

**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, 2020**

**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, 2020

Prepared by

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
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INTRODUCTORY SECTION
(UNAUDITED)

BOARD OF EDUCATION CALDWELL-WEST CALDWELL

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

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

(973) 228-3360

December 16, 2020

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, 2020 is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education. To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the Independent Auditor's Report, the management's discussion and analysis, the basic financial statements and notes providing an overview of the District's financial position and operating results, and supplementary schedules providing detailed budgetary information. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and New Jersey's OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditors' reports on internal control and compliance with applicable laws, regulations, contracts and grants along with findings and recommendations are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include regular, vocational, as well as special education for handicapped youngsters. The District's enrollment was 2,687 students, based on the annual October 15, 2019 ASSA count, which is an increase of 61 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:

The District continued literacy professional development for teachers led by K&M Literacy, Jenn Serravallo and Barb Golub. Teachers continued with math professional development from the math experts at Conquer Mathematics.

During 2019-2020, the District completed most of the \$2.9 million ESIP project, with all of the schools having LED lighting, and six of the seven buildings having solar panels installed and operating. HVAC controls were also replaced during the 2019-2020 school year. Additionally, new boilers were 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: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits require estimates and judgments by management.

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year end are either cancelled or are re-appropriations of fund balance in the subsequent year. Those amounts to be re-appropriated are reported as restrictions, commitments or assignments of fund balance at June 30, 2020.

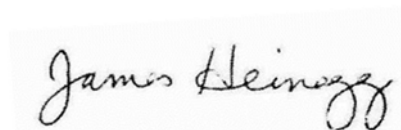
6) ACCOUNTING SYSTEM AND REPORTS: The District's accounting records reflect generally accepted accounting principles, as promulgated by the Governmental Accounting Standards Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in "Notes to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

The Honorable President and Members of
the Board of Education
Caldwell-West Caldwell School District
Page 4
December 16, 2020

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,

A handwritten signature in black ink that reads "James Heinegg". The signature is written in a cursive style with a large, looped "y" at the end.

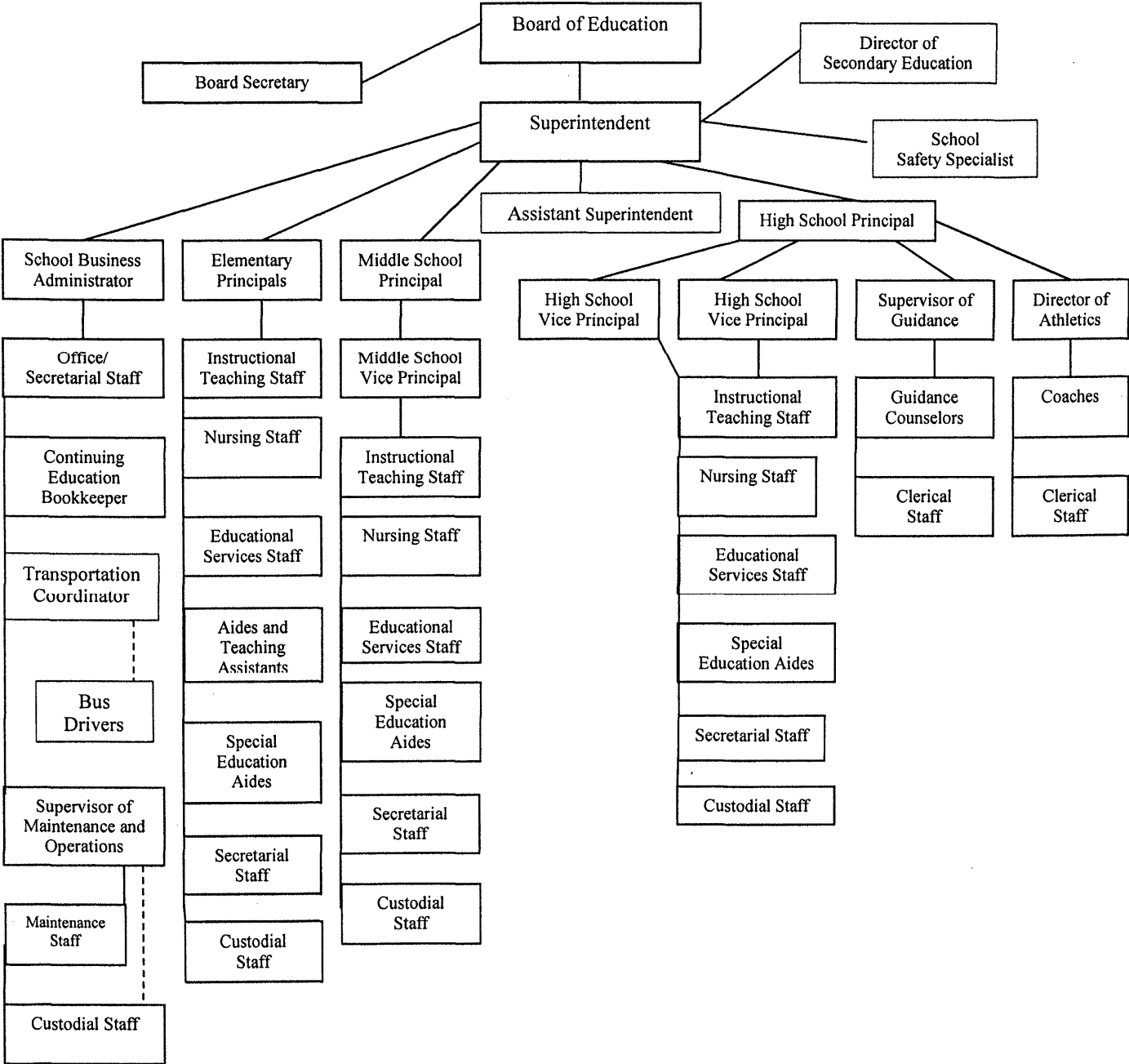
Dr. James G. Heinegg
Superintendent of Schools

A handwritten signature in black ink that reads "Thomas Lambe". The signature is written in a cursive style with a large, looped "e" at the end.

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, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Marie Lanfrank, President	12/2022
Daniel Cipoletti, Vice President	12/2022
Chris D'Ambola	12/2021
Julianne Grosso	12/2021
John King	12/2020

<u>Other Officers</u>	<u>Title</u>
Dr. James A. Heinegg	Superintendent of Schools
Thomas J. Lambe	Business Administrator/Board Secretary
Michael Falkowski	Treasurer of School Monies
Frank Pomaco, Esq.	School Board Attorney
Isabel Machado, Esq.	School Board Attorney

CALDWELL-WEST CALDWELL SCHOOL DISTRICT

Consultants and Advisors

Architect

FKA Architects
306 Ramapo Valley Road
Oakland, New Jersey 07436

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

PNC Bank

FINANCIAL SECTION



200 Valley Road, Suite 300
Mt. Arlington, NJ 07856
973.298.8500

11 Lawrence Road
Newton, NJ 07860
973.383.6699

nisivoccia.com

Independent Member
BKR International

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, 2020, 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, 2020, 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 Honorable President and Members
of the Board of Education
Caldwell-West Caldwell School District
Page 3

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 16, 2020 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.

December 16, 2020
Mount Arlington, New Jersey

Nisivoccia, LLP
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, 2020**

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, 2020. 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

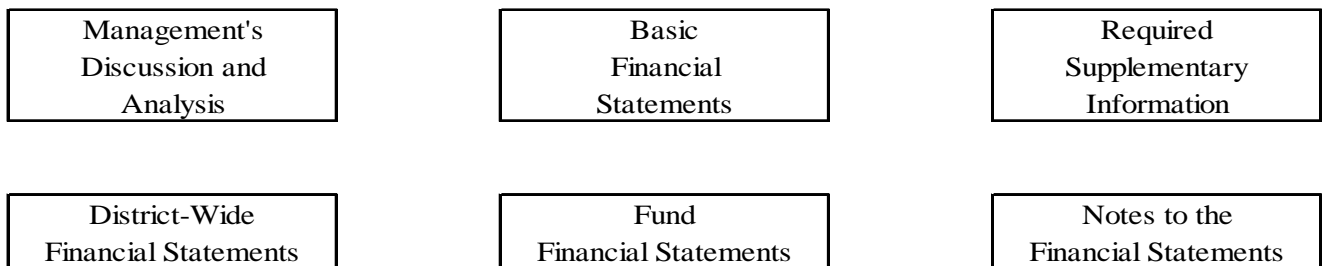
This annual report consists of three parts: management’s discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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



**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT’S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

Figure A-2

Major Features of the District-Wide and Fund Financial Statements

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

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

District-wide Statements

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

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

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

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

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

Fund Financial Statements

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

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

The District has three kinds of funds:

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

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 \$3,490,607. Net position from governmental activities increased by \$3,440,920 and net position from business-type activities increased by \$49,687. Net investment in capital assets increased by \$1,794,665, restricted net position increased by \$1,812,502, and unrestricted net position decreased by \$116,560.

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

	Government Activities		Business-Type Activities		Total School District		Percent Change
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	2019/20
Assets:							
Current and							
Other Assets	\$ 8,065,788	\$ 8,205,593	\$ 643,871	\$ 611,726	\$ 8,709,659	\$ 8,817,319	
Capital Assets, Net	39,743,150	38,525,334	138,139	160,041	39,881,289	38,685,375	
Total Assets	47,808,938	46,730,927	782,010	771,767	48,590,948	47,502,694	2.29%
Deferred Outflows of Resources	2,162,238	3,060,652			2,162,238	3,060,652	-29.35%
Liabilities:							
Other Liabilities	1,203,048	891,722	64,190	103,634	1,267,238	995,356	
Long-Term Liabilities	35,004,563	38,448,209			35,004,563	38,448,209	
Total Liabilities	36,207,611	39,339,931	64,190	103,634	36,271,801	39,443,565	-8.04%
Deferred Inflows of Resources	4,450,446	4,579,449			4,450,446	4,579,449	-2.82%
Net Position:							
Net Investment in							
Capital Assets	16,989,075	15,172,508	138,139	160,041	17,127,214	15,332,549	
Restricted	5,777,216	3,964,714			5,777,216	3,964,714	
Unrestricted/(Deficit)	(13,453,172)	(13,265,023)	579,681	508,092	(12,873,491)	(12,756,931)	
Total Net Position	\$ 9,313,119	\$ 5,872,199	\$ 717,820	\$ 668,133	\$ 10,030,939	\$ 6,540,332	53.37%

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	Change 2019/20
Revenue:							
Program Revenue:							
Charges for Services	\$ 70,368	\$ 45,793	\$ 715,465	\$ 1,410,126	\$ 785,833	\$ 1,455,919	
Operating Grants and Contributions	13,219,406	15,282,545	88,828	99,910	13,308,234	15,382,455	
General Revenue:							
Property Taxes	47,221,565	46,120,838			47,221,565	46,120,838	
Unrestricted State and Federal Aid	940,252	937,385			940,252	937,385	
Other	366,306	456,298	2,449	2,867	368,755	459,165	
Total Revenue	<u>61,817,897</u>	<u>62,842,859</u>	<u>806,742</u>	<u>1,512,903</u>	<u>62,624,639</u>	<u>64,355,762</u>	-2.69%
Expenses:							
Instruction	32,584,251	33,700,820			32,584,251	33,700,820	
Pupil & Instruction Services	11,939,265	12,597,508			11,939,265	12,597,508	
Administrative & Business	5,545,600	5,733,661			5,545,600	5,733,661	
Maintenance & Operations	5,817,549	5,184,521			5,817,549	5,184,521	
Transportation	1,172,549	1,253,434			1,172,549	1,253,434	
Other	1,317,763	1,332,678	757,055	1,335,014	2,074,818	2,667,692	
Total Expenses	<u>58,376,977</u>	<u>59,802,622</u>	<u>757,055</u>	<u>1,335,014</u>	<u>59,134,032</u>	<u>61,137,636</u>	-3.28%
Increase in Net Position	<u>\$ 3,440,920</u>	<u>\$ 3,040,237</u>	<u>\$ 49,687</u>	<u>\$ 177,889</u>	<u>\$ 3,490,607</u>	<u>\$ 3,218,126</u>	8.47%

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 planned ESIP projects were mostly completed by June 30, with the expected closeout of all projects by December 2020. All schools have new LED lighting and new HVAC controls, and new boilers have been installed at Grover Cleveland Middle School. Solar panels had been installed on the roofs of six of our schools, with solar usage beginning operations in the summer of 2020. The ESIP projects came in at over \$200,000 under budget. The energy savings will fund the projects at no cost to taxpayers.
- For the fifth 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, as well as all but two special education routes being driven by district drivers on our own buses, with the buses also used after school for Athletics.
- Transportation contracts with neighboring school districts of Essex Fells, North Caldwell, Roseland and West Essex, by which the Caldwell-West Caldwell School District transports some of their special education students to out of district schools on existing CWC routes. The district also has a transportation contract to provide buses for the West Essex School District for some of its athletics routes.
- Participation in multiple cooperative purchasing programs for district supplies.
- 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 will continue its practice of examining all expenses carefully and being mindful of pressure to reduce taxes while maintaining and/or expanding programs.

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2019/20	2019/20	2018/19	2018/19
Instruction	\$ 32,584,251	\$ 22,798,860	\$ 33,700,820	\$ 22,524,554
Pupil and Instruction Services	11,939,265	9,881,273	12,597,508	10,128,360
Administrative and Business	5,545,600	4,495,859	5,733,661	4,419,153
Maintenance and Operations	5,817,549	5,817,549	5,184,521	5,184,521
Transportation	1,172,549	775,899	1,253,434	885,018
Other	1,317,763	1,317,763	1,332,678	1,332,678
	<u>\$ 58,376,977</u>	<u>\$ 45,087,203</u>	<u>\$ 59,802,622</u>	<u>\$ 44,474,284</u>

Business-Type Activities

Net position from the District's business-type activity increased by \$49,687. (Refer to Figure A-4). Factors contributing to these results included:

- Continuing Education Fund revenues exceeded expenses by \$18,920 mainly due to two extremely successful courses, Introduction to Waste-Water and Advanced Waste-Water, that combined to generate over \$50,000 in revenue for the Continuing Education program in 2019-2020.
- Food Service Fund revenues exceeded expenses by \$30,767. The Food Service program would have had a greater surplus if not for the closure of schools during mid-March. Although meals were offered for remote students to pick up, the sales revenue dropped significantly from March through June 2020.
- The District continued participation in the National School Lunch Program in 2019-2020 school year 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.

Financial Analysis of the District's Funds

The District's General Fund financial position improved \$1,085,377 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 \$1,494,018 due to project expenditures related to the 2015 referendum and Energy Savings Improvement Program (ESIP) project.

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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 and employ more thorough cleaning procedures in response to remote learning that took place from mid-March to June. The increase in expenditures in technology and cleaning due to remote learning and health and safety due to COVID-19 will continue in 2020-2021.
- A decrease in expenditures for utilities, particularly electricity, due to school closures from mid-March to June 2020, and a decrease in costs for athletic officials and athletic transportation due to the cancellation of spring 2020 athletic events. These savings allowed the district to increase its funding to the Capital Reserve and Maintenance Reserve accounts, while also providing an increase to the Budgeted Fund Balance, as compared to the results from the 2018-2019 audit.

Capital Asset and Long-Term Liabilities

The District's capital assets increased by \$1,195,914, or 3.09% 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
	2019/20	2018/19	2019/20	2018/19	2019/20	2018/19	Change 2019/20
Sites	\$ 229,918	\$ 229,918			\$ 229,918	\$ 229,918	
Site Improvements	2,903,605	3,148,598			2,903,605	3,148,598	
Construction in Progress	23,097,337	21,228,085			23,097,337	21,228,085	
Buildings & Building Improvements	10,690,607	10,933,708			10,690,607	10,933,708	
Machinery and Equipment	2,821,683	2,985,025	\$ 138,139	\$ 160,041	2,959,822	3,145,066	
Total Capital Assets, Net	\$ 39,743,150	\$ 38,525,334	\$ 138,139	\$ 160,041	\$ 39,881,289	\$ 38,685,375	3.09%

During the fiscal year, the District acquired or constructed \$2,134,271 in capital asset additions (\$1,869,252 from ongoing capital projects and \$265,019 from current year budgeted capital outlay) and expensed \$938,357 in depreciation (\$916,455 from its governmental activities and \$21,902 from its business-type activities).

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Long-term Liabilities

The District's long-term debt decreased by \$3,443,646 or 8.96% – 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 2019/20
	2019/20	2018/19	
General Obligation Bonds (Financed with Property Taxes)	\$ 23,480,000	\$ 25,640,000	
Unamortized Bond Issuance Premium	357,740	447,174	
Net Pension Liabilities	10,380,608	11,581,461	
Other Long-Term Liabilities	786,215	779,574	
	<u>\$ 35,004,563</u>	<u>\$ 38,448,209</u>	-8.96%

- The District continued to pay down its bonded debt, retiring \$2,160,000 of outstanding bonds.
- Unamortized Bond Issuance Premium decreased \$89,434.
- Net Pension Liability decreased by \$1,200,853.
- Compensated absences payable increased by a net amount of \$6,641.

