75	0.58	2.70
2017	1.30	0.06	1.36	0.75	0.55	2.66
2018	1.32	0.06	1.38	0.77	0.56	2.71

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)

		Caldwell-West Caldwell School District Direct Rate			Overlapping Rates		Total Direct and Overlapping
Year Ended December 31,		Basic Rate [a]	General Obligation Debt Service [b]	Total Direct	Township of West Caldwell	Essex County	Tax Rate
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
2016		1.20	0.06	1.26	0.57	0.53	2.36
2017		1.28	0.06	1.34	0.58	0.55	2.48
2018		1.31	0.06	1.37	0.60	0.56	2.53

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.

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

Borough of Caldwell

Taxpayer	2018 Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Westover Associates	$ 14,489,600	1	1.40%
Carlyle Towers, LLC/Partnership	$ 9,680,100	2	0.94%
Philip Hillside Realty, LLC	$ 9,115,100	3	0.88%
Panyork Group LLC	$ 8,941,600	4	0.87%
Caldwell Plaza Inc.	$ 6,119,700	5	0.59%
Rumsey Park Association LLC (co/ AFLTD Mgt)	$ 4,742,500	6	0.46%
Parkview Commons Apartments LLC	$ 4,262,200	7	0.41%
Sidebrook Associates (c/o K. Shalit)	$ 4,251,300	8	0.41%
43/351/399/342/459 Bloomfield Ave LLC	$ 4,089,700	9	0.40%
S&S @ 550 Bloomfield Avenue	$ 4,042,500	10	0.39%
Total	$ 69,734,300		6.75%

Taxpayer	2009 Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

Source: Borough of Caldwell Tax Assessor.

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

Township of West Caldwell

	2018		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value
Lutheran Social Ministries, Inc.	$ 81,000,000	1	3.58%
GR/SS Caldwell	38,200,000	2	1.69%
Toyota Motor Sales	32,033,900	3	1.42%
Lohmann Therapy Systems	32,016,600	4	1.41%
West Caldwell Plaza	22,911,600	5	1.01%
Leknarf Associates LLC	22,246,000	6	0.98%
Mountain Ridge Country Club	19,642,900	7	0.87%
CMI Essex Property LLC	19,500,000	8	0.86%
MBF Auto RE	16,903,800	9	0.75%
Eagle Rock Convalescent Center	14,200,000	10	0.63%
Total	$ 298,654,800		13.19%

	2009		
Taxpayer	Taxable Assessed Value	Rank	% of Total District Net Assessed Value

INFORMATION IS NOT AVAILABLE

Source: Township of West Caldwell Tax Assessor.

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy [a]		Collections in Subsequent Years
		Amount	Percentage of Levy	
Borough of Caldwell				
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-
2017	14,181,660	14,181,660	100.00%	-0-
2018	13,916,366	13,916,366	100.00%	-0-
2019	14,598,531	14,598,531	100.00%	-0-
Township of West Caldwell				
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-
2017	29,379,219	29,379,219	100.00%	-0-
2018	30,752,945	30,752,945	100.00%	-0-
2019	31,522,307	31,522,307	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

	Governmental Activities		Business-Type Activities			
Fiscal Year Ended June 30,	General Obligation Bonds	Obligations Under Capital Leases	Capital Leases	Total District	Percentage of Personal Income [a]	Per Capita [a]
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	2.52%	1,512
2017	26,610,000	-0-	-0-	26,610,000	2.31%	1,405
2018	27,625,000	-0-	-0-	27,625,000	2.37%	1,466
2019	25,640,000	-0-	-0-	25,640,000	2.14%	1,361

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

	General Bonded Debt Outstanding				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Net Valuation Taxable [a]	Per Capita [b]
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
2017	26,610,000	-0-	26,610,000	0.82%	1,405
2018	27,625,000	-0-	27,625,000	0.84%	1,446
2019	25,640,000	-0-	25,640,000	0.87%	1,361