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.
- With state aid for the 2020-2021 school year reduced by \$322,941 after the shutdown of schools and businesses due to COVID-19 in the spring of 2020, there is still uncertainty about the amount of state aid that will be provided to the school district in future years. Additionally, the Borough of Caldwell and the Township of West Caldwell have advised the school district that they are concerned about the collection of future tax levies, due to the shutdown of local businesses. The uncertainty of state aid and tax levy require that the district budget cautiously and keep funds in reserves for a rainy day.
- In July 2020, the district switched back to the School Employers Health Benefits Plan (SEHBP) from a private plan. Major changes made by the State of New Jersey to the benefits that will take place effective January 1, 2021, are expected to limit the cost increases that have, historically been well above 2% and sometimes into the teens.
- As of June 20, 2020, the district was still negotiating a contract with the secretaries association to replace a three year contract that expired on June 30, 2020. The teachers and custodian bargaining units each have three-year contracts that will expire on June 30, 2021. The district's three-year contract with the administrative bargaining unit expires June 30, 2022.

**CALDWELL-WEST CALDWELL SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

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

- Through a \$2.8 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. All of the ESIP projects have been completed under budget by an unaudited estimate of \$221,000.
- 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 of its buildings are over 100 years old. A demographer completed enrollment projections in January 2020. The district should consider engaging with a consultant for a long-term strategic plan of its facilities. The district may have the opportunity to lease Trinity Academy, a parochial school in Caldwell that closed in June 2020. A lease would cost several hundred thousand dollars per year, plus a one-time cost of several million dollars needed for renovations. A decision about this should be done coinciding with a decision on what projects to include in a 2022 referendum and how to utilize over \$1.5 million in banked cap that is available for the 2021-2022 and 2022-2023 budgets, which will expire if not used. The use of Banked Cap would increase the local school tax levy above the 2% amount, so any decision about this should be made carefully.

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, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 1,825,062	\$ 628,158	\$ 2,453,220
Interfund Receivable - Flexible Spending Trust Fund	9,027		9,027
Interfund Receivable - Payroll Agency Fund	1,412		1,412
Receivables from State Government	1,297,055	27	1,297,082
Receivables from Federal Government	37,881	1,723	39,604
Other Accounts Receivables	11,731		11,731
Internal Balances	5,331	(5,331)	
Inventories		19,294	19,294
Restricted Cash and Cash Equivalents	4,878,289		4,878,289
Capital Assets, Net:			
Sites (Land) and Construction in Progress	5,122,255		5,122,255
Depreciable Site Improvements, Buildings & Building Improvements and Machinery and Equipment	34,620,895	138,139	34,759,034
Total Assets	47,808,938	782,010	48,590,948
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred Amount on Refunding	268,928		268,928
Deferred Outflows - Pensions	1,893,310		1,893,310
Total Deferred Outflows of Resources	2,162,238		2,162,238
LIABILITIES			
Current Liabilities:			
Accounts Payable	868,966		868,966
Accrued Interest Payable	197,731		197,731
Payable to State Government	93,922		93,922
Unearned Revenue	42,429	60,440	102,869
Interfund Payable - Student Activities Fund		3,750	3,750
Noncurrent Liabilities:			
Due Within One Year	2,359,784		2,359,784
Due Beyond One Year	32,644,779		32,644,779
Total Liabilities	36,207,611	64,190	36,271,801
DEFERRED INFLOWS OF RESOURCES:			
Deferred Inflows - Pensions	4,450,446		4,450,446
Total Deferred Inflows of Resources	4,450,446		4,450,446

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
NET POSITION			
Net Investment in Capital Assets	\$ 16,989,075	\$ 138,139	\$ 17,127,214
Restricted for:			
Capital Projects	3,678,289		3,678,289
Debt Service	4,751		4,751
Maintenance Reserve	1,200,000		1,200,000
Excess Surplus	894,176		894,176
Unrestricted/(Deficit)	<u>(13,453,172)</u>	<u>579,681</u>	<u>(12,873,491)</u>
Total Net Position	<u>\$ 9,313,119</u>	<u>\$ 717,820</u>	<u>\$ 10,030,939</u>

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating		Business-type Activities	Total
			Grants and Contributions	Governmental Activities		
Governmental Activities:						
Instruction:						
Regular	\$ 23,244,197	\$ 14,680	\$ 5,375,061	\$ (17,854,456)		\$ (17,854,456)
Special Education	7,178,958		3,903,855	(3,275,103)		(3,275,103)
Other Special Instruction	358,170		89,981	(268,189)		(268,189)
Other Instruction	1,802,926		401,815	(1,401,111)		(1,401,111)
Support Services:						
Tuition	2,744,912			(2,744,912)		(2,744,912)
Student and Instruction Related Services	9,194,353		2,057,991	(7,136,362)		(7,136,362)
General Administrative Services	998,662		136,498	(862,164)		(862,164)
School Administrative Services	3,060,943		719,055	(2,341,888)		(2,341,888)
Central Services	1,026,103		194,188	(831,915)		(831,915)
Administrative Information Technology	459,892			(459,892)		(459,892)
Plant Operations and Maintenance	5,817,549			(5,817,549)		(5,817,549)
Pupil Transportation	1,172,549	55,688	340,962	(775,899)		(775,899)
Unallocated Depreciation	665,403			(665,403)		(665,403)
Interest on Long-Term Debt	652,360			(652,360)		(652,360)
Total Governmental Activities	58,376,977	70,368	13,219,406	(45,087,203)		(45,087,203)
Business-Type Activities:						
Continuing Education	295,884	314,804			\$ 18,920	18,920
Food Service	461,171	400,661	88,828		28,318	28,318
Total Business-Type Activities	757,055	715,465	88,828		47,238	47,238

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Total Primary Government	\$ 59,134,032	\$ 785,833	\$ 13,308,234	\$ (45,087,203)	\$ 47,238	\$ (45,039,965)
General Revenues:						
Taxes:						
Property Taxes, Levied for General Purposes, Net				45,232,743		45,232,743
Taxes Levied for Debt Service				1,988,822		1,988,822
Federal, State and Local Aid not Restricted				940,252		940,252
Interest Earnings				88,144	2,449	90,593
Miscellaneous Income				278,162		278,162
Total General Revenues				48,528,123	2,449	48,530,572
Change in Net Position				3,440,920	49,687	3,490,607
Net Position - Beginning				5,872,199	668,133	6,540,332
Net Position - Ending				\$ 9,313,119	\$ 717,820	\$ 10,030,939

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, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
ASSETS					
Cash and Cash Equivalents	\$ 1,599,617	\$ 118,026	\$ 102,668	\$ 4,751	\$ 1,825,062
Interfund Receivable	132,591				132,591
Receivables From State Government	725,457	13,193	558,405		1,297,055
Receivables From Federal Government		37,881			37,881
Other Accounts Receivable		11,731			11,731
Restricted Cash and Cash Equivalents	4,878,289				4,878,289
Total Assets	\$ 7,335,954	\$ 180,831	\$ 661,073	\$ 4,751	\$ 8,182,609

LIABILITIES AND FUND BALANCES

Liabilities:					
Interfund Payable			\$ 116,821		\$ 116,821
Accounts Payable - Vendors	\$ 239,331	\$ 44,480			283,811
Payable to State Government		93,922			93,922
Unearned Revenue		42,429			42,429
Total Liabilities	239,331	180,831	116,821		536,983

Fund Balances:

Restricted:					
Capital Reserve Account	3,678,289				3,678,289
Maintenance Reserve	1,200,000				1,200,000
Excess Surplus - 2020-2021	300,000				300,000
Excess Surplus - 2021-2022	594,176				594,176
Capital Projects			456,997		456,997
Debt Service				\$ 4,751	4,751
Committed:					
Capital Projects				87,255	87,255
Assigned:					
Year-end Encumbrances	303,295				303,295

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
Fund Balances:					
Unassigned	\$ 1,020,863				\$ 1,020,863
Total Fund Balances	<u>7,096,623</u>	<u>\$ - 0 -</u>	<u>\$ 544,252</u>	<u>\$ 4,751</u>	<u>7,645,626</u>
Total Liabilities and Fund Balances	<u>\$ 7,335,954</u>	<u>\$ 180,831</u>	<u>\$ 661,073</u>	<u>\$ 4,751</u>	

Amounts reported for *Governmental Activities* in the Statement of Net Position (Exhibit A-1) are different because:

Capital Assets used in Governmental Activities are not financial resources and therefore are not reported in the Funds.

Bond Issuance Premiums are Reported as Revenue in the Governmental Funds in the Year the Bonds are Sold. \$ 39,743,150

The Deferred Amount on the Refunding is not Reported as an Expenditure in the Year of the Expenditure. (357,740)

Interest on Long-Term Debt is not accrued in Governmental Funds, but rather is recognized as an expenditure when due. 268,928

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. (197,731)

Deferred Outflows 1,196,857

Deferred Inflows (4,450,446)

Prepaid District Contribution Subsequent to the Measurement Date - Essex County Pension 111,298

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. (34,646,823)

Net Position of Governmental Activities (Exhibit A-1) \$ 9,313,119

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, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 45,232,743			\$ 1,988,822	\$ 47,221,565
Tuition from Other LEAs	14,680				14,680
Transportation Fees From Individuals	55,688				55,688
Rents & Royalties	94,080				94,080
Interest Earned on Capital Reserve Funds	34,531				34,531
Unrestricted Miscellaneous Revenue	220,525	\$ 35,341	\$ 17,170		273,036
Total - Local Sources	45,652,247	35,341	17,170	1,988,822	47,693,580
State Sources	9,385,272	152,722		708,603	10,246,597
Federal Sources	6,503	800,759			807,262
Total Revenues	55,044,022	988,822	17,170	2,697,425	58,747,439
EXPENDITURES:					
Current:					
Regular Instruction	14,211,335	235,561			14,446,896
Special Education Instruction	3,734,073	601,607			4,335,680
Other Special Instruction	242,887				242,887
School-Sponsored/Other Instruction	1,288,122				1,288,122
Support Services and Undistributed Costs:					
Tuition	2,744,912				2,744,912
Student/Other Instruction Related Services	6,542,283	151,654			6,693,937
General Administrative Services	715,082				715,082
School Administrative Services	1,910,827				1,910,827
Central Services	641,678				641,678
Administrative Information Technology	456,370				456,370

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
EXPENDITURES:					
Plant Operations and Maintenance	\$ 5,003,420				\$ 5,003,420
Student Transportation	993,400				993,400
Allocated Benefits	4,317,842				4,317,842
Unallocated Benefits	10,474,314				10,474,314
Capital Outlay	699,270		\$ 1,494,018		2,193,288
Debt Service:					
Principal				\$ 2,010,000	2,010,000
Interest and Other Charges				687,425	687,425
Total Expenditures	<u>53,975,815</u>	<u>\$ 988,822</u>	<u>1,494,018</u>	<u>2,697,425</u>	<u>59,156,080</u>
Excess/(Deficit) of Revenue Over/(Under) Expenditures	1,068,207		(1,476,848)		(408,641)
Other Financing Sources/(Uses):					
Transfers	17,170		(17,170)		
Total Other Financing Sources/(Uses)	<u>17,170</u>		<u>(17,170)</u>		
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures and Other Financing Uses	1,085,377		(1,494,018)		(408,641)
Fund Balance - July 1	6,011,246		2,038,270	4,751	8,054,267
Fund Balance - June 30	<u>\$ 7,096,623</u>	<u>\$ -0-</u>	<u>\$ 544,252</u>	<u>\$ 4,751</u>	<u>\$ 7,645,626</u>

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUE, EXPENDITURES
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)	\$ (408,641)
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	\$ (916,455)
Capital Outlays	<u>2,134,271</u>
	1,217,816

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 (+).

18,339

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.

2,160,000

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, 2020

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	1,200,853
Change in Deferred Inflows	129,003
Change in Deferred Outflows	(912,760)
Change in Prepaid District Contribution Subsequent to the Measurement Date-Pensions	20,748

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 (+).

(6,641)

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

\$ 3,440,920

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Fund</u>	<u>Major Fund</u>	
	<u>Continuing Education</u>	<u>Food Service</u>	<u>Total</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 464,392	\$ 163,766	\$ 628,158
Intergovernmental Accounts Receivable:			
State		27	27
Federal		1,723	1,723
Inventories		19,294	19,294
Total Current Assets	<u>464,392</u>	<u>184,810</u>	<u>649,202</u>
Non-Current Assets:			
Capital Assets		533,480	533,480
Less: Accumulated Depreciation		<u>(395,341)</u>	<u>(395,341)</u>
Total Non-Current Assets		<u>138,139</u>	<u>138,139</u>
Total Assets	<u>464,392</u>	<u>322,949</u>	<u>787,341</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Interfund Payable- Student Activities		3,750	3,750
Interfund Payable - General Fund	474	4,857	5,331
Unearned Revenue - Prepaid Sales	4,740	52,545	57,285
Unearned Revenue - Donated Commodities		<u>3,155</u>	<u>3,155</u>
Total Current Liabilities	<u>5,214</u>	<u>64,307</u>	<u>69,521</u>
<u>NET POSITION:</u>			
Investment in Capital Assets		138,139	138,139
Unrestricted	<u>459,178</u>	<u>120,503</u>	<u>579,681</u>
Total Net Position	<u>\$ 459,178</u>	<u>\$ 258,642</u>	<u>\$ 717,820</u>

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Business-Type Activities - Enterprise Funds		
	Non-Major Fund	Major Fund	
	Continuing Education	Food Service	Total
Operating Revenue:			
Daily Sales - Reimbursable Programs		\$ 384,819	\$ 384,819
Daily Sales - Non-Reimbursable Programs		15,842	15,842
Charges for Services:			
Program Fees	\$ 314,804		314,804
Total Operating Revenue	314,804	400,661	715,465
Operating Expenses:			
Cost of Sales - Reimbursable Programs		90,763	90,763
Cost of Sales - Non-Reimbursable Programs		144,131	144,131
Salaries, Benefits & Payroll Taxes	224,903	155,538	380,441
Purchased Professional and Technical Services		32,000	32,000
Other Purchased Services	29,631		29,631
Supplies and Materials	40,160	16,323	56,483
Miscellaneous Expense	1,190	514	1,704
Depreciation Expense		21,902	21,902
Total Operating Expenses	295,884	461,171	757,055
Operating Income/(Loss)	18,920	(60,510)	(41,590)
Non-Operating Revenue:			
Local Sources:			
Interest Income		2,449	2,449
State Sources:			
State School Lunch Program		3,124	3,124
COVID-19 - Seamless Summer Option		125	125
Federal Sources:			
National School Lunch Program		69,020	69,020
Food Distribution Program		8,568	8,568
COVID-19 - Seamless Summer Option		7,991	7,991
Total Non-Operating Revenue		91,277	91,277
Change in Net Position	18,920	30,767	49,687
Net Position - Beginning of Year	440,258	227,875	668,133
Net Position - End of Year	\$ 459,178	\$ 258,642	\$ 717,820

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, 2020

	<u>Business-Type Activities - Enterprise Funds</u>		
	<u>Non-Major Fund</u>	<u>Major Fund</u>	
	<u>Continuing Education</u>	<u>Food Service</u>	<u>Total</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 248,114	\$ 375,986	\$ 624,100
Payments to Food Service Contractors		(281,312)	(281,312)
Payments for Salaries, Payroll Taxes and Benefits	(224,903)	(155,538)	(380,441)
Payments to Suppliers	(70,981)		(70,981)
Net Cash (Used for) Operating Activities	<u>(47,770)</u>	<u>(60,864)</u>	<u>(108,634)</u>
Cash Flows from Investing Activities:			
Interest Income		2,449	2,449
Net Cash Provided by Investing Activities		<u>2,449</u>	<u>2,449</u>
Cash Flows from Noncapital Financing Activities:			
State Sources		3,474	3,474
Federal Sources		80,461	80,461
Net Cash Provided by Noncapital Financing Activities		<u>83,935</u>	<u>83,935</u>
Net Increase/(Decrease) in Cash and Cash Equivalents	(47,770)	25,520	(22,250)
Cash and Cash Equivalents, July 1	512,162	138,246	650,408
Cash and Cash Equivalents, June 30	<u>\$ 464,392</u>	<u>\$ 163,766</u>	<u>\$ 628,158</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 18,920	\$ (60,510)	\$ (41,590)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation		21,902	21,902
Food Distribution Program		8,568	8,568
Changes in Assets and Liabilities:			
Increase in Interfund Payable - Student Activities		3,750	3,750
(Decrease) in Interfund Payable - General Fund		(47,216)	(47,216)
(Increase) in Inventory		(10,854)	(10,854)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(66,690)	22,541	(44,149)
Increase in Unearned Revenue - Donated Commodities		955	955
Net Cash (Used for) Operating Activities	<u>\$ (47,770)</u>	<u>\$ (60,864)</u>	<u>\$ (108,634)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities through the Food Distribution Program Valued at \$9,523 and Utilized Commodities Valued at \$8,568.

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2020

	<u>Agency</u>	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
<u>ASSETS:</u>			
Cash and Cash Equivalents	\$ 334,243	\$ 128,818	\$ 36,042
Interfund Receivable - Food Service Fund	3,750		
Total Assets	<u>337,993</u>	<u>128,818</u>	<u>36,042</u>
<u>LIABILITIES:</u>			
Interfund Payable - General Fund	1,412		9,027
Payroll Deductions and Withholdings	17,213		
Due to Student Groups	319,368		
Total Liabilities	<u>337,993</u>		<u>9,027</u>
<u>NET POSITION:</u>			
Held in Trust for:			
Unemployment Claims		128,818	
Flexible Spending Claims			27,015
Total Net Position	<u>\$ -0-</u>	<u>\$ 128,818</u>	<u>\$ 27,015</u>

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 94,032	\$ 77,370
Total Contributions	<u>94,032</u>	<u>77,370</u>
Investment Earnings:		
Interest	<u>1,246</u>	<u>238</u>
Net Investment Earnings	<u>1,246</u>	<u>238</u>
Total Additions	<u>95,278</u>	<u>77,608</u>
DEDUCTIONS:		
Flexible Spending Claims		72,675
Quarterly Unemployment Contributions	<u>98,939</u>	
Total Deductions	<u>98,939</u>	<u>72,675</u>
Change in Net Position	(3,661)	4,933
Net Position - Beginning of the Year	<u>132,479</u>	<u>22,082</u>
Net Position - End of the Year	<u>\$ 128,818</u>	<u>\$ 27,015</u>

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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, 2020 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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources:		
Actual Amounts (Budgetary Basis) "Revenue" from the Budgetary Comparison Schedule	\$ 55,069,402	\$ 1,124,566
Differences - Budgetary 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		(138,178)
Prior Year Encumbrances		2,434
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	145,955	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	<u>(171,335)</u>	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 55,044,022</u>	<u>\$ 988,822</u>
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 53,975,815	\$ 1,124,566
Differences - Budgetary 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		(138,178)
Prior Year Encumbrances		2,434
Total Expenditures as Reported on the Statement of Revenue, Expenditures, and Changes in Fund Balances - Governmental Funds	<u>\$ 53,975,815</u>	<u>\$ 988,822</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

D. Budgets/Budgetary Control (Cont'd)

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

	<u>Capital Projects Fund Fund Balance</u>
Fund Balance (Budgetary Basis)	\$ 573,642
Reconciliation to Governmental Funds Statements (GAAP):	
SDA Grant Revenue/Receivable Not Recognized on the GAAP Basis	<u>(29,390)</u>
Fund Balance per Governmental Funds (GAAP)	<u>\$ 544,252</u>

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

J. Inventories and Prepaid Expenses:

Inventories and prepaid expenses, which benefit future periods, other than those recorded in the enterprise fund, are recorded as 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, 2020.

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:

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

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

L. Long Term Liabilities:

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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, 2020.

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. See Note 1 (D) regarding Special Revenue Fund.

P. Fund Balance Appropriated:

General Fund: Of the \$7,096,623 General Fund balance at June 30, 2020, \$303,295 is assigned for year-end encumbrances; \$3,678,289 is restricted in the capital reserve account; \$1,200,000 is restricted in the maintenance reserve account; \$594,176 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, 2022; \$300,000 is restricted as prior year excess surplus and has been appropriated and included as anticipated revenue for the fiscal year ended June 30, 2021; and \$1,020,863, is unassigned, which is \$171,335 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, 2021).

Capital Projects Fund: Of the \$544,252 fund balance in the Capital Projects Fund at June 30, 2020, \$456,997 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, 2020 is restricted.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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, 2020 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 \$13,453,172 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, 2020 for Pensions. The District had deferred outflows of resources at June 30, 2020 for the Deferred Amount on Bond Refunding, and Pensions.

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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, 2020 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 \$303,295 of assigned resources for year-end encumbrances in the General Fund at June 30, 2020.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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;

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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, 2020, cash and cash equivalents of the District consisted of the following:

	Restricted		Cash and Cash Equivalents	Total
	<u>Cash and Cash Equivalents</u>			
	<u>Capital Reserve</u>	<u>Maintenance Reserve</u>		
Checking/Money Market Accounts	<u>\$3,678,289</u>	<u>\$1,200,000</u>	<u>\$ 2,952,323</u>	<u>\$ 7,830,612</u>
	<u>\$3,678,289</u>	<u>\$1,200,000</u>	<u>\$ 2,952,323</u>	<u>\$ 7,830,612</u>

During the period ended June 30, 2020, 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, 2020, was \$7,830,612 and the bank balance was \$6,587,097.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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, 2019	\$ 2,643,758
Add: Interest Earnings	34,531
Transfer from Unassigned Fund Balance as per Board Resolution - June 2020	1,000,000
Ending Balance, June 30, 2020	\$ 3,678,289

The balance in the capital reserve account at June 30, 2020 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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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, 2019 to June 30, 2020 fiscal year is as follows:

Beginning Balance, July 1, 2019	\$ 700,000
Add: Transfer from Unassigned Fund Balance as per Board Resolution - June 2020	<u>500,000</u>
Ending Balance, June 30, 2020	<u>\$ 1,200,000</u>

NOTE 6. CAPITAL ASSETS

Capital asset balances and activity for the year ended June 30, 2020 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	21,228,085	\$ 1,869,252	\$ (18,205,000)	4,892,337
Total Capital Assets Not Being Depreciated	21,458,003	1,869,252	(18,205,000)	5,122,255
Capital Assets Being Depreciated:				
Site Improvements	6,830,362			6,830,362
Buildings and Building Improvements	29,242,584		18,205,000	47,447,584
Machinery and Equipment	8,989,220	265,019		9,254,239
Total Capital Assets Being Depreciated	45,062,166	265,019	18,205,000	63,532,185
Governmental Activities Capital Assets	66,520,169	2,134,271		68,654,440
Less Accumulated Depreciation for:				
Site Improvements	(3,681,764)	(244,993)		(3,926,757)
Buildings and Building Improvements	(18,308,876)	(243,101)		(18,551,977)
Machinery and Equipment	(6,004,195)	(428,361)		(6,432,556)
	(27,994,835)	(916,455)		(28,911,290)
Governmental Activities Capital Assets, Net of Accumulated Depreciation	\$38,525,334	\$ 1,217,816	\$ -0-	\$39,743,150

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 6. CAPITAL ASSETS (Cont'd)

Capital asset balances and activity for the year ended June 30, 2020 were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Ending Balance</u>
Business Type Activities:				
Capital Assets Being Depreciated:				
Machinery and Equipment	\$ 533,480			\$ 533,480
Less: Accumulated Depreciation	<u>(373,439)</u>	<u>\$ (21,902)</u>		<u>(395,341)</u>
Business Type Activities Capital Assets, Net of Accumulated Depreciation	<u>\$ 160,041</u>	<u>\$ (21,902)</u>	<u>\$ -0-</u>	<u>\$ 138,139</u>

During the fiscal year, the District acquired or constructed \$2,134,271 in capital asset additions and expensed \$938,357 in depreciation (\$916,455 from its governmental activities and \$21,902 from its business-type activities).

As of June 30, 2020, the District has \$4,892,337 in active construction in progress, including \$211,484 of encumbrances.

Depreciation expense was charged to governmental functions as follows:

Regular Instruction	\$ 26,669
Special Education Instruction	5,854
Student and Other Instruction Related Services	3,212
General Administration	6,423
School Administration	44,962
Central Services	6,423
Administrative Information Technology	3,212
Operations and Maintenance of Plant	36,688
Student Transportation	117,609
Unallocated	<u>665,403</u>
	<u>\$ 916,455</u>

NOTE 7. TRANSFERS TO CAPITAL OUTLAY

During the year ended June 30, 2020, the District made transfers to capital outlay accounts in the amount of \$314,902 for equipment which did not require County Superintendent approval. The District transferred \$7,595 to construction services which required County Superintendent approval.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 8. LONG-TERM LIABILITIES

During the fiscal year ended June 30, 2020, the following changes occurred in liabilities reported in the district-wide financial statements:

	Balance 6/30/2019	Accrued	Retired	Balance 6/30/2020
Serial Bonds Payable	\$ 25,640,000		\$ 2,160,000	\$ 23,480,000
Unamortized Bond Issuance Premium	447,174		89,434	357,740
Net Pension Liability:				
PERS	10,789,828		1,077,222	9,712,606
Essex County	791,633		123,631	668,002
Compensated Absences Payable	779,574	\$ 155,872	149,231	786,215
	<u>\$ 38,448,209</u>	<u>\$ 155,872</u>	<u>\$ 3,599,518</u>	<u>\$ 35,004,563</u>

A. Bonds Payable:

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

On 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 and will be paid from the Debt Service Fund.

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 and will be paid from the Debt Service Fund. 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 and will be paid from the General Fund. 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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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, 2020 as follows:

Purpose	Final Maturity Date	Interest Rate	Amount
School Bonds	03/15/33	2.750-3.000%	\$ 14,620,000
Refunding School Bonds	09/01/24	3.000-4.000%	6,210,000
Energy Savings Improvement Program Bonds	07/15/33	3.000-5.500%	2,650,000
			<u>\$ 23,480,000</u>

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	Interest	Total
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
2025	2,395,000	438,100	2,833,100
Thereafter 5 Years (2026-2030)	6,675,000	1,516,475	8,191,475
Thereafter 5 Years (2031-2034)	4,970,000	357,175	5,327,175
	<u>\$ 23,480,000</u>	<u>\$ 4,857,000</u>	<u>\$ 28,337,000</u>

B. Capital Leases Payable:

The District did not have any Capital Leases Payable at June 30, 2020.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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

C. 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 on June 30, 2020 is \$350 and is shown separately from the long-term portion of compensated absences of \$785,865. 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.

D. Net Pension Liability:

The Public Employees' Retirement System's (PERS) net pension liability of the governmental fund types is recorded in the current and long-term liabilities and will be liquidated by the General Fund. The current portion of the net pension liability at June 30, 2020 is \$-0- and the long-term portion is \$9,712,606. 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, 2020 is \$-0- and the long-term portion is \$668,002. See Note 10 for further information on the Plan.

E. 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 \$89,434 and is separated from the long-term liability balance of \$268,306.

NOTE 9. OPERATING LEASES

The District has commitments to lease copying equipment under operating leases which expire in 2020 through 2025. Total operating lease payments made during the year ended June 30, 2020 were \$79,676. Future minimum lease payments are as follows:

<u>Year Ending</u>	<u>Amount</u>
June 30, 2021	\$ 80,088
June 30, 2022	43,064
June 30, 2023	16,640
June 30, 2024	8,976
June 30, 2025	<u>412</u>
Total future minimum lease payments	<u>\$ 149,180</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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. 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/annual-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. 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

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

NOTE 10. PENSION PLANS (Cont'd)

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

Contributions

The contribution policy for PERS is set by N.J.S.A. 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 will be paid by the employer in level annual payments over a period of 15 years, beginning with the payments due in the fiscal year ended June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets. District contributions to PERS amounted to \$527,649 for 2020.
year

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, 2020, the District's liability was \$9,712,606 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 July 1, 2018 which was rolled forward to 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 0.0539%, which was a decrease of 0.0009% from its proportion measured as of June 30, 2018.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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, 2020, the District recognized pension expense of \$169,431. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Year</u>	<u>Amortization Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2014	6.44	\$ 25,668	
	2015	5.72	158,714	
	2016	5.57	785,457	
	2017	5.48		\$ (1,394,280)
	2018	5.63		(1,126,706)
	2019	5.21		(850,229)
			<u>969,839</u>	<u>(3,371,215)</u>
Changes in Proportion	2014	6.44		(24,642)
	2015	5.72	52,689	
	2016	5.57		(112,810)
	2017	5.48		(417,741)
	2018	5.63		(70,538)
	2019	5.21		(164,064)
			<u>52,689</u>	<u>(789,795)</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments	2016	5.00		179,268
	2017	5.00		(215,133)
	2018	5.00		(149,642)
	2019	5.00		32,190
				<u>(153,317)</u>
Difference Between Expected and Actual Experience	2015	5.72	44,034	
	2016	5.57	23,836	
	2017	5.48	41,466	
	2018	5.63		(42,906)
	2019	5.21		
			<u>64,993</u>	<u>(42,906)</u>
			<u>174,329</u>	<u>(42,906)</u>
District Contribution Subsequent to the Measurement Date	2019	1.00	585,155	
			<u>\$ 1,782,012</u>	<u>\$ (4,357,233)</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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
2020	\$ (280,456)
2021	(909,793)
2022	(812,392)
2023	(381,460)
2024	(39,169)
	\$ (2,423,270)

Actuarial Assumptions

The total pension liability for the June 30, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions:

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00 – 6.00% based on years of service
Thereafter	3.00 – 7.00% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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, 2019) 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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Management Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liability was 6.28% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 on 100% of actuarially determined contributions for the local employers. 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 2057. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2057, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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, 2019 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, 2019		
	At 1% Decrease (5.28%)	At Current Discount Rate (6.28%)	At 1% Increase (7.28%)
District's proportionate share of the Net Pension Liability	\$ 12,353,949	\$ 9,712,606	\$ 7,611,404

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/annual-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. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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 includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For fiscal year 2020, 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 2020, the State of New Jersey contributed \$3,902,577 to the TPAF for normal pension benefits on behalf of the District, which is less than the contractually required contribution of \$6,570,237.

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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, 2020, the State's proportionate share of the net pension liability associated with the District was \$111,392,660. 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 July 1, 2018 which was rolled forward to 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 0.182%, which was an increase of 0.004% from its proportion measured as of June 30, 2018.

District's Proportionate Share of the Net Pension Liability	\$ -0-
State's Proportionate Share of the Net Pension Liability Associated to the District	<u>111,392,660</u>
Total	<u>\$ 111,392,660</u>

For the fiscal year ended June 30, 2020, the State recognized pension expense on behalf of the District in the amount of \$6,570,327 and the District recognized pension expense and revenue for that same amount in the fiscal year ended June 30, 2020 financial statements.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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	\$ 768,874,621	
	2015	8.3	2,351,172,865	
	2016	8.3	5,609,216,856	
	2017	8.3		\$ 8,483,527,374
	2018	8.29		5,172,258,445
	2019	8.04		3,507,345,617
			<u>8,729,264,342</u>	<u>17,163,131,436</u>
Difference Between Expected and Actual Experience	2014	8.5		7,323,009
	2015	8.3	145,211,243	
	2016	8.3		69,755,412
	2017	8.3	150,939,884	
	2018	8.29	907,352,137	
	2019	8.04		136,265,890
			<u>1,203,503,264</u>	<u>213,344,311</u>
Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investment:	2016	5		(431,855,192)
	2017	5		452,016,524
	2018	5		288,091,115
	2019	5		(144,882,771)
				<u>163,369,676</u>
			<u>\$ 9,932,767,606</u>	<u>\$ 17,539,845,423</u>

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

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2020	\$ (272,405,510)
2021	(704,260,700)
2022	(630,562,767)
2023	(1,216,378,743)
2024	(2,381,316,232)
Thereafter	<u>(2,402,153,865)</u>
	<u>\$ (7,607,077,817)</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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, 2019 measurement date was determined by an actuarial valuation as of July 1, 2018 which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55 – 4.45% based on years of service
Thereafter	2.75 – 5.65% based on years of service
Investment Rate of Return	7.00%

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

The actuarial assumptions used in the July 1, 2018 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

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, 2019) 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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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, 2019 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.67%
Cash Equivalents	5.00%	2.00%
U.S. Treasuries	5.00%	2.68%
Investment Grade Credit	10.00%	4.25%
High Yield	2.00%	5.37%
Private Credit	6.00%	7.92%
Real Assets	2.50%	9.31%
Real Estate	7.50%	8.33%
U.S. Equity	28.00%	8.26%
Non-U.S. Developed Market Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%

Discount Rate – TPAF

The discount rate used to measure the total pension liability was 5.60% as of June 30, 2019. 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 3.50% as of June 30, 2019 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 on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through 2054, and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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, 2019 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, 2019		
	At 1% Decrease (4.60%)	At Current Discount Rate (5.60%)	At 1% Increase (6.60%)
State's Proportionate Share of the Net Pension Liability Associated with the District	\$ 131,356,601	\$ 111,392,660	\$ 94,828,893

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 \$34,373 for the fiscal year ended June 30, 2020. Employee contributions to DCRP amounted to \$46,676 for the year ended June 30, 2020.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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 \$90,550 for fiscal year 2020.

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

At June 30, 2020, the District reported a liability of \$668,002 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020. 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, 2020, the District's proportion was 2.51%, which was an increase of 0.14% from its proportion measured as of June 30, 2019.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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, 2020, the District recognized pension expense of \$27,197. At June 30, 2020, the District reported deferred outflows and inflows of resources related to pension from the sources noted in the below table.

	Amortization Period in Years	Deferred Outflows of Resources	Deferred Inflows of Resources
Net Difference Between Projected and Actual			
Investment Earnings on Pension Plan Investments			
2016	5		\$ 35,838
2017	5		(38,540)
2018	5		(8,757)
2019	5		(32,980)
2020	5		(48,774)
			(93,213)
District Contribution Subsequent to the			
Measurement Date			
	1	\$ 111,298	
		\$ 111,298	\$ (93,213)

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

Fiscal Year Ending June 30,	Total
2021	\$ (4,351)
2022	(40,189)
2023	(20,919)
2024	(18,000)
2025	(9,754)
	\$ (93,213)

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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, 2020 measurement date was determined by an actuarial valuation as of June 30, 2020. 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, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return *</u>
U.S. Fixed Income	50.00%	1.15%
U.S. Large CAP Equities	40.00%	6.40%
U.S. Small CAP Equities	10.00%	6.40%

* - Net of 2.0% inflation assumption

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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, 2020. 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, 2020 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, 2020		
	At 1% Decrease (5.00%)	At Current Discount Rate (6.00%)	At 1% Increase (7.00%)
District's proportionate share of the Net Pension Liability	\$ 936,208	\$ 668,002	\$ 435,222

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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.