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
RATIOS OF OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2018
UNAUDITED

Governmental Unit	Debt Outstanding	Estimated Percentage Applicable [a]	Estimated Share of Overlapping Debt
Debt Repaid With Property Taxes:			
Borough of Caldwell	$ 10,695,117	100.000%	$ 10,695,117
Township of West Caldwell	24,271,309	100.000%	24,271,309
Essex County General Obligation Debt:			
Borough of Caldwell Share	524,217,998	1.294%	6,785,760
Township of West Caldwell Share	524,217,998	2.795%	14,652,326
Subtotal, Overlapping Debt			56,404,512
Caldwell-West Caldwell School District Direct Debt			26,500,000
Total Direct and Overlapping Debt			$ 82,904,512

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.

Exhibit J-13

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt Limit	$ 145,231,252	$ 141,441,876	$ 137,991,210	$ 137,007,357	$ 133,495,293	$ 130,884,976	$ 131,419,808	$ 134,538,024	$ 140,180,783	$ 143,729,131
Total Net Debt Applicable to Limit	14,765,000	14,120,000	13,475,000	12,830,000	12,150,000	29,495,000	28,550,000	26,610,000	27,625,000	25,640,000
Legal Debt Margin	$ 130,466,252	$ 127,321,876	$ 124,516,210	$ 124,177,357	$ 121,345,293	$ 101,389,976	$ 102,869,808	$ 107,928,024	$ 112,555,783	$ 118,089,131
Total Net Debt Applicable to the Limit As a Percentage of Debt Lin	10.17%	9.98%	9.77%	9.36%	9.10%	22.54%	21.72%	19.78%	19.71%	17.84%

Legal Debt Margin Calculation for Fiscal Year 2019

	Borough of Caldwell	Township of West Caldwell	Total
Equalized valuation basis:			
2018	$ 1,148,472,717	$ 2,519,709,003	$ 3,668,181,720
2017	1,157,129,794	2,484,055,703	3,641,185,497
2016	1,079,521,162	2,390,796,482	3,470,317,644
			10,779,684,861
Average Equalized Valuation of Taxable Property			$ 3,593,228,287
Debt Limit (4% of average equalization value) [a]			$ 143,729,131
Net Bonded School Debt			25,640,000
Legal Debt Margin			$ 118,089,131

[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]
2010	7,970	$ 51,884	$ 413,515,480	5.20%
2011	7,976	54,078	431,326,128	4.90%
2012	7,982	54,783	437,277,906	5.10%
2013	7,959	55,369	440,681,871	6.50%
2014	7,937	57,817	458,893,529	5.40%
2015	7,925	60,131	476,538,175	5.10%
2016	7,921	61,287	485,454,327	4.50%
2017	7,937	63,554	504,428,098	3.80%
2018	7,896	63,554 *	501,822,384	3.40%
2019	7,896 **	63,554 *	501,822,384 ***	N/A

* - Latest Essex County per capita personal income available (2017) was used for calculation purposes.
** - Latest population data available (2018) was used for calculation purposes.
*** - Latest available population data (2018) and latest available Essex County per capita personal income (2017) 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]
2010	10,868		$ 51,884		$ 563,875,312		7.30%
2011	10,855		54,078		587,016,690		7.00%
2012	10,871		54,783		595,545,993		7.20%
2013	10,862		55,369		601,418,078		4.00%
2014	10,800		57,817		624,423,600		5.10%
2015	10,719		60,131		644,544,189		4.10%
2016	10,707		61,287		656,199,909		4.00%
2017	10,728		63,554		681,807,312		3.80%
2018	10,694		63,554	*	679,646,476		3.20%
2019	10,694	**	63,554	*	679,646,476	***	N/A

* - Latest Essex County per capita personal income available (2017) was used for calculation purposes.
** - Latest population data available (2018) was used for calculation purposes.
*** - Latest available population data (2018) and latest available Essex County per capita personal income (2017) 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

	2018		
Employer	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	31,683	1	8.55%
Rutgers University-Newark Campus	15,500	2	4.18%
Verizon	15,000	3	4.05%
New Jersey Transit	11,500	4	3.10%
Public Service Electric & Gas	10,000	5	2.70%
Prudential Ins. Co. of America	9,500	6	2.56%
Montclair State University	7,900	7	2.13%
Newark Board of Education	7,050	8	1.90%
Gateway Group One	6,250	9	1.69%
Automatic Data Processing	5,649	10	1.52%
	120,032		32.40%
Total Employment	370,503		

	2009		
Employer	Employees	Rank	Percentage of Total Employment
St. Barnabas Health Care System	23,000	1	6.21%
Verizon	17,100	2	4.62%
Prudential Ins. Co. of America	16,850	3	4.55%
University of Medicine and Dentistry of NJ	15,500	4	4.18%
Continental Airlines	11,000	5	2.97%
Newark Board of Education	7,050	6	1.90%
Automatic Data Processing	5,649	7	1.52%
New Jersey Transit	4,000	8	1.08%
Essex County	3,900	9	1.05%
City of Newark	4,000	10	1.08%
	108,049		29.16%
Total Employment	329,123		

Source: Essex County Economic Development Corporation

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

Function/Program	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Instruction:										
Regular	166	161	161	164	160	165	165	159	164	164
Special Education	46	44	46	46	47	45	45	50	55	57
Other Special Education	10	10	11	8	8	7				
Support Services:										
Student & Instruction Related Services	63	55	50	54	55	42	41	41	41	41
School Administration	23	23	22	24	24	23	22	22	21	22
General Administration	9	9	10	5	5	4	4	5	5	5
Central Services	6	6	6	6	6	6	7	6	7	7
Plant Operations and Maintenance	39	37	40	36	37	36	35	32	35	34
Pupil Transportation	3	3	4	4	2	2	2	2	5	7
Total	365	348	350	347	344	330	321	317	333	337

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 Elementary School	Pupil/Teacher Ratio Middle School	Pupil/Teacher Ratio High School	Average Daily Enrollment (ADE) [d]	Average Daily Attendance (ADA) [d]	% Change in Average Daily Enrollment	Student Attendance Percentage
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%
2017	2,609	$ 48,788,893	18,700	5.76%	233	1:10	1:11	1:12	2,614	2,508	-1.66%	95.94%
2018	2,621	$ 50,243,555	19,170	2.51%	238	1:10	1:11	1:12	2,621	2,493	0.27%	95.12%
2019	2,626	$ 53,234,970	20,272	5.75%	238	1:10	1:11	1:12	2,626	2,515	0.19%	95.77%

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	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	305	295	309	307	320	326	294	294	273	273
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	235	234	237	256	252	246	237	237	246	251
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	375	367	362	372	354	346	360	360	367	354
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	239	251	255	245	248	298	288	288	250	240
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	631	634	645	647	637	626	633	633	628	638
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	788	791	757	781	792	801	795	795	806	811

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

District Building	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
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	18	20	21	23	34	42	42	42	50	50
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, 2019
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 Maintenace 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
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
2017	217,222	132,395	140,765	157,169	206,388	279,745	369,665	1,503,350
2018	189,058	106,935	214,661	104,179	239,074	387,761	472,692	1,714,360
2019	156,675	121,814	181,130	143,597	162,525	629,849	724,312	2,119,902

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

Source: Caldwell-West Caldwell School District Financial Reports.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
INSURANCE SCHEDULE
AS OF JUNE 30, 2019
UNAUDITED

	Coverage		Deductible
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	/	10,000
	25,000,000	Fund Aggregate	
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	300,000		
Student Accident/Athletes only - Bollinger	5,000,000		

Source: Caldwell-West Caldwell School District records.

SINGLE AUDIT SECTION

NISIVOCCIA LLP
Certified Public Accountants & Advisors

Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-298-8500 | 973-298-8501 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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2019.