Selected, summarized financial information for the Fund as of June 30, 2020 is as follows:

	School Alliance Insurance Fund
Total Assets	\$ 51,526,293
Net Position	\$ 20,539,909
Total Revenue	\$ 43,264,716
Total Expenses	\$ 41,642,794
Change in Net Position	\$ 1,621,922
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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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.

<u>Fiscal Year</u>	<u>District Contributions</u>	<u>Interest Earned</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	-0-	\$ 1,246	\$ 94,032	\$ 98,939	\$ 128,818
2018-2019	-0-	2,103	74,197	64,392	132,479
2017-2018	-0-	972	73,807	56,391	120,571

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

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 132,591	
Capital Projects Fund		116,821
Enterprise Fund - Food Service		8,607
Enterprise Fund - Continuing Education		474
Fiduciary Fund - Student Activities	3,750	
Fiduciary Fund - Payroll Agency		1,412
Fiduciary Fund - Flexible Spending Trust		9,027
	<u>\$ 136,341</u>	<u>\$ 136,341</u>

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 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. The interfund receivable in the Student Activities Fund is a deposit error due from Food Service Fund. The interfund payable in the Food Service Fund is also for an overpayment by the General Fund of government reimbursements turned over to the Food Service Fund.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 14. DEFERRED COMPENSATION

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

The plan administrators for the 403(b) plans are as follows:

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

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 16. CONTINGENT LIABILITIES (Cont'd)

Encumbrances

At June 30, 2020, 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
\$ 303,295	\$ 138,178	\$ 211,484	\$ 652,957

On the District's Governmental Funds Balance Sheet as of June 30, 2020, \$-0- is assigned for year-end encumbrances in the Special Revenue Fund. Encumbrances in the Special Revenue Fund of \$138,178 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 \$211,484 in the Capital Projects Fund are included in the \$456,997 restricted fund balance.

NOTE 17. ACCOUNTS PAYABLE

The following accounts payable existed as of June 30, 2020:

	Governmental Funds		District Contribution	Total Governmental Activities
	General Fund	Special Revenue Fund	Subsequent to the Measurement Date	
Vendors	\$ 239,331	\$ 44,480		\$ 283,811
Due to the State of New Jersey		93,922	\$ 585,155	679,077
	\$ 239,331	\$ 138,402	\$ 585,155	\$ 962,888

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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 \$187,400 from one payment in lieu of taxes ("PILOT") agreement. The taxes which would have been paid on these properties for 2019 without the abatement would have been \$517,963 of which \$266,779 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>.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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, 2018, the plan membership consisted of the following:

Inactive Plan Members or Beneficiaries Currently Receiving Benefit Payments	148,051
Active Plan Members	216,892
Total	364,943

Total Nonemployer OPEB Liability

The total nonemployer OPEB liability as of June 30, 2019 was determined by an actuarial valuation as of June 30, 2018, which was rolled forward to June 30, 2019. 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.

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 - 3.05% based on service years	2.00 - 6.00% based on service years
Thereafter	1.55 - 3.05% based on service years	3.00 - 7.00% based on service years

The actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 - June 30, 2018 and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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 Pub-2010 Healthy “Teachers” (TPAF/ABP), “General” (PERS), and “Safety” (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

Health Care Trend Assumptions

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

Discount Rate

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%. 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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

	Total OPEB Liability
Balance at June 30, 2018	\$ 79,033,940
Changes for Year:	
Service Cost	3,059,772
Interest on the Total OPEB Liability	3,136,760
Changes of Assumptions	1,051,621
Differences between Expected and Actual Experience	(13,650,304)
Gross Benefit Payments by the State	(2,165,088)
Contributions from Members	64,179
	(8,503,060)
Net Changes	(8,503,060)
Balance at June 30, 2019	\$ 70,530,880

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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, 2019, 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, 2019		
	At 1% Decrease (2.50%)	At Discount Rate (3.50%)	At 1% Increase (4.50%)
Total OPEB Liability Attributable to the District	\$ 83,324,841	\$ 70,530,880	\$ 60,368,059

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, 2019, 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, 2019		
	1% Decrease	Healthcare Cost Trend Rate	1% Increase
Total OPEB Liability Attributable to the District	\$ 58,114,301	\$ 70,530,880	\$ 86,967,881

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

For the fiscal year ended June 30, 2020 the District recognized OPEB expense of \$1,876,532 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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

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, 2019 the State had deferred outflows of resources and deferred inflows of resources related to OPEB associated with the District from the following sources:

	<u>Deferral Year</u>	<u>Period in Years</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes in Assumptions	2017	9.54		\$ 8,211,221
	2018	9.51		7,062,761
	2019	9.29	\$ 938,422	
			<u>938,422</u>	<u>15,273,982</u>
Differences Between Expected and Actual Experience	2018	9.51		6,676,507
	2019	9.29		11,045,279
				<u>17,721,786</u>
Changes in Proportion	N/A	N/A	1,394,099	1,293,350
			<u>\$ 2,332,521</u>	<u>\$ 34,289,118</u>

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:

<u>Fiscal Year Ending June 30,</u>	<u>Total</u>
2020	\$ (4,304,164)
2021	(4,304,164)
2022	(4,304,164)
2023	(4,304,164)
2024	(4,304,164)
Thereafter	<u>(10,536,526)</u>
	<u>\$ (32,057,346)</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

NOTE 20: SUBSEQUENT EVENT

The COVID-19 outbreak in the United States and specifically in New Jersey has caused disruption of the District's normal financial operations. Though the impact on the District's operations cannot be reasonably estimated at this date, it is likely that there will be an impact on certain revenue in the General Fund other than state aid and the local tax levy. The District's state aid in the General Fund was reduced after their budget was adopted due to the reduction of state aid provided to certain school districts by the State of New Jersey. Also, there have been additional operating expenses in the General Fund which were not planned or expected at the time of the approval of the District's 2020-21 budget related to COVID-19.

Additionally, the District's cash flow in the Governmental Funds may be affected by the timing of the collection of the District's tax levy as well as certain State aid payments.

The District's Enterprise Funds likely will be impacted by COVID-19 for the fiscal year ending June 30, 2021 due to loss of revenue.

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's proportion of the Net Pension Liability	0.0593593597%	0.0615338408%	0.0595188544%	0.0552849481%	0.0547999042%	0.0539035746%
District's proportionate share of the Net Pension Liability	\$ 11,113,696	\$ 13,813,114	\$ 17,627,777	\$ 12,869,452	\$ 10,789,828	\$ 9,712,606
District's Covered Employee Payroll	\$ 3,913,666	\$ 3,914,297	\$ 3,855,789	\$ 3,795,373	\$ 3,764,162	\$ 3,857,081
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%	251.81%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	52.08%	47.93%	40.14%	48.10%	53.60%	56.27%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 489,350	\$ 529,026	\$ 534,791	\$ 520,864	\$ 548,108	\$ 527,649
Contributions in relation to the Contractually Required Contribution	(489,350)	(529,026)	(534,791)	(520,864)	(548,108)	(527,649)
Contribution Deficiency/(Excess)	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
District's Covered Employee Payroll	\$ 3,914,297	\$ 3,855,789	\$ 3,795,373	\$ 3,764,162	\$ 3,857,081	\$ 4,039,621
Contributions as a percentage of Covered Employee Payroll	12.50%	13.72%	14.09%	13.84%	14.21%	13.68%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
State's proportion of the Net Pension Liability attributable to the District	0.1807731877%	0.1725556498%	0.1677900007%	0.1777261680%	0.1778345545%	0.1815071639%
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	\$ 111,392,660
District's Covered Employee Payroll	\$ 16,272,569	\$ 18,859,397	\$ 18,225,898	\$ 18,474,319	\$ 19,273,897	\$ 20,030,023
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%	556.13%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 5,198,922	\$ 6,659,250	\$ 9,917,535	\$ 8,301,173	\$ 6,595,347	\$ 6,570,237
Contributions in relation to the Contractually Required Contribution	(624,840)	(925,660)	(1,929,171)	(2,618,875)	(3,569,808)	(3,902,577)
Contribution Deficiency/(Excess)	<u>\$ 4,574,082</u>	<u>\$ 5,733,590</u>	<u>\$ 7,988,364</u>	<u>\$ 5,682,298</u>	<u>\$ 3,025,539</u>	<u>\$ 2,667,660</u>
District's Covered Employee Payroll	\$ 18,859,397	\$ 18,225,898	\$ 18,474,319	\$ 19,273,897	\$ 20,030,023	\$ 21,858,870
Contributions as a percentage of Covered Employee Payroll	3.31%	5.08%	10.44%	13.59%	17.82%	17.85%

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 THREE FISCAL YEARS

	Fiscal Year Ending June 30,		
	2017	2018	2019
Service Cost	\$ 4,102,223	\$ 3,412,214	\$ 3,059,772
Interest Cost	2,863,647	3,324,872	3,136,760
Changes in Assumptions	(11,853,755)	(9,069,540)	1,051,621
Differences between Expected and Actual Experience	77,163	(7,065,782)	(13,650,304)
Member Contributions	(2,095,535)	73,040	64,179
Gross Benefit Payments	(6,906,257)	(2,113,339)	(2,165,088)
Net Change in Total OPEB Liability	(6,906,257)	(11,438,535)	(8,503,060)
Total OPEB Liability - Beginning	97,378,732	90,472,475	79,033,940
Total OPEB Liability - Ending	\$ 90,472,475	\$ 79,033,940	\$ 70,530,880
District's Covered Employee Payroll *	\$ 22,081,687	\$ 22,269,692	\$ 23,038,059
Total OPEB Liability as a Percentage of Covered Employee Payroll	410%	355%	306%

* - Covered payroll for the fiscal years ending June 30, 2017, 2018 and 2019 are based on the payroll on the June 30, 2016, 2017 and 2018 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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
District's Proportion of the Net Pension Liability	2.8052491%	2.7948026%	2.7409447%	2.4263189%	2.3722327%	2.5098843%
District's Proportionate Share of the Net Pension Liability	\$ 1,080,551	\$ 1,011,675	\$ 783,367	\$ 762,507	\$ 791,633	\$ 668,002
District's Covered Employee Payroll	\$ -0-	\$ -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%	0.00%
Plan Fiduciary Net Position (*) as a Percentage of the Total Pension Liability	76.05%	75.39%	79.51%	77.36%	75.78%	79.38%
* Fiduciary Net Position Excludes: Amount Designated for Insurance Benefits	\$ 19,628,046	\$ 19,972,514	\$ 21,556,614	\$ 22,656,498	\$ 24,050,359	\$ 25,428,196

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 SIX FISCAL YEARS

	Fiscal Year Ending June 30,					
	2015	2016	2017	2018	2019	2020
Contractually Required Contribution	\$ 164,185	\$ 145,337	\$ 113,008	\$ 95,190	\$ 83,301	\$ 90,550
Contributions in Relation to the Contractually Required Contribution	(164,185)	(145,337)	(113,008)	(95,190)	(83,301)	(90,550)
Contribution Deficiency (Excess)	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>	<u>\$ -0-</u>
District's Covered Employee Payroll	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-
Contributions as a Percentage of Covered Employee Payroll	0.00%	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, 2020

A. PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 5.66% as of June 30, 2018 to 6.28% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%.

The inflation rate was 2.25% as of June 30, 2018. As of June 30, 2019, the inflation rate was as follows – Price – 2.75% and Wage – 3.25%. The salary increases as of June 30, 2018 were as follows: Through 2026 – 1.65% - 4.15% based on age and Thereafter – 2.65% - 5.15% based on age. The salary increases as of June 30, 2019 are as follows: Through 2026 – 2.00% - 6.00% based on years of service and Thereafter – 3.00% - 7.00% based on years of service.

The July 1, 2017 actuarial valuation utilized the following mortality rate assumptions:

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 plan actuary's modified MP-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 July 1, 2018 actuarial valuation utilized the following mortality rate assumptions:

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee Mortality Table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and a 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

B. TEACHERS' PENSION AND ANNUITY FUND

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate changed from 4.86% as of June 30, 2018 to 5.60% as of June 30, 2019. The municipal bond rate changed from 3.87% to 3.50%. The inflation rate as of June 30, 2018 was 2.25%. The inflation rate as of June 30, 2019 was as follows: Price – 2.75% and Wage – 3.25%.

The salary increases in the July 1, 2018 valuation were as follows: Through 2026 - 1.55 – 4.45% based on years of service and thereafter - 2.75 – 5.65% based on years of service. The salary increases in the July 1, 2017 valuation were as follows: 2011-2026 – 1.55% - 4.55% and thereafter – 2% - 5.45%.

The mortality rates utilized in the July 1, 2018 valuation were as follows: Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and a 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2019.

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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020
(Continued)

D. STATE HEALTH BENEFIT LOCAL EDUCATION RETIRED EMPLOYEES OPEB PLAN

Benefit Changes

There were none.

Changes of Actuarial Assumptions

The discount rate for June 30, 2019 was 3.50%. The discount rate for June 30, 2018 was 3.87%, a change of -.37%.

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

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 Healthy 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.

The mortality rates in the valuation as of June 30, 2019 were based on the following:

Pre-retirement mortality rates were based on the Pub-2010 Healthy "Teachers" (TPAF/ABP), "General" (PERS), and "Safety" (PFRS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Post-retirement mortality rates were based on the Pub-2010 "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Disability mortality was based on the Pub-2010 "General" classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.

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.

The health care trend rates in the valuation as of June 30, 2019 were based on the following:

For pre-Medicare medical benefits, the trend rate is initially 5.7% and decreases to a 4.5% long term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2020 is reflected. The assumed post-65 medical trend rate is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.5% and decreases to a 4.5% long term rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.0%.

BUDGETARY COMPARISON SCHEDULES

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Levy	\$ 45,232,743		\$ 45,232,743	\$ 45,232,743	\$ (20,320)
Tuition From Other LEAs	35,000		35,000	14,680	50,688
Transportation Fees From Individuals	5,000		5,000	55,688	14,080
Rents & Royalties	80,000		80,000	94,080	34,331
Interest Earned on Capital Reserve Funds	200		200	34,531	(100)
Interest Earned on Maintenance Reserve	100		100		180,525
Unrestricted Miscellaneous Revenue	40,000		40,000	220,525	259,204
Total - Local Sources	45,393,043		45,393,043	45,652,247	
State Sources:					
Special Education Aid	1,257,414		1,257,414	1,257,414	
Security Aid	226,292		226,292	226,292	
Transportation Aid	342,698		342,698	342,698	
Extraordinary Special Education Costs Aid	401,419		401,419	652,731	251,312
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,473,734	1,473,734
TPAF On-Behalf Pension Contributions (Non-Budgeted)				3,902,577	3,902,577
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				69,949	69,949
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				3,172	3,172
TPAF Social Security (Reimbursed - Non-Budgeted)				1,482,085	1,482,085
Total State Sources	2,227,823		2,227,823	9,410,652	7,182,829
Federal Sources:					
Medicaid Assistance Program	39,969		39,969	6,503	(33,466)
Total - Federal Sources	39,969		39,969	6,503	(33,466)
Total Revenues	47,660,835		47,660,835	55,069,402	7,408,567