Internal Control Over Financial Reporting

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

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Nisivoccia, LLP

November 8, 2019
Mount Arlington, New Jersey

NISIVOCCIA, LLP

Kathryn L. Mantell

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

NISIVOCCIA LLP
Certified Public Accountants & Advisors

Mount Arlington Corporate Center
200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973-298-8500 | 973-298-8501 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, 2019. 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 federal and state statutes, regulations, and the terms and conditions of its federal and state awards 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, 2019.

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

November 8, 2019
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, 2019

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018 Budgetary Accounts Receivable	Balance at June 30, 2018 Budgetary Unearned Revenue	Cash Received	Budgetary Expenditures	Adjustments	Balance at June 30, 2019 Budgetary Accounts Receivable	Balance at June 30, 2019 Budgetary Unearned Revenue	Amounts Paid to Subrecipients
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	IDEA066019	7/1/18-6/30/19	$ 600,182			$ 570,427	$ (568,461)			$ 1,966	
I.D.E.A. Part B, Basic	84.027	IDEA066018	7/1/17-6/30/18	597,103	$ (22,842)		6,844		$ 15,998			
I.D.E.A. Preschool	84.173	IDEA066019	7/1/18-6/30/19	19,406			99	(19,406)		$ (19,307)		
I.D.E.A. Preschool	84.173	IDEA066018	7/1/17-6/30/18	18,831	(393)		393					
Total Special Education Cluster					(23,235)		577,763	(587,867)	15,998	(19,307)	1,966	
Elementary and Secondary Education Act:												
Title I	84.010	ESEA066019	7/1/18-6/30/19	201,315			174,629	(171,656)			2,973	
Title I	84.010	ESEA066018	7/1/17-6/30/18	205,024	(44,487)		44,537		50			
Total Title I					(44,487)		219,166	(171,656)	50		2,973	
Title II	84.367A	ESEA066019	7/1/18-6/30/19	50,735			27,704	(49,960)		(22,256)		
Title II	84.367A	ESEA066018	7/1/17-6/30/18	56,014	(19,941)		19,941					
Total Title II					(19,941)		47,645	(49,960)		(22,256)		
Title III	84.365A	ESEA066018	7/1/17-6/30/18	10,133	(9,943)		9,943					
Total Title III					(9,943)		9,943					
Title IV	84.424	ESEA066019	7/1/18-6/30/19	12,283				(11,617)		(11,617)		
Total Title IV								(11,617)		(11,617)		
Fund for the Improvement of Education	84.215E	N/A	5/1/15-4/30/19	606,306		$ 868		(9,668)		(8,800)		
Total Special Revenue Fund					(97,606)		854,517	(830,768)	16,048	(61,980)	4,939	
Total U.S. Department of Education					(97,606)		854,517	(830,768)	16,048	(61,980)	4,939	
U.S. Department of Agriculture:												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Food Distribution Program	10.555	N/A	7/1/18-6/30/19	14,465			14,465	(12,265)			2,200	
Food Distribution Program	10.555	N/A	7/1/17-6/30/18	13,276		3,110		(3,110)				
National School Lunch Program	10.555	N/A	7/1/18-6/30/19	80,629			75,456	(80,629)		(5,173)		
National School Lunch Program	10.555	N/A	7/1/17-6/30/18	79,108	(15,468)		15,468					
Total Child Nutrition Cluster					(15,468)	3,110	105,389	(96,004)		(5,173)	2,200	
Total Federal Awards					$ (113,074)	$ 3,110	$ 959,906	$ (926,772)	$ 16,048	$ (67,153)	$ 7,139	$ -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, 2019

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2018 Budgetary Accounts Receivable	Balance at June 30, 2018 Budgetary Unearned Revenue	Balance at June 30, 2018 Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2019 GAAP Accounts Receivable	Balance at June 30, 2019 Due to Grantor	MEMO Budgetary Receivable	MEMO Cumulative Total Expenditures
State Department of Education:													
General Fund State Aid:													
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	$ 1,075,651				$ 980,191	$ (1,075,651)				$ (95,460)	$ 1,075,651
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	226,292				206,210	(226,292)				(20,082)	226,292
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	342,698				312,285	(342,698)				(30,413)	342,698
Extraordinary Special Education Costs Aid	19-495-034-5120-044	7/1/18-6/30/19	822,187					(822,187)		$ (822,187)		(822,187)	822,187
Excess Nonpublic Transportation Costs	19-495-034-5120-014	7/1/18-6/30/19	31,610					(31,610)		(31,610)		(31,610)	31,610
Reimbursed TPAF Social Security Contributions	19-495-034-5094-003	7/1/18-6/30/19	1,416,211				1,347,429	(1,416,211)		(68,782)		(68,782)	1,416,211
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/18-6/30/19	1,653,154				1,653,154	(1,653,154)					1,653,154
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18-6/30/19	3,569,808				3,569,808	(3,569,808)					3,569,808
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18-6/30/19	74,725				74,725	(74,725)					74,725
On-Behalf TPAF Long-Term Disability Insurance Contributions	19-495-034-5094-004	7/1/18-6/30/19	3,681				3,681	(3,681)					3,681
Special Education Aid	18-495-034-5120-089	7/1/17-6/30/18	971,862	$ (82,053)			82,053						971,862
Security Aid	18-495-034-5120-084	7/1/17-6/30/18	46,270	(3,906)			3,906						46,270
Transportation Aid	18-495-034-5120-014	7/1/17-6/30/18	82,330	(6,951)			6,951						82,330
PARCC Readiness Aid	18-495-034-5120-098	7/1/17-6/30/18	26,025	(2,197)			2,197						26,025
Per Pupil Growth Aid	18-495-034-5120-097	7/1/17-6/30/18	26,025	(2,197)			2,197						26,025
Professional Learning Community Aid	18-495-034-5120-101	7/1/17-6/30/18	25,815	(2,180)			2,180						25,815
Extraordinary Special Education Costs Aid	18-495-034-5120-044	7/1/17-6/30/18	505,698	(505,698)			505,698						505,698
Excess Nonpublic Transportation Costs	18-495-034-5120-014	7/1/17-6/30/18	38,280	(38,280)			38,280						38,280
Reimbursed TPAF Social Security Contributions	18-495-034-5094-003	7/1/17-6/30/18	1,362,315	(65,867)			65,867						1,362,315
Subtotal - General Fund				(709,329)			8,856,812	(9,216,017)		(922,579)		(1,068,534)	12,300,637
Special Revenue Fund Aid:													
Nonpublic Auxiliary Services:													
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	20,051				20,051	(11,214)			$ 8,837		11,214
Transportation	19-100-034-5120-068	7/1/18-6/30/19	20,476				20,476	(19,697)			779		19,697
Home Instruction	18-100-034-5120-067	7/1/17-6/30/18	72	(72)			72						72
Nonpublic Handicapped Services:													
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	27,437				27,437	(14,195)			13,242		14,195
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	11,339				11,339	(7,397)			3,942		7,397
Corrective Speech	18-100-034-5120-066	7/1/17-6/30/18	9,821			$ 4,553			$ (4,553)				5,268
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	34,397				34,397	(24,204)			10,193		24,204
Examination and Classification	18-100-034-5120-066	7/1/17-6/30/18	36,213			5,822			(5,822)				30,391

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SCHEDULE OF OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