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Regular Programs - Instruction:					
Kindergarten - Salaries of Teachers	\$ 597,066	\$ 47,390	\$ 644,456	\$ 644,456	
Grades 1-5 - Salaries of Teachers	4,957,938	(171,117)	4,786,821	4,786,821	
Grades 6-8 - Salaries of Teachers	2,926,945	(165,837)	2,761,108	2,761,108	
Grades 9-12 - Salaries of Teachers	4,610,931	291,220	4,902,151	4,902,151	
Regular Programs - Home Instruction:					
Salaries of Teachers	19,000	(17,280)	1,720	1,720	
Purchased Professional-Educational Services	15,430	16,295	31,725	31,725	
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	61,331	155,869	217,200	217,200	
Purchased Professional-Educational Services	40,667	(5,664)	35,003	35,003	
Other Purchased Services	150,332	(81,367)	68,965	62,792	\$ 6,173
General Supplies	710,803	(147,383)	563,420	552,962	10,458
Textbooks	260,910	(24,303)	236,607	198,716	37,891
Other Objects	30,341	(13,660)	16,681	16,681	
Total Regular Programs - Instruction	14,381,694	(115,837)	14,265,857	14,211,335	54,522
Special Education - Instruction:					
Learning and/or Language Disabilities:					
Salaries of Teachers	208,736	(142,409)	66,327	66,327	
General Supplies	5,359	(2,862)	2,497	2,497	
Total Learning and/or Language Disabilities	214,095	(145,271)	68,824	68,824	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Special Education - Instruction:					
Behavioral Disabilities					
Salaries of Teachers	\$ 56,960	\$ (775)	\$ 56,960	\$ 56,960	
General Supplies	775				
Total Behavioral Disabilities	57,735	(775)	56,960	56,960	
Resource Room/Resource Center:					
Salaries of Teachers	2,764,642	251,632	3,016,274	3,016,274	
Purchased Prof. Ed. Services	4,000	(4,000)			
General Supplies	24,285	(13,359)	10,926	10,926	
Textbooks	12,857	294	13,151	13,151	
Other Objects	1,497	(1,497)			
Total Resource Room/Resource Center	2,807,281	233,070	3,040,351	3,040,351	
Preschool Disabilities - Part-Time:					
Salaries of Teachers	78,101	(5,858)	72,243	72,243	
Other Salaries for Instruction	278,970	13,411	292,381	292,381	
General Supplies	2,000	1,822	3,822	3,822	
Total Preschool Disabilities - Part-Time	359,071	9,375	368,446	368,446	
Preschool Disabilities - Full Time:					
Salaries of Teachers	125,826	20,205	146,031	146,031	
General Supplies	1,000	(1,000)			
Total Preschool Disabilities - Full-Time	126,826	19,205	146,031	146,031	
Home Instruction:					
Salaries of Teachers	20,000	(5,807)	14,193	14,193	
Purchased Professional-Educational Services		39,268	39,268	39,268	
Total Home Instruction	20,000	33,461	53,461	53,461	
Total Special Education - Instruction	3,585,008	149,065	3,734,073	3,734,073	
Basic Skills/Remedial - Instruction:					
Salaries of Teachers	197,532	(80,043)	117,489	117,489	
Purchased Professional-Educational Services		4,375	4,375	4,375	
General Supplies	15,000	(15,000)			
Textbooks	2,500	(2,500)			
Total Basic Skills/Remedial - Instruction	220,032	(98,168)	121,864	121,864	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Bilingual Education - Instruction:					
Salaries of Teachers	\$ 126,702	\$ (11,103)	\$ 115,599	\$ 115,599	
Purchased Professional Education Services	1,500	3,633	3,633	3,633	
General Supplies		638	2,138	1,791	\$ 347
Total Bilingual Education - Instruction	128,202	(6,832)	121,370	121,023	347
School Sponsored Cocurricular Activities:					
Salaries	354,545	(35,568)	318,977	318,977	
Purchased Services	16,778	(9,646)	7,132	6,691	441
Supplies and Materials	18,206	3,362	21,568	16,531	5,037
Other Objects	15,154		15,154	2,885	12,269
Transfers to Cover Deficit (Agency Funds)	7,500		7,500		7,500
Total School-Sponsored Cocurricular Activities	412,183	(41,852)	370,331	345,084	25,247
School-Sponsored Athletics:					
Salaries	701,609	35,872	737,481	681,076	56,405
Purchased Services	140,211	4,814	145,025	116,222	28,803
Supplies and Materials	89,720	(7,173)	82,547	64,158	18,389
Other Objects	23,893	5,433	29,326	27,989	1,337
Transfers to Cover Deficit (Agency Funds)	9,530	3,485	13,015	12,775	240
Total School-Sponsored Athletics	964,963	42,431	1,007,394	902,220	105,174
Community Services Programs:					
Salaries	86,039	(22,003)	64,036	40,818	23,218
Total Community Services Programs	86,039	(22,003)	64,036	40,818	23,218
Total Instruction	19,778,121	(93,196)	19,684,925	19,476,417	208,508

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	\$ 212,348	\$ (97,912)	\$ 114,436	\$ 114,216	\$ 220
Tuition to County Vocational School - Regular	12,650	(6,739)	5,911	5,911	
Tuition to County Vocational School - Special	53,441	(33,325)	20,116	20,116	
Tuition to CSSD & Regional Day Schools	121,964	(78,018)	43,946	39,481	4,465
Tuition to Private Schools for the Handicapped Within State	2,231,245	307,690	2,538,935	2,507,245	31,690
Tuition - State Facilities	57,943		57,943	57,943	
Total Undistributed Expenditures - Instruction	2,689,591	91,696	2,781,287	2,744,912	36,375
Undistributed Expenditures:					
Attendance and Social Work Services:					
Salaries	25,000		25,000	24,944	56
Attendance and Social Work Services	25,000		25,000	24,944	56
Health Services:					
Salaries	614,322	(19,781)	594,541	594,508	33
Purchased Professional and Technical Services	17,481	(1,381)	16,100	12,425	3,675
Supplies and Materials	16,224	14,287	30,511	29,336	1,175
Other Objects	3,782	(2,906)	876	195	681
Total Health Services	651,809	(9,781)	642,028	636,464	5,564

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Speech, OT, PT & Related Services:					
Salaries	\$ 463,079	\$ (12,886)	\$ 450,193	\$ 450,193	\$ 91
Purchased Professional - Educational Services	166,871	(71,463)	95,408	95,317	515
Supplies and Materials	6,500		6,500	5,985	1,732
Other Objects	12,747	(10,343)	2,404	672	2,338
Total Speech, OT, PT & Related Services	649,197	(94,692)	554,505	552,167	2,338
Other Support Services - Extraordinary Services:					
Salaries	706,266	28,555	734,821	734,821	
Purchased Professional - Educational Services	969,154	101,174	1,070,328	811,163	259,165
Total Other Support Services - Extraordinary Services	1,675,420	129,729	1,805,149	1,545,984	259,165
Guidance:					
Salaries of Other Professional Staff	491,605	92,525	584,130	584,130	
Purchased Professional-Educational Services	364,460	14,797	379,257	379,257	
Other Purchased Professional and Technical Services	11,541	(2,164)	9,377	9,321	56
Other Purchased Professional Services	800		800	800	
Supplies and Materials	5,100		5,100	3,231	1,869
Other Objects	1,894		1,894	244	1,650
Total Guidance	875,400	105,158	980,558	976,183	4,375
Child Study Team:					
Salaries of Other Professional Staff	1,235,556	9,696	1,245,252	1,245,252	
Salaries of Secretarial and Clerical Assistants	131,138	(11,029)	120,109	120,109	
Other Purchased Professional and Technical Services	854,647	(683,055)	171,592	113,562	58,030

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	\$ 7,585	\$ 2,555	\$ 10,140	\$ 8,757	\$ 1,383
Supplies and Materials	34,705	(3,990)	30,715	30,715	
Other Objects	12,406	(8,640)	3,766	2,799	967
Total Child Study Team	2,276,037	(694,463)	1,581,574	1,521,194	60,380
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	394,537	(54,650)	339,887	339,887	
Salaries of Other Professional Staff		24,484	24,484	24,484	
Other Salaries		4,950	4,950	4,950	
Purchased Professional - Educational Services	9,410		9,410	5,699	3,711
Other Purch Prof. and Tech. Services	9,000	(3,255)	5,745	5,745	
Other Purchased Services	3,723		3,723	3,723	
Supplies and Materials	43,880	(20,151)	23,729	10,828	12,901
Other Objects	7,606	14,636	22,242	21,673	569
Total Improvement of Instructional Services	468,156	(33,986)	434,170	407,521	26,649
Educational Media Services/School Library:					
Salaries	502,700	1,515	504,215	498,260	5,955
Salaries of Technology Coordinators	211,047	105,629	316,676	316,676	
Supplies and Materials	65,904	(24,981)	40,923	39,898	1,025
Total Educational Media Services/School Library	779,651	82,163	861,814	854,834	6,980

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	\$ 14,150		\$ 14,150	\$ 9,804	\$ 4,346
Other Purchased Prof. and Tech Services	12,000		12,000	2,100	9,900
Other Purchased Services	1,664		1,664	532	1,132
Other Objects	50,000	\$ (38,267)	11,733	10,556	1,177
Total Instructional Staff Training Services	77,814	(38,267)	39,547	22,992	16,555
General Administration:					
Salaries	348,981	4,606	353,587	353,587	
Legal Services	40,000	39,916	79,916	79,916	
Audit Fees	45,000		45,000	44,830	170
Architectural/Engineering Services	88,736	(66,072)	22,664	21,676	988
Other Purchased Professional Services	13,035	(6,116)	6,919	6,919	
Purchased Technical Services	1,500	(1,500)			
Communications/Telephone	74,552	5,380	79,932	79,932	
BOE Other Purchased Services	2,282	(1,157)	1,125	1,125	
Miscellaneous Purchased Services (400-500)	31,391	13,481	44,872	44,872	
General Supplies	6,668	(1,350)	5,318	5,222	96
Miscellaneous Expenditures	14,326	34,840	49,166	40,172	8,994
BOE Membership Dues and Fees	18,933	18,080	37,013	36,831	182
Total General Administration	685,404	40,106	725,510	715,082	10,428
School Administration:					
Salaries of Principals/Assistant Principals	1,257,854	(77,781)	1,180,073	1,180,073	
Salaries of Other Professional Staff		1,947	1,947	1,947	
Salaries of Secretarial and Clerical Assistants	708,895	(28,262)	680,633	680,633	
Other Purchased Services	2,980	6,414	9,394	9,394	
Supplies and Materials	23,827	(10,309)	13,518	11,542	1,976

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
School Administration: (Cont'd)					
Other Objects	\$ 11,109	\$ 20,784	\$ 31,893	\$ 27,238	\$ 4,655
Total School Administration	<u>2,004,665</u>	<u>(87,207)</u>	<u>1,917,458</u>	<u>1,910,827</u>	<u>6,631</u>
Central Services:					
Salaries	481,079	21,948	503,027	503,027	
Purchased Technical Services	1,622	(286)	1,336		1,336
Purchased Professional Services	41,327	59	41,386	41,247	139
Miscellaneous Purchased Services	12,650	26,472	39,122	37,832	1,290
Supplies and Materials	10,054	(1,455)	8,599	4,386	4,213
Miscellaneous Expenditures	7,710	48,095	55,805	55,186	619
Total Central Services	<u>554,442</u>	<u>94,833</u>	<u>649,275</u>	<u>641,678</u>	<u>7,597</u>
Administrative Information Technology:					
Salaries		2,860	2,860	2,860	
Purchased Professional Services	115,000	17,038	132,038	132,038	
Other Purchased Services	234,739	104,577	339,316	274,995	64,321
Supplies and Materials	24,712	21,765	46,477	46,477	
Total Administrative Information Technology	<u>374,451</u>	<u>146,240</u>	<u>520,691</u>	<u>456,370</u>	<u>64,321</u>
Required Maintenance for School Facilities:					
Salaries	735,116	9,387	744,503	744,503	
Cleaning, Repair and Maintenance Services	843,367	226,987	1,070,354	973,127	97,227
General Supplies	347,294	5,992	353,286	353,286	
Other Objects	9,175	(2,160)	7,015	6,734	281
Total Required Maintenance for School Facilities	<u>1,934,952</u>	<u>240,206</u>	<u>2,175,158</u>	<u>2,077,650</u>	<u>97,508</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Custodial Services:					
Salaries	\$ 1,296,407	\$ (17,576)	\$ 1,278,831	\$ 1,278,831	
Salaries of Non-Instructional Aides	92,533	8,396	100,929	100,929	
Cleaning, Repair and Maintenance Services	119,763	(485)	119,278	109,409	\$ 9,869
Other Purchased Property Services	110,523	(27,664)	82,859	40,725	42,134
Insurance	292,688	(13,191)	279,497	279,497	
General Supplies	122,500	(16,412)	106,088	105,567	521
Energy (Natural Gas)	294,024	29,350	323,374	162,622	160,752
Energy (Electricity)	362,352	38,867	401,219	329,079	72,140
Energy (Gasoline)	20,000	3,364	23,364	23,364	
Other Objects	2,175	127,075	129,250	129,250	
Interest-Energy Savings Bonds	129,250	20,750	150,000	150,000	
Total Custodial Services	2,842,215	152,474	2,994,689	2,709,273	285,416
Care & Upkeep of Grounds:					
Cleaning, Repair and Maintenance Services	197,600	(4,651)	192,949	164,237	28,712
General Supplies	61,227	(578)	60,649	52,260	8,389
Total Care & Upkeep of Grounds	258,827	(5,229)	253,598	216,497	37,101
Student Transportation Services:					
Salaries for Pupil Transportation:					
Salaries of Non-Instructional Aides		75,822	75,822	75,822	
Between Home and School - Regular	64,519	23,543	88,062	87,404	658
Between Home and School - Special Education	337,727	21,064	358,791	358,791	
Other than Between Home and School	77,473	(32,569)	44,904	44,904	
Management Fees - ESC Transportation Programs	34,157	(21,445)	12,712	12,711	1
Other Purchased Prof. and Technical Service	5,154	8,364	13,518	13,517	1
Cleaning, Repair and Maintenance Services	25,000	107,057	132,057	59,605	72,452

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	\$ (5,094)	\$ 6,975	\$ 324	\$ 6,651
Special Education Students - ESCs & CTSA's	617,631	(327,824)	289,807	232,386	57,421
Aid in Lieu of Payments for Nonpublic School Students	109,000		109,000	89,772	19,228
General Supplies	5,152	(459)	4,693	1,078	3,615
Transportation Supplies	28,146	(22,031)	6,115	5,951	164
Fuel Costs Funded by Advertising Revenue		25,040	25,040	11,135	13,905
Total Student Transportation Services	1,316,028	(148,532)	1,167,496	993,400	174,096
Allocated Benefits:					
Regular Programs - Instruction:					
Health Benefits	2,151,367	(1)	2,151,366	2,151,366	
Total Regular Programs - Instruction	2,151,367	(1)	2,151,366	2,151,366	
Special Programs - Instruction:					
Health Benefits	1,015,716	(1)	1,015,715	1,015,715	
Total Special Programs - Instruction	1,015,716	(1)	1,015,715	1,015,715	
Undist. Expend. - Support Serv. - General Administration:					
Health Benefits	101,220	(1)	101,219	101,219	
Total Undist. Expend. - Support Serv. - General Administration	101,220	(1)	101,219	101,219	
Undist. Expend. - Support Serv. - School Administration:					
Health Benefits	218,278	(1)	218,277	218,277	
Total Undist. Expend. - Support Serv. - School Administration	218,278	(1)	218,277	218,277	
Undist. Expend. - Support Serv. - Custodial Services:					
Health Benefits	131,266	(1)	131,265	131,265	
Total Undist. Expend. - Support Serv. - Central Services	131,266	(1)	131,265	131,265	
Undist. Expend. - Support Serv. - Custodial Services:					
Health Benefits	700,000		700,000	700,000	
Total Undist. Expend. - Support Serv. - Custodial Services	700,000		700,000	700,000	
Total Allocated Benefits	4,317,847	(5)	4,317,842	4,317,842	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
EXPENDITURES:					
CURRENT EXPENSE:					
Undistributed Expenditures: (Cont'd)					
Unallocated Benefits:					
Social Security Contributions	\$ 670,000	\$ (33,698)	\$ 636,302	\$ 612,735	\$ 23,567
TPAF/PERS Special Assessments		528	528	528	
Other Retirement Contributions - PERS	696,219	(168,570)	527,649	527,649	
Other Retirement Contributions - Essex County Pension	181,950	(54,234)	127,716	111,298	16,418
Other Retirement Contributions - ERIP	1,183	2,325	3,508	3,508	
Other Retirement Contributions - Regular	30,000	6,751	36,751	34,373	2,378
Workmen's Compensation	303,466	(39,315)	264,151	264,151	
Health Benefits	2,023,288	(6,029)	2,017,259	1,729,589	287,670
Tuition Reimbursement	118,134		118,134	96,759	21,375
Other Employee Benefits	71,293	92,498	163,791	162,207	1,584
Total Unallocated Benefits	4,095,533	(199,744)	3,895,789	3,542,797	352,992
On-Behalf Contributions (Non-budgeted):					
TPAF Post Retirement Contributions (On-Behalf - Non-Budgeted)				1,473,734	(1,473,734)
TPAF On-Behalf Pension Contributions (Non-Budgeted)				3,902,577	(3,902,577)
TPAF Non-Contributory Insurance (On-Behalf - Non-Budgeted)				69,949	(69,949)
TPAF Long-Term Disability Insurance (On-Behalf - Non-Budgeted)				3,172	(3,172)
TPAF Social Security (Reimbursed - Non-Budgeted)				1,482,085	(1,482,085)
Total On-Behalf Contributions (Non-Budgeted)				6,931,517	(6,931,517)
Total Unallocated Benefits	4,095,533	(199,744)	3,895,789	10,474,314	(6,578,525)
Total Personal Services - Employee Benefits	8,413,380	(199,749)	8,213,631	14,792,156	(6,578,525)
Total Undistributed Expenditures	28,552,439	(229,301)	28,323,138	33,800,128	(5,476,990)
TOTAL GENERAL CURRENT EXPENSE	48,330,560	(322,497)	48,008,063	53,276,545	(5,268,482)

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
CAPITAL OUTLAY:					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	\$ 10,212	\$ 2,585	\$ 12,797	\$ 12,797	
Grades 6-8		2,250	2,250	2,250	
Grades 9-12		4,498	4,498	4,498	
School-Sponsored/Athletics		17,360	17,360	17,360	
Undistributed Expenditures:					
Instruction		9,399	9,399		\$ 9,399
Required Maint for School Fac.	77,143	(2,378)	74,765	74,765	
School Buses - Special		281,188	281,188	206,889	74,299
Total Equipment	87,355	314,902	402,257	318,559	83,698
Facilities Acquisition and Construction Services:					
Construction Services	375,600	7,595	383,195	375,234	7,961
Assessment for Debt Service on SDA Funding	5,477		5,477	5,477	
Total Facilities Acquisition and Construction Services	381,077	7,595	388,672	380,711	7,961
TOTAL CAPITAL OUTLAY	468,432	322,497	790,929	699,270	91,659
TOTAL EXPENDITURES	48,798,992		48,798,992	53,975,815	(5,176,823)
Excess/(Deficit) of Revenues Over/(Under) Expenditures	(1,138,157)		(1,138,157)	1,093,587	2,231,744
Other Financing Sources:					
Transfer In - Capital Projects Fund Interest				17,170	17,170
Total Other Financing Sources				17,170	17,170
Excess/(Deficit) of Revenues and Other Financing Sources Over/(Under) Expenditures	(1,138,157)		(1,138,157)	1,110,757	2,248,914
Fund Balance, July 1	6,157,201		6,157,201	6,157,201	
Fund Balance, June 30	\$ 5,019,044	\$ -0-	\$ 5,019,044	\$ 7,267,958	\$ 2,248,914

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Recapitulation:					
Restricted Fund Balance:					
Capital Reserve				\$ 3,678,289	
Maintenance Reserve				1,200,000	
Excess Surplus - 2020-2021				300,000	
Excess Surplus - 2021-2022				594,176	
Assigned Fund Balance:					
Year End Encumbrances				303,295	
Unassigned Fund Balance				1,192,198	
				<u>7,267,958</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not Recognized on GAAP basis				<u>(171,335)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 7,096,623</u>	

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
REVENUES:					
Local Sources		\$ 10,299	\$ 10,299	\$ 32,907	\$ 22,608
State Sources	\$ 175,218	69,668	244,886	152,722	(92,164)
Federal Sources	491,465	590,365	1,081,830	938,937	(142,893)
Total Revenues	666,683	670,332	1,337,015	1,124,566	(212,449)
EXPENDITURES:					
Instruction:					
Salaries of Teachers		184,360	184,360	135,304	49,056
Tuition	491,465	97,019	588,484	588,484	
General Supplies	41,324	205,437	246,761	222,771	23,990
Textbooks	19,880	1,151	21,031	13,230	7,801
Total Instruction	552,669	487,967	1,040,636	959,789	80,847
Support Services:					
Purchased Professional and Technical Services	96,322	178,834	275,156	160,950	114,206
Other Purchased Services	17,692	2,531	20,223	3,827	16,396
Supplies and Materials		1,000	1,000		1,000
Total Support Services	114,014	182,365	296,379	164,777	131,602
Total Expenditures	666,683	670,332	1,337,015	1,124,566	212,449
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, 2020

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	\$ 55,069,402	\$ 1,124,566
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		(138,178)
Prior Year Encumbrances		2,434
Prior Year State Aid Payments Recognized for GAAP Purposes, not Recognized for Budgetary Statements	145,955	
Current Year State Aid Payments Recognized for Budgetary Purposes, not Recognized for GAAP Statements	(171,335)	
Total Revenues as Reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	\$ 55,044,022	\$ 988,822
Uses/Outflows of Resources:		
Actual Amounts (Budgetary Basis) "Total Outflows" from the Budgetary Comparison Schedule	\$ 53,975,815	\$ 1,124,566
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		(138,178)
Prior Year Encumbrances		2,434
Total Expenditures as Reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	\$ 53,975,815	\$ 988,822

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, 2020 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, 2020

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, 2020

	Elementary and Secondary Education Act					CARES Emergency Relief
	I.D.E.A.		Title IIA	Title III Immigrant	Title IV	
REVENUES:	Basic	Preschool	Title I	Title IIA	Title III Immigrant	Title IV
Local Sources						
State Sources						
Federal Sources	\$ 582,288	\$ 19,319	\$ 135,304	\$ 50,779	\$ 2,326	\$ 10,743
Total Revenues	<u>582,288</u>	<u>19,319</u>	<u>135,304</u>	<u>50,779</u>	<u>2,326</u>	<u>10,743</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers			135,304			
Tuition	569,165	19,319				5,000
General Supplies						
Textbooks						
Total Instruction	<u>569,165</u>	<u>19,319</u>	<u>135,304</u>			<u>5,000</u>
Support Services:						
Purchased Professional and Technical Services	13,123			50,779	2,326	5,743
Other Purchased Services						
Total Support Services	<u>13,123</u>			<u>50,779</u>	<u>2,326</u>	<u>5,743</u>
Total Expenditures	<u>\$ 582,288</u>	<u>\$ 19,319</u>	<u>\$ 135,304</u>	<u>\$ 50,779</u>	<u>\$ 2,326</u>	<u>\$ 10,743</u>
						<u>\$ 138,178</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Nonpublic Auxiliary Services			Nonpublic Handicapped Services		
	Compensatory Education	Transportation	Home Instruction	Supplementary Instruction	Examination and Classification	Corrective Speech
REVENUES:						
Local Sources						
State Sources	\$ 5,841	\$ 3,827	\$ 1,758	\$ 13,581	\$ 20,437	\$ 8,659
Federal Sources						
Total Revenues	<u>5,841</u>	<u>3,827</u>	<u>1,758</u>	<u>13,581</u>	<u>20,437</u>	<u>8,659</u>
EXPENDITURES:						
Instruction:						
Salaries of Teachers						
Tuition						
General Supplies						
Textbooks						
Total Instruction						
Support Services:						
Purchased Professional and Technical Services	5,841		1,758	13,581	20,437	8,659
Other Purchased Services		3,827				
Total Support Services	<u>5,841</u>	<u>3,827</u>	<u>1,758</u>	<u>13,581</u>	<u>20,437</u>	<u>8,659</u>
Total Expenditures	<u>\$ 5,841</u>	<u>\$ 3,827</u>	<u>\$ 1,758</u>	<u>\$ 13,581</u>	<u>\$ 20,437</u>	<u>\$ 8,659</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUE AND EXPENDITURES - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Nonpublic			Private	Totals
	Nursing	Textbooks	Technology Initiative		
REVENUES:					
Local Sources					
State Sources	\$ 38,703	\$ 13,230	\$ 9,036	\$ 37,650	\$ 32,907
Federal Sources					152,722
Total Revenues	<u>38,703</u>	<u>13,230</u>	<u>9,036</u>	<u>37,650</u>	<u>938,937</u>
					<u>1,124,566</u>
EXPENDITURES:					
Instruction:					
Salaries of Teachers					135,304
Tuition					588,484
General Supplies			9,036	37,650	222,771
Textbooks		13,230			13,230
Total Instruction		<u>13,230</u>	<u>9,036</u>	<u>37,650</u>	<u>959,789</u>
Support Services:					
Purchased Professional and Technical Services	38,703				160,950
Other Purchased Services					3,827
Total Support Services	<u>38,703</u>				<u>164,777</u>
Total Expenditures	<u>\$ 38,703</u>	<u>\$ 13,230</u>	<u>\$ 9,036</u>	<u>\$ 37,650</u>	<u>\$ 1,124,566</u>

CAPITAL PROJECTS FUND

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, 2020

Revenue:	
Interest on Investments	\$ 17,170
	<hr/>
Total Revenue	17,170
	<hr/>
Expenditures and Other Financing Uses:	
Construction Services	1,415,814
Other Objects	78,204
Transfer to General Fund:	
Interest on Investments	17,170
	<hr/>
Total Expenditures and Other Financing Uses	1,511,188
	<hr/>
Deficit of Revenue Under Expenditures and Other Financing Uses	(1,494,018)
	<hr/>
Fund Balance - Beginning of Year	2,067,660
	<hr/>
Fund Balance - End of Year	\$ 573,642
	<hr/> <hr/>
<u>Recapitulation:</u>	
Restricted Fund Balance	\$ 245,513
Restricted - Year End Encumbrances	211,484
Committed Fund Balance	116,645
	<hr/>
Total Fund Balance - Budgetary Basis	573,642
	<hr/>
<u>Reconciliation to Governmental Funds Statements (GAAP):</u>	
SDA Grant Receivable not Recognized on the GAAP Basis	(29,390)
	<hr/>
Fund Balance per Governmental Funds (GAAP)	\$ 544,252
	<hr/> <hr/>

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, 2020

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

Additional Project Information:

Project Numbers	0660-070-14-1001
Grant Date	02/03/11
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 1,469,488
Additional Authorized Cost	<u>\$ 334,255</u>
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
ENERGY SAVINGS IMPROVEMENT PROGRAM
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	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	64,500
Construction Services	1,194,087	\$ 1,415,814	2,609,901	2,895,102
Other Objects		78,204	78,204	200,000
Total Expenditures	1,208,587	1,494,018	2,702,605	3,159,602
Excess/(Deficit) of Revenue Over/(Under) Expenditures	<u>\$ 1,951,015</u>	<u>\$ (1,494,018)</u>	<u>\$ 456,997</u>	<u>\$ - 0 -</u>

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	86%
Original Target Completion Date	June 2021

PROPRIETARY FUNDS

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF NET POSITION
JUNE 30, 2020

	<u>Non-Major Fund</u>	<u>Major Fund</u>	
	<u>Continuing</u>	<u>Food</u>	
	<u>Education</u>	<u>Service</u>	<u>Totals</u>
<u>ASSETS:</u>			
Current Assets:			
Cash and Cash Equivalents	\$ 464,392	\$ 163,766	\$ 628,158
Intergovernmental Accounts Receivable:			
State		27	27
Federal		1,723	1,723
Inventories		19,294	19,294
Total Current Assets	<u>464,392</u>	<u>184,810</u>	<u>649,202</u>
Non-Current Assets:			
Capital Assets		533,480	533,480
Less: Accumulated Depreciation		<u>(395,341)</u>	<u>(395,341)</u>
Total Non-Current Assets		<u>138,139</u>	<u>138,139</u>
Total Assets	<u>464,392</u>	<u>322,949</u>	<u>787,341</u>
<u>LIABILITIES:</u>			
Current Liabilities:			
Interfund Payable- Student Activities		3,750	3,750
Interfund Payable- General Fund	474	4,857	5,331
Unearned Revenue - Prepaid Sales	4,740	52,545	57,285
Unearned Revenue - Donated Commodities		<u>3,155</u>	<u>3,155</u>
Total Current Liabilities	<u>5,214</u>	<u>64,307</u>	<u>69,521</u>
<u>NET POSITION:</u>			
Investment in Capital Assets		138,139	138,139
Unrestricted	<u>459,178</u>	<u>120,503</u>	<u>579,681</u>
Total Net Position	<u>\$ 459,178</u>	<u>\$ 258,642</u>	<u>\$ 717,820</u>

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, 2020

	<u>Non-Major Fund</u>	<u>Major Fund</u>	
	<u>Continuing</u>	<u>Food</u>	
	<u>Education</u>	<u>Service</u>	<u>Totals</u>
Operating Revenue:			
Daily Sales:			
Reimbursable Programs		\$ 384,819	\$ 384,819
Non-Reimbursable Programs		15,842	15,842
Charges for Services:			
Program Fees	\$ 314,804		314,804
Total Operating Revenue	314,804	400,661	715,465
Operating Expenses:			
Cost of Sales - Reimbursable Programs		90,763	90,763
Cost of Sales - Non-Reimbursable Programs		144,131	144,131
Salaries, Benefits & Payroll Taxes	224,903	155,538	380,441
Purchased Technical Services		32,000	32,000
Other Purchased Services	29,631		29,631
Supplies and Materials	40,160	16,323	56,483
Miscellaneous Expense	1,190	514	1,704
Depreciation Expense		21,902	21,902
Total Operating Expenses	295,884	461,171	757,055
Operating Income/(Loss)	18,920	(60,510)	(41,590)
Non-Operating Revenue:			
Local Sources:			
Interest Earnings		2,449	2,449
State Sources:			
State School Lunch Program		3,124	3,124
COVID-19 - Seamless Summer Option		125	125
Federal Sources:			
National School Lunch Program		69,020	69,020
Food Distribution Program		8,568	8,568
COVID-19 - Seamless Summer Option		7,991	7,991
Total Non-Operating Income		91,277	91,277
Change in Net Position	18,920	30,767	49,687
Net Position - Beginning of Year	440,258	227,875	668,133
Net Position - End of Year	\$ 459,178	\$ 258,642	\$ 717,820

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
ENTERPRISE FUNDS
COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Non-Major Fund</u>	<u>Major Fund</u>	
	<u>Continuing</u>	<u>Food</u>	
	<u>Education</u>	<u>Service</u>	<u>Totals</u>
Cash Flows from Operating Activities:			
Receipts from Customers	\$ 248,114	\$ 375,986	\$ 624,100
Payments to Food Service Contractors		(281,312)	(281,312)
Payments for Salaries, Payroll Taxes and Benefits	(224,903)	(155,538)	(380,441)
Payments to Suppliers	(70,981)		(70,981)
Net Cash (Used for) Operating Activities	(47,770)	(60,864)	(108,634)
Cash Flows from Investment Activities:			
Interest Income		2,449	2,449
Net Cash Provided by Investment Activities		2,449	2,449
Cash Flows from Noncapital Financing Activities:			
State Sources		3,474	3,474
Federal Sources		80,461	80,461
Net Cash Provided by Noncapital Financing Activities		83,935	83,935
Net Increase/(Decrease) in Cash and Cash Equivalents	(47,770)	25,520	(22,250)
Cash and Cash Equivalents, July 1	512,162	138,246	650,408
Cash and Cash Equivalents, June 30	<u>\$ 464,392</u>	<u>\$ 163,766</u>	<u>\$ 628,158</u>
Reconciliation of Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Operating Income/(Loss)	\$ 18,920	\$ (60,510)	\$ (41,590)
Adjustment to Reconcile Operating Income/(Loss) to Net Cash Provided by/(Used for) Operating Activities:			
Depreciation		21,902	21,902
Food Distribution Program		8,568	8,568
Changes in Assets and Liabilities:			
Increase in Interfund Payable - Student Activities		3,750	3,750
(Decrease) in Interfund Payable - General Fund		(47,216)	(47,216)
(Increase) in Inventory		(10,854)	(10,854)
Increase/(Decrease) in Unearned Revenue - Prepaid Sales	(66,690)	22,541	(44,149)
Increase in Unearned Revenue - Donated Commodities		955	955
Net Cash (Used for) Operating Activities	<u>\$ (47,770)</u>	<u>\$ (60,864)</u>	<u>\$ (108,634)</u>

Noncash Investing, Capital and Financing Activities:

The Food Service Enterprise Fund Received U.S.D.A. Donated Commodities through the Food Distribution Program Valued at \$9,523 and Utilized Commodities Valued at \$8,568.

FIDUCIARY FUNDS

CALDWELL-WEST CALDWELL SCHOOL DISTRICT

FIDUCIARY FUNDS

COMBINING STATEMENT OF NET POSITION

JUNE 30, 2020

	Agency		Totals	Unemployment Compensation Trust	Flexible Spending Trust
	Student Activity	Payroll			
<u>ASSETS:</u>					
Cash and Cash Equivalents	\$ 315,618	\$ 18,625	\$ 334,243	\$ 128,818	\$ 36,042
Interfund Receivable - Food Service Fund	3,750		3,750		
Total Assets	319,368	18,625	337,993	128,818	36,042
<u>LIABILITIES:</u>					
Interfund Payable - General Fund		1,412	1,412		9,027
Payroll Deductions and Withholdings Due to Student Groups	319,368	17,213	319,368		
Total Liabilities	319,368	18,625	337,993		9,027
<u>NET POSITION:</u>					
Held in Trust for:					
Unemployment Claims				128,818	
Flexible Spending Claims					27,015
Total Net Position	\$ -0-	\$ -0-	\$ -0-	\$ 128,818	\$ 27,015

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>	<u>Flexible Spending Trust</u>
ADDITIONS:		
Contributions:		
Plan Members	\$ 94,032	\$ 77,370
Total Contributions	<u>94,032</u>	<u>77,370</u>
Investment Earnings:		
Interest	<u>1,246</u>	<u>238</u>
Net Investment Earnings	<u>1,246</u>	<u>238</u>
Total Additions	<u>95,278</u>	<u>77,608</u>
DEDUCTIONS:		
Flexible Spending Claims		72,675
Quarterly Unemployment Contributions	<u>98,939</u>	
Total Deductions	<u>98,939</u>	<u>72,675</u>
Change in Net Position	(3,661)	4,933
Net Position - Beginning of the Year	<u>132,479</u>	<u>22,082</u>
Net Position - End of the Year	<u>\$ 128,818</u>	<u>\$ 27,015</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
PAYROLL AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	<u>Balance</u> <u>July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 16,785	\$ 30,802,199	\$ 30,800,359	\$ 18,625
Total Assets	<u>\$ 16,785</u>	<u>\$ 30,802,199</u>	<u>\$ 30,800,359</u>	<u>\$ 18,625</u>
<u>LIABILITIES:</u>				
Payroll Deductions and Withholdings	\$ 15,373	\$ 30,802,199	\$ 30,800,359	\$ 17,213
Interfund Payable - General Fund	1,412			1,412
Total Liabilities	<u>\$ 16,785</u>	<u>\$ 30,802,199</u>	<u>\$ 30,800,359</u>	<u>\$ 18,625</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
<u>ASSETS:</u>				
Cash and Cash Equivalents	\$ 310,899	\$ 278,334	\$ 273,615	\$ 315,618
Interfund Receivable - Food Service		3,750		3,750
Total Assets	<u>\$ 310,899</u>	<u>\$ 282,084</u>	<u>\$ 273,615</u>	<u>\$ 319,368</u>
 <u>LIABILITIES:</u>				
Due to Student Groups	\$ 310,899	\$ 282,084	\$ 273,615	\$ 319,368
Total Liabilities	<u>\$ 310,899</u>	<u>\$ 282,084</u>	<u>\$ 273,615</u>	<u>\$ 319,368</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
STUDENT ACTIVITY AGENCY FUND
STATEMENT OF ACTIVITY

	Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
Elementary Schools:				
Jefferson	\$ 11,790	\$ 10,716	\$ 7,202	\$ 15,304
Washington	15,442	5,829	3,859	17,412
Wilson	4,005	7,071	7,027	4,049
Lincoln	16,400	7,116	6,998	16,518
Junior High School:				
Grover Cleveland	20,001	57,814	66,783	11,032
Senior High School:				
James Caldwell:				
Activity Account	242,172	163,410	171,086	234,496
Athletic Account	1,089	30,128	10,660	20,557
Total All Schools	<u>\$ 310,899</u>	<u>\$ 282,084</u>	<u>\$ 273,615</u>	<u>\$ 319,368</u>

LONG-TERM DEBT

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding			Interest Rate	Balance July 1, 2019	Retired or Matured	Balance June 30, 2020
			Date	Amount	June 30, 2020				
School Bonds	03/19/15	\$ 18,205,000	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%		\$ 15,510,000	\$ 890,000	\$ 14,620,000
Refunding School Bonds	02/17/16	7,350,000	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%		7,330,000	1,120,000

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF SERIAL BONDS

Purpose	Date of Issue	Original Issue	Maturities of Bonds Outstanding		Interest Rate	Balance July 1, 2019	Retired or Matured	Balance June 30, 2020
			Date	Amount				
Energy Savings Improvement Program	05/16/18	\$ 2,800,000	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	\$ 150,000	\$ 2,650,000	
					\$ 25,640,000	\$ 2,160,000	\$ 23,480,000	

Recapitulation:

Principal paid by General Fund	\$ 150,000
Principal paid by Debt Service Fund	2,010,000
	<u>\$ 2,160,000</u>

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOT APPLICABLE

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
REVENUES:					
Local Sources:					
Local Tax Levy	\$ 1,988,822		\$ 1,988,822	\$ 1,988,822	
State Sources:					
Debt Service Aid Type II	708,603		708,603	708,603	
Total Revenues	2,697,425		2,697,425	2,697,425	
EXPENDITURES:					
Regular Debt Service:					
Interest	687,425		687,425	687,425	
Redemption of Principal	2,010,000		2,010,000	2,010,000	
Total Expenditures	2,697,425		2,697,425	2,697,425	
Excess/(Deficit) of Revenues Over/(Under) Expenditures	-0-		-0-	-0-	
Fund Balance, July 1	4,751		4,751	4,751	
Fund Balance June 30	\$ 4,751	\$ -0-	\$ 4,751	\$ 4,751	\$ -0-
<u>Recapitulation:</u>					
Restricted			\$ 4,751	\$ 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

	<u>Exhibit</u>
Financial Trends These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.	J-1 thru J-5
Revenue Capacity These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.	J-6 thru J-9
Debt Capacity These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.	J-10 thru J-13
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.	J-14 thru J-15
Operating Information These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.	J-16 thru J-20

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

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

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities:										
Net Investment in Capital Assets	\$ 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	\$ 16,989,075
Restricted	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	5,777,216
Unrestricted (Deficit)	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)	(13,453,172)
Total Governmental Activities										
Net Position/(Deficit)	\$ 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	\$ 9,313,119
Business-type Activities:										
Investment in Capital Assets	\$ 16,580	\$ 11,540	\$ 294,393	\$ 269,565	\$ 244,969	\$ 224,898	\$ 203,279	\$ 181,660	\$ 160,041	\$ 138,139
Unrestricted	698,717	683,374	311,513	263,545	244,348	162,169	155,252	308,584	508,092	579,681
Total Business-type Activities										
Net Position	\$ 715,297	\$ 694,914	\$ 605,906	\$ 533,110	\$ 489,317	\$ 387,067	\$ 358,531	\$ 490,244	\$ 668,133	\$ 717,820
District-wide:										
Net Investment in Capital Assets	\$ 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	\$ 17,127,214
Restricted	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	5,777,216
Unrestricted (Deficit)	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)	(12,873,491)
Total District-wide Net Position/(Deficit)	\$ 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	\$ 10,030,939

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT

CHANGES IN NET POSITION

LAST TEN FISCAL YEARS

UNAUDITED

(Accrual Basis of Accounting)

Fiscal Year Ending June 30,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses:										
Governmental Activities:										
Instruction:										
Regular	\$ 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	\$ 23,244,197
Special Education	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	7,178,958
Other Special Education	437,846	444,186	310,318	274,181	307,121	364,984	299,775	322,585	510,573	358,170
Other Instruction	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	1,802,926
Support Services:										
Tuition	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	2,744,912
Student & Instruction Related Services	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	9,194,353
General Administrative Services	652,454	721,574	617,134	707,478	795,701	729,656	790,157	986,508	917,354	998,662
School Administrative Services	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	3,060,943
Central Services	655,997	697,969	571,121	662,830	849,090	811,180	924,068	917,674	955,590	1,026,103
Administrative Information Technology	540,943	476,397	631,273	927,055	742,986	899,185	767,237	659,154	567,083	459,892
Plant Operations and Maintenance	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	5,817,549
Pupil Transportation	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	1,172,549
Capital Outlay					7,263	5,477	5,477			
Interest on Long-Term Debt	611,528	584,922	558,316	519,300	591,939	1,044,412	839,110	773,146	706,507	652,360
Unallocated Depreciation				176,037	176,037	529,643	658,129	639,551	626,171	665,403
Total Governmental Activities Expenses	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	58,376,977
Business-type Activities:										
Food Service	526,328	460,560	531,833	524,044	548,047	585,313	565,350	568,300	620,322	461,171
Continuing Education	207,418	199,188	196,336	193,360	204,636	213,195	237,065	576,719	714,692	295,884
Total Business-type Activities Expense	733,746	659,748	728,169	717,404	752,683	798,508	802,415	1,145,019	1,335,014	757,055
Total District-wide Expenses	\$ 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	\$ 59,134,032
Program Revenues:										
Governmental Activities:										
Charges for Services:										
Regular Instruction				\$ 26,828	\$ 30,114	\$ 57,149	\$ 64,067	\$ 78,049	\$ 28,223	\$ 14,680
Pupil Transportation				1,773	6,148	4,685	8,324	10,535	17,570	55,688
Operating Grants and Contributions	\$ 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	13,219,406
Capital Grants and Contributions				12,544	112,896	558,405				
Total Governmental Activities Program Revenues	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	13,289,774
Business-type Activities:										
Charges for Services:										
Food Service	508,566	434,942	439,049	368,329	381,778	427,144	458,677	495,940	569,952	400,661
Continuing Education	233,207	203,897	199,306	228,037	255,585	189,006	224,039	684,662	840,174	314,804
Operating Grants and Contributions				48,462	71,518	79,961	90,920	95,238	99,910	88,828
Total Business-type Activities Program Revenues	741,773	638,839	638,355	644,828	708,881	696,111	773,636	1,275,840	1,510,036	804,293
Total District-wide Program Revenues	\$ 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	\$ 14,094,067

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

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue:										
Governmental Activities	\$ (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)	\$ (45,087,203)
Business-type Activities	8,027	(20,909)	(89,814)	(72,576)	(43,802)	(102,397)	(28,779)	130,821	175,022	47,238
Total District-wide Net Expense	\$ (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)	\$ (45,039,965)
General Revenues and Other Changes in Net Position:										
Governmental Activities:										
Property Taxes Levied for General Purposes, Net	\$ 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	\$ 45,232,743
Taxes Levied for Debt Service	871,348	852,738	838,642	846,504	950,124	1,365,293	1,942,691	1,864,180	1,978,677	1,988,822
Unrestricted Grants and Contributions	1,290,795	1,527,089	1,720,159	401,759	496,927	489,147	986,802	714,671	937,385	940,252
Investment Earnings	4,740	1,253	1,524	3,580	23,164	72,548	53,662	69,719	171,240	88,144
Miscellaneous Income	215,989	228,282	250,722	205,658	209,334	300,830	302,308	703,229	285,058	278,162
Special Item			(18,534)							
Insurance Recovery Related to Flood Damages				807,788						
Transfers				6,871						
Total Governmental Activities	\$ 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	\$ 48,528,123
Business-type Activities:										
Investment Earnings	1,267	526	41	13	9	147	243	892	2,867	2,449
Miscellaneous Income			29,583							
Special Item			(31,267)	(233)						
Total Business-type Activities	\$ 1,267	\$ 526	\$ (1,643)	\$ (220)	\$ 9	\$ 147	\$ 243	\$ 892	\$ 2,867	\$ 2,449
Total District-wide General Revenues and Other Changes in Net Position	\$ 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	\$ 48,530,572
Change in Net Position:										
Governmental Activities	\$ 1,834,190	\$ 1,069,269	\$ 731,948	\$ 798,330	\$ 980,392	\$ 1,482,137	\$ 1,400,068	\$ 2,657,757	\$ 3,040,237	\$ 3,440,920
Business-type Activities	9,294	(20,383)	(91,457)	(72,796)	(43,793)	(102,250)	(28,536)	131,713	177,889	49,687
Total District-wide Change in Net Position	\$ 1,843,484	\$ 1,048,886	\$ 640,491	\$ 725,534	\$ 936,599	\$ 1,379,887	\$ 1,371,532	\$ 2,789,470	\$ 3,218,126	\$ 3,490,607

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund:										
Restricted	\$ 2,083,084	\$ 2,659,225	\$ 3,094,436	\$ 2,028,115	\$ 1,257,970	\$ 1,789,051	\$ 2,425,831	\$ 3,447,943	\$ 3,959,963	\$ 5,772,465
Assigned				928,240	356,154	248,298	380,619	533,300	822,252	303,295
Unassigned	1,221,780	571,730	532,455	815,154	871,190	1,028,064	884,718	1,064,197	1,229,031	1,020,863
Total General Fund	\$ 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	\$ 7,096,623
All Other Governmental Funds:										
Restricted	\$ 2,073,718	\$ 1,049,050	\$ 85,622	\$ 71,907	\$ 17,811,339	\$ 9,009,824	\$ 4,713,173	\$ 4,533,079	\$ 1,955,766	\$ 461,748
Committed			58,708	174,968	903,348	87,255	87,255	87,255	87,255	87,255
Unassigned, Reported in: Capital Projects Fund	725,636	14,876								
Total All Other Governmental Funds	\$ 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	\$ 549,003
Total Governmental Funds	\$ 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	\$ 7,645,626

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues:										
Tax Levy	\$ 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	\$ 47,221,565
Tuition from Other LEA's				26,828	4,592	28,677	39,547	78,049	28,223	14,680
Tuition from Individuals	1,424	1,161	1,424	1,773	25,522	28,472	24,520			
Transportation Fees				6,148	6,148	4,685	8,324			
Rents and Royalties				76,785	76,785	85,961	132,486	10,535	17,570	55,688
Interest Earned on Capital Reserve Funds	101	92	101	2,329	3,214	449	609	5,069	40,001	34,531
Miscellaneous	250,722	228,282	250,722	318,689	201,891	482,790	289,553	642,132	285,157	273,036
State Sources	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	10,246,597
Federal Sources	754,884	677,131	590,289	960,664	797,730	1,105,895	1,048,071	970,584	837,989	807,262
Total Revenue	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	58,747,439
Expenditures:										
Instruction:										
Regular Instruction	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	14,446,896
Special Education Instruction	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	4,335,680
Other Special Instruction	215,809	311,496	215,809	192,571	186,693	229,197	170,664	187,413	322,504	242,887
School-Sponsored/Other Instruction	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	1,288,122
Support Services:										
Tuition	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	2,744,912
Student & Other Instruction Related Services	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	6,693,937
General Administrative Services	1,782,847	631,702	543,184	511,712	524,083	530,010	557,575	624,685	613,466	715,082
School Administrative Services	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	1,910,827
Central Services	535,677	564,932	465,764	466,973	542,591	492,065	533,077	505,594	534,633	641,678
Administrative Information Technology	513,258	562,857	602,217	832,683	629,266	833,117	697,518	623,303	547,364	456,370
Plant Operations and Maintenance	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	5,003,420
Student Transportation	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	993,400
Allocated Benefits						2,940,097	3,243,710	3,697,787	3,222,305	4,317,842
Unallocated Benefits	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	10,474,314
Capital Outlay	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	2,193,288
Debt Service:										
Principal	645,000	645,000	645,000	680,000	860,000	860,000	1,940,000	1,785,000	1,985,000	2,010,000
Interest and Other Charges	611,528	584,922	558,315	530,988	499,225	975,624	888,178	814,431	750,972	687,425
Total Expenditures	42,582,170	45,085,443	44,629,042	45,417,529	48,122,028	50,319,666	56,379,173	56,489,832	59,233,614	59,156,080

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,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Excess/(Deficit) of Revenues Over/(Under) Expenditures	\$ (70,290)	\$ (1,809,337)	\$ (577,032)	\$ (567,496)	\$ (1,263,383)	\$ (9,037,509)	\$ (3,670,896)	\$ (1,625,822)	\$ (1,611,507)	\$ (408,641)
Other Financing Sources/(Uses):										
School Refunding Bonds Issued					18,205,000	7,350,000		2,800,000		
Serial Bonds Issued										
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-	(18,534)	814,659	18,445,000	-0-	-0-	2,800,000	-0-	-0-
Net Change in Fund Balances	\$ (70,290)	\$ (1,809,337)	\$ (595,566)	\$ 247,163	\$ 17,181,617	\$ (9,037,509)	\$ (3,670,896)	\$ 1,174,178	\$ (1,611,507)	\$ (408,641)
Debt Service as a % of Noncapital Expenditures	3.04%	2.89%	2.76%	2.70%	2.92%	3.75%	5.48%	4.92%	4.89%	4.74%

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'		Total
								Orders	Miscellaneous	
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
2020	70,974		14,680	13,546	55,688	94,080	14,320		156,216	419,504

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												
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-	126,859,200	-0-	90,397,700	1,025,011,900	3,164,000	1,028,175,900	263,220,900	1.38	1,160,886,094
2019	2,752,900	809,920,200	-0-	126,330,800	-0-	90,397,700	1,029,401,600	3,239,700	1,032,641,300	262,576,000	1.44	1,161,725,651
Township of West Caldwell												
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	332,768,500	24,265,600	2,257,406,400	1,318,900	2,258,725,300	134,389,400	1.37	2,506,672,943
2019	12,959,500	1,561,600,400	79,200	333,000,600	330,399,000	24,265,600	2,262,304,300	1,327,100	2,263,631,400	135,900,500	1.42	2,537,089,119

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)

Year Ended December 31,	Caldwell-West Caldwell School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	Total Direct	Borough of Caldwell	Essex County	
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
2019	1.38	0.06	1.44	0.81	0.55	2.79

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

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

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

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

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

Year Ended December 31,	Caldwell-West Caldwell School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	Debt Service ^b	Total Direct	Township of West Caldwell	Essex County	
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
2019	1.36	0.06	1.42	0.62	0.54	2.58

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

<u>Taxpayer</u>	<u>2019</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
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	<u>\$ 69,734,300</u>		<u>6.75%</u>

<u>Taxpayer</u>	<u>2010</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Westover Associates	\$ 11,173,615	1	1.08%
Carlyle Towers, A Partnership	8,717,285	2	0.84%
Panyork Group, Inc.	7,997,189	3	0.77%
Caldwell Plaza, Inc	6,594,014	4	0.64%
Hillside Realty	6,497,629	5	0.63%
NJ Bell Atlantic	5,511,233	6	0.53%
S&S 550 Bloomfield Avenue, LLC.	4,988,889	7	0.48%
Parkview Common Apartments	4,131,997	8	0.40%
Sidebrook Associates	3,601,479	9	0.35%
Rumsey Park Assoc.	3,555,082	10	0.34%
			<u>6.06%</u>

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

<u>Taxpayer</u>	<u>2019</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
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%

<u>Taxpayer</u>	<u>2010</u>		
	<u>Taxable Assessed Value</u>	<u>Rank</u>	<u>% of Total District Net Assessed Value</u>
Lutheran Social Ministries, Inc.	\$ 81,000,000	1	7.11%
GR/SS Caldwell	38,433,800	2	3.37%
LTS Lohmann Therapy Sessions	32,498,600	3	2.85%
Toyota Motor Sales	32,033,900	4	2.81%
West Caldwell Plaza	22,911,600	5	2.01%
CMI Essex Property	20,420,000	6	1.04%
Mountain Ridge Country Club	19,642,900	7	1.72%
Leknarf Associates LLC	17,767,000	8	1.56%
Henderson Drive LLC	16,943,500	9	1.49%
Eagle Rock Convalescent	14,200,000	10	1.42%
Total	\$ 295,851,300		25.98%

Source: Township of West Caldwell Tax Assessor.

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

<u>Fiscal Year</u> <u>Ended June 30,</u>	<u>Taxes Levied</u> <u>for the</u> <u>Fiscal Year</u>	<u>Collected within the</u> <u>Fiscal Year of the Levy</u> ^a		<u>Collections in</u> <u>Subsequent</u> <u>Years</u>
		<u>Amount</u>	<u>Percentage</u> <u>of Levy</u>	
<u>Borough of Caldwell</u>				
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-
2020	14,831,396	14,831,396	100.00%	-0-
<u>Township of West Caldwell</u>				
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-
2020	32,390,169	32,390,169	100.00%	-0-

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

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

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

Fiscal Year Ended June 30,	Governmental Activities				Business-Type Activities		Total District	Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Obligations Under Capital Leases	Capital Leases		Capital Leases				
2011	\$ 14,120,000	\$ 238,632	\$ -0-	\$ -0-	\$ 14,358,632	1.42%	\$ 770		
2012	13,475,000	122,204	-0-	-0-	13,597,204	1.33%	730		
2013	12,830,000	317,096	-0-	-0-	13,147,096	1.26%	706		
2014	12,150,000	225,115	-0-	-0-	12,375,115	1.13%	661		
2015	29,495,000	325,888	-0-	-0-	29,820,888	2.61%	1,585		
2016	28,550,000	185,890	-0-	-0-	28,735,890	2.45%	1,525		
2017	26,610,000	-0-	-0-	-0-	26,610,000	2.20%	1,413		
2018	27,625,000	-0-	-0-	-0-	27,625,000	2.18%	1,469		
2019	25,640,000	-0-	-0-	-0-	25,640,000	2.02%	1,365		
2020	23,480,000	-0-	-0-	-0-	23,480,000	1.85%	1,250		

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.

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding			Percentage of Net Valuation Taxable ^a	Per Capita ^b
	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding		
2011	\$ 14,120,000	\$ -0-	\$ 14,120,000	0.65%	\$ 757
2012	13,475,000	-0-	13,475,000	0.41%	724
2013	12,830,000	-0-	12,830,000	0.39%	689
2014	12,150,000	-0-	12,150,000	0.37%	649
2015	29,495,000	-0-	29,495,000	0.91%	1,568
2016	28,550,000	-0-	28,550,000	0.88%	1,515
2017	26,610,000	-0-	26,610,000	0.82%	1,413
2018	27,625,000	-0-	27,625,000	0.84%	1,469
2019	25,640,000	-0-	25,640,000	0.78%	1,365
2020	23,480,000	-0-	23,480,000	0.71%	1,250

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, 2019
UNAUDITED

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable^a</u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid With Property Taxes:			
Borough of Caldwell	\$ 10,919,843	100.000%	\$ 10,919,843
Township of West Caldwell	28,226,509	100.000%	28,226,509
Essex County General Obligation Debt:			
Borough of Caldwell Share	529,141,378	1.254%	6,635,132
Township of West Caldwell Share	529,141,378	2.738%	14,490,445
Subtotal, Overlapping Debt			60,271,929
Caldwell-West Caldwell School District Direct Debt			24,370,000
Total Direct and Overlapping Debt			<u>\$ 84,641,929</u>

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

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

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

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

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 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	\$ 146,059,333
Total Net Debt Applicable to Limit	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	23,480,000
Legal Debt Margin	\$ 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	\$ 122,579,333
Total Net Debt Applicable to the Limit As a Percentage of Debt Limit	9.98%	9.77%	9.36%	9.10%	22.54%	21.72%	19.78%	19.71%	17.84%	16.08%

Legal Debt Margin Calculation for Fiscal Year 2020

	Borough of Caldwell	Township of West Caldwell	Total
Equalized valuation basis:			
2019	\$ 1,148,885,714	\$ 2,496,198,058	\$ 3,645,083,772
2018	1,148,472,717	2,519,708,003	3,668,180,720
2017	1,157,129,794	2,484,055,703	3,641,185,497
			<u>10,954,449,989</u>
Average Equalized Valuation of Taxable Property			<u>\$ 3,651,483,330</u>
Debt Limit (4% of average equalization value) ^a			\$ 146,059,333
Net Bonded School Debt			<u>23,480,000</u>
Legal Debt Margin			<u>\$ 122,579,333</u>

^a Limit set by NJSIA 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
2011	7,929	\$ 54,225	\$ 429,950,025	4.90%
2012	7,913	55,049	435,602,737	5.10%
2013	7,917	55,797	441,744,849	6.50%
2014	7,927	58,470	463,491,690	5.40%
2015	7,952	60,836	483,767,872	5.10%
2016	7,976	62,253	496,529,928	4.50%
2017	7,973	64,232	512,121,736	3.80%
2018	7,952	67,459	536,433,968	3.40%
2019	7,941	67,459 *	535,691,919	3.60%
2020	7,941 **	67,459 *	535,691,919 ***	N/A

* - Latest Essex County per capita personal income available (2018) was used for calculation purposes.

** - Latest population data available (2019) was used for calculation purposes.

*** - Latest available population data (2019) and latest available Essex County per capita personal income (2018) 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
2011	10,728	\$ 54,225	\$ 581,725,800	7.00%
2012	10,706	55,049	589,354,594	7.20%
2013	10,717	55,797	597,976,449	4.00%
2014	10,797	58,470	631,300,590	5.10%
2015	10,861	60,836	660,739,796	4.10%
2016	10,872	62,253	676,814,616	4.00%
2017	10,863	64,232	697,752,216	3.80%
2018	10,853	67,459	732,132,527	3.20%
2019	10,837	67,459 *	731,053,183	4.40%
2020	10,837 **	67,459 *	731,053,183 ***	N/A

* - Latest Essex County per capita personal income available (2018) was used for calculation purposes.

** - Latest population data available (2019) was used for calculation purposes.

*** - Latest available population data (2019) and latest available Essex County per capita personal income (2018) 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
PRINCIPAL EMPLOYERS - COUNTY OF ESSEX
CURRENT YEAR AND NINE YEARS AGO
UNAUDITED

Employer	2019		
	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%
	<u>120,032</u>		<u>32.40%</u>
Total Employment	<u>370,503</u>		
Employer	2010		
	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%
	<u>108,049</u>		<u>29.16%</u>
Total Employment	<u>329,123</u>		

Source: Essex County Economic Development Corporation

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Instruction:										
Regular	161	161	164	160	165	165	159	164	164	166
Special Education	44	46	46	47	45	45	50	55	57	59
Other Special Education	10	11	8	8	7					
Support Services:										
Student & Instruction Related Services	55	50	54	55	42	41	41	41	41	42
School Administration	23	22	24	24	23	22	22	21	22	22
General Administration	9	10	5	5	4	4	5	5	5	6
Central Services	6	6	6	6	6	7	6	7	7	7
Plant Operations and Maintenance	37	40	36	37	36	35	32	35	34	33
Pupil Transportation	3	4	4	2	2	2	2	5	7	8
Total	348	350	347	344	330	321	317	333	337	343

Source: Caldwell-West Caldwell School District Personnel Records.

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

Fiscal Year End June 30,	Enrollment	Operating Expenditures ^a	Cost Per Pupil ^b	Percentage Change	Teaching Staff ^c	Pupil/Teacher Ratio				Average Daily Enrollment (ADE) ^d	Average Daily Attendance (ADA) ^d	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary School	Middle School	High School					
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%	
2020	2,687	54,265,367	20,196	-0.38%	242	1:10	1:11	1:12	2,687	2,605	2.32%	96.95%	

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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
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	295	309	307	320	326	294	294	273	273	276
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	234	237	256	252	246	237	237	246	251	257
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	367	362	372	354	346	360	360	367	354	397
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	251	255	245	248	298	288	288	250	240	257
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	634	645	647	637	626	633	633	628	638	642
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	791	757	781	792	801	795	795	806	811	823

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

District Building	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Harrison School Building	35,759	35,759	35,759	35,759	35,759	35,759	35,759	35,759	35,759	35,759
Square Feet	20	21	23	34	42	42	42	50	50	50
Enrollment - PSD	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250	4,250
Maintenance Shop	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100	2,100
Square Feet										
Field House										
Square Feet										

Number of Schools at June 30, 2020

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

Source: Caldwell-West Caldwell School District Personnel Records.

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

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

Fiscal Year Ended June 30,	Jefferson	Lincoln	Washington	Wilson	Harrison	Grover	James	Total
	Elementary School	Elementary School	Elementary School	Elementary School	School Building	Cleveland Middle School	Caldwell High School	
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
2020	135,341	217,239	178,449	284,224	225,809	478,929	557,659	2,077,650

* 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, 2020
UNAUDITED

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

Source: Caldwell-West Caldwell School District records.

SINGLE AUDIT SECTION



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

Independent Auditors' Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey (the "Department"), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Caldwell-West Caldwell School District, in the County of Essex (the "District") as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 16, 2020.

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) as a basis for designing 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

December 16, 2020
Mount Arlington, New Jersey

Nisivoccia, LLP

NISIVOCCIA, LLP

Kathryn L. Mantell

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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, 2020. 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, 2020.

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.

December 16, 2020
Mount Arlington, New Jersey

Nisivoccia, LLP

NISIVOCCIA, LLP

Kathryn L. Mantell

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass Through Grantor/ Program/Cluster Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019		Carryover/ (Walkover) Amount	Cash Received	Budgetary Expenditures	Balance at June 30, 2020		
					Budgetary Accounts Receivable	Budgetary Unearned Revenue				Budgetary Accounts Receivable	Budgetary Unearned Revenue	
<u>U.S. Department of Health and Human Services:</u>												
<u>General Fund:</u>												
Medical Cluster:												
Medical Assistance Program	93-778	N/A	7/1/19-6/30/20	\$ 6,503			\$ 6,503	\$ (6,503)				
Total General Fund/Medicaid Cluster				\$ 6,503			\$ 6,503	\$ (6,503)				
<u>U.S. Department of Education:</u>												
Passed-through State Department of Education:												
Special Revenue Fund:												
Special Education Cluster:												
I.D.E.A. Part B, Basic	84-027	IDEA066020	7/1/19-9/30/20	612,805		\$ 1,966	579,317	(582,288)	\$ (1,005)			
I.D.E.A. Part B, Basic	84-027	IDEA066019	7/1/18-9/30/19	600,182								
I.D.E.A. Preschool	84-173	IDEA066020	7/1/19-9/30/20	19,713			19,319	(19,319)				
I.D.E.A. Preschool	84-173	IDEA066019	7/1/18-9/30/19	19,406			19,307	(601,607)				
Total Special Education Cluster				\$ (19,307)	\$ (19,307)	1,966	617,943	(601,607)	(1,005)			
Elementary and Secondary Education Act:												
Title I	84-010	ESEA066020	7/1/19-9/30/20	224,138			102,617	(135,304)				
Title I	84-010	ESEA066019	7/1/18-9/30/19	201,315		2,973		(2,973)				
Total Title I						2,973	102,617	(135,304)	(29,714)			
Title II	84-367A	ESEA066020	7/1/19-9/30/20	53,672			45,943	(50,779)	(4,836)			
Title II	84-367A	ESEA066019	7/1/18-9/30/19	50,735			22,256					
Total Title II							68,199	(50,779)	(4,836)			
Title III Immigrant	84-365A	ESEA066020	7/1/19-9/30/20	2,326								
Total Title III Immigrant												
Title IV	84-424	ESEA066020	7/1/19-9/30/20	12,557			10,743					
Title IV	84-424	ESEA066019	7/1/18-9/30/19	12,283			11,617					
Total Title IV							22,360	(10,743)				
Fund for the Improvement of Education	84-215E	N/A	5/1/15-4/30/19	606,306			9,668					
COVID 19 - CARES Emergency Relief	84-425D	CARES066020	3/13/20-9/30/22	153,135				(138,178)				
Total Special Revenue Fund						4,939	820,787	(938,937)	(176,059)			
Total U.S. Department of Education						4,939	820,787	(938,937)	(176,059)			
<u>U.S. Department of Agriculture:</u>												
Passed-through State Department of Agriculture:												
Child Nutrition Cluster:												
Food Distribution Program	10-555	N/A	7/1/19-6/30/20	9,523			9,523	(6,368)		\$ 3,155		
Food Distribution Program	10-555	N/A	7/1/18-6/30/19	14,465		2,200		(2,200)				
National School Lunch Program	10-555	N/A	7/1/19-6/30/20	69,020			69,020	(69,020)				
National School Lunch Program	10-555	N/A	7/1/18-6/30/19	80,629			5,173					
COVID 19 - Seamless Summer Option	10-555	N/A	3/18/20-6/30/20	7,991			6,268	(7,991)	(1,723)			
Total Child Nutrition Cluster						2,200	89,984	(85,579)	(1,723)	3,155		
Total Federal Awards				\$ (68,021)	\$ (68,021)	7,139	917,274	(1,031,019)	(177,782)	\$ 3,155	\$ -0-	

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

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Project Number	Grant Period	Award Amount	Balance at June 30, 2019			Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO	
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor				GAAP Accounts Receivable	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
<u>State Department of Education:</u>													
General Fund State Aid:													
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 1,257,414			\$ 1,139,456	\$ (1,257,414)		\$ (117,958)	\$	\$ 1,257,414		
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	226,292			205,064	(226,292)		(21,228)		226,292		
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	342,698			310,549	(342,698)		(32,149)		342,698		
Extraordinary Special Education Costs Aid	20-495-034-5120-044	7/1/19-6/30/20	652,731				(652,731)		(652,731)		652,731		
Reimbursed TPAF Social Security Contributions	20-495-034-5094-003	7/1/19-6/30/20	1,482,085			1,409,359	(1,482,085)		(72,726)		1,482,085		
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20	1,473,734			1,473,734	(1,473,734)				1,473,734		
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20	3,902,577			3,902,577	(3,902,577)				3,902,577		
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	69,949			69,949	(69,949)				69,949		
On-Behalf TPAF Long-Term Disability Insurance Contributions	20-495-034-5094-004	7/1/19-6/30/20	3,172			3,172	(3,172)				3,172		
Special Education Aid	19-495-034-5120-089	7/1/18-6/30/19	1,075,651	\$ (95,460)		95,460					1,075,651		
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	226,292	(20,082)		20,082					226,292		
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	342,698	(30,413)		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		
Excess Nonpublic Transportation Costs	19-495-034-5120-014	7/1/18-6/30/19	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	(68,782)		68,782					1,416,211		
Subtotal - General Fund				(1,068,534)		9,582,394	(9,410,652)		(896,792)	(725,457)	13,325,301		
Special Revenue Fund Aid:													
Nonpublic Auxiliary Services:													
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	21,902			19,712	(5,841)			\$ 16,061	5,841	(2,190)	
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	20,051					\$ (8,837)			11,214	(2,022)	
Transportation	20-100-034-5120-068	7/1/19-6/30/20	20,223			18,201	(3,827)			16,396	3,827	(2,022)	
Transportation	19-100-034-5120-068	7/1/18-6/30/19	20,476					(779)			19,697	(1,758)	
Home Instruction	20-100-034-5120-067	7/1/19-6/30/20	1,758				(1,758)				1,758		
Nonpublic Handicapped Services:													
Supplementary Instruction	20-100-034-5120-066	7/1/19-6/30/20	26,713			24,305	(13,581)			13,132	13,581	(2,408)	
Supplementary Instruction	19-100-034-5120-066	7/1/18-6/30/19	27,437					(13,242)			14,195	(2,408)	
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	8,659			6,251	(8,659)				8,659	(2,408)	
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	11,339					(3,942)			7,397		
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	33,441			31,034	(20,437)			13,004	20,437	(2,407)	
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	34,397					(10,193)			24,204		

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2019			Due to Grantor	Cash Received	Budgetary Expenditures	Repayment of Prior Years' Balances	Balance at June 30, 2020		MEMO
				Budgetary Accounts Receivable	Budgetary Unearned Revenue	Due to Grantor					GAAP Accounts Receivable	Due to Grantor	
Special Revenue Fund Aid:													
N.J. Nonpublic Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	\$ 21,031				\$ 21,031	\$ (13,230)			\$ 7,801	\$	13,230
N.J. Nonpublic Textbook Aid	19-100-034-5120-064	7/1/18-6/30/19	23,389			\$ 314			\$ (314)				23,075
N.J. Nonpublic Nursing Aid	20-100-034-5120-070	7/1/19-6/30/20	38,703				38,703	(38,703)					38,703
N.J. Nonpublic Technology Initiative	20-100-034-5120-373	7/1/19-6/30/20	14,364				14,364	(9,036)			5,328		9,036
N.J. Nonpublic Technology Initiative	19-100-034-5120-373	7/1/18-6/30/19	15,768			178			(178)				15,590
N.J. Nonpublic Security Aid	20-100-034-5120-509	7/1/19-6/30/20	59,850				59,850	(37,650)			22,200		37,650
N.J. Nonpublic Security Aid	19-100-034-5120-509	7/1/18-6/30/19	65,700			677			(677)				65,023
Subtotal - Special Revenue Fund							233,451	(152,722)	(38,162)	\$ (13,193)	93,922	\$ (13,193)	333,117
Debt Service Fund Aid:													
Debt Service Aid - State Support	20-100-034-5120-125	7/1/19-6/30/20	708,603				708,603	(708,603)					708,603
Subtotal - Debt Service Fund							708,603	(708,603)					708,603
State Department of Education:													
Food Service Fund:													
State School Lunch Program	20-100-010-3350-023	7/1/19-6/30/20	3,124				3,124	(3,124)					3,124
State School Lunch Program	19-100-010-3350-023	7/1/18-6/30/19	3,906	\$ (252)			252						3,906
COVID-19 Seamless Summer Option	20-100-010-3350-023	3/18/20-6/30/20	125				98	(125)				(27)	125
Subtotal - Food Service Fund				(252)			3,474	(3,249)			(27)	(27)	7,155
Total State Department of Education				(1,068,786)			10,527,922	(10,275,226)	(38,162)	(738,677)	93,922	(910,012)	14,374,176
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)	587,795
Total