				Balance at June 30, 2018					Repayment	Balance at June 30, 2019		MEMO	
State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor	Cash Received	Budgetary Expendi-tures	of Prior Years' Balances	GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
Special Revenue Fund Aid:													
N.J. Nonpublic Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	$ 23,389				$ 23,389	$ (23,075)			$ 314		$ 23,075
N.J. Nonpublic Nursing Aid	19-100-034-5120-070	7/1/18-6/30/19	42,486				42,486	(42,486)					42,486
N.J. Nonpublic Technology Initiative	19-100-034-5120-373	7/1/18-6/30/19	15,768				15,768	(15,590)			178		15,590
N.J. Nonpublic Security Aid	19-100-034-5120-509	7/1/18-6/30/19	65,700				65,700	(65,023)			677		65,023
Subtotal - Special Revenue Fund				$ (72)		$ 10,375	261,115	(222,881)	$ (10,375)		38,162		258,612
Debt Service Fund Aid:													
Debt Service Aid - State Support	19-100-034-5120-125	7/1/18-6/30/19	720,695				720,695	(720,695)					720,695
Subtotal - Debt Service Fund							720,695	(720,695)					720,695
State Department of Education:													
Food Service Fund:													
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	3,906				3,654	(3,906)		$ (252)		$ (252)	3,906
State School Lunch Program	18-100-010-3350-023	7/1/17-6/30/18	3,575	(707)			707						3,575
Subtotal - Food Service Fund				(707)			4,361	(3,906)		(252)		(252)	7,481
Total State Department of Education				(710,108)		10,375	9,842,983	(10,163,499)	(10,375)	(922,831)	38,162	(1,068,786)	13,287,425
NJ Schools Development Authority:													
Capital Projects Fund:													
Educational Facilities Construction and Financing Act:													
Jefferson Elementary HVAC/Boiler Project	0660-070-14-1001	2/03/11-6/30/16	587,795	(587,795)						(558,405)		(587,795)	558,405
Total NJ Schools Development Authority				(587,795)						(558,405)		(587,795)	558,405
Total State Awards				$ (1,297,903)	$ -0-	$ 10,375	$ 9,842,983	$ (10,163,499)	$ (10,375)	$ (1,481,236)	$ 38,162	$ (1,656,581)	$ 13,845,830
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	19-495-034-5094-001	7/1/18-6/30/19						1,653,154					
On-Behalf TPAF Pension Contributions	19-495-034-5094-002	7/1/18-6/30/19						3,569,808					
On-Behalf TPAF Non-Contributory Insurance	19-495-034-5094-004	7/1/18-6/30/19						74,725					
On-Behalf TPAF Long-Term Disability Insurance	19-495-034-5094-004	7/1/18-6/30/19						3,681					
Subtotal - On-Behalf TPAF Pension System Contributions								5,301,368					
Total State Awards Subject to Single Audit Major Program Determination								$ (4,862,131)					

N/A - Not Applicable/Available

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

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, 2019. 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 not 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 ($46,471) for the General Fund and $26,566 for the Special Revenue Fund (of which $1,343 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. 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, 2019
(Continued)

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

	Federal	State	Total
General Fund		$ 9,169,546	$ 9,169,546
Special Revenue Fund	$ 837,989	240,883	1,078,872
Debt Service Fund		720,695	720,695
Food Service Fund	96,004	3,906	99,910
Total Awards	$ 933,993	$ 10,135,030	$ 11,069,023

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, 2019.

NOTE 7. NJ SCHOOLS DEVELOPMENT AUTHORITY (NJSDA GRANTS)

The District has been awarded a grant in the Capital Projects Fund totaling $587,795 from the New Jersey Schools Development Authority (NJSDA) under the Educational Facilities Construction and Financing Act. 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 in the prior 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, 2019

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
Federal:				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/18-6/30/19	$ 600,182	$ 568,461
I.D.E.A. Preschool	84.173	7/1/18-6/30/19	19,406	19,406
State:				
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	1,075,651	1,075,651
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	226,292	226,292
Extraordinary Special Education Costs Aid	19-495-034-5120-044	7/1/18-6/30/19	822,187	822,187

- 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, 2019
(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, 2019

Status of Prior Year Findings:

The District had no prior year audit findings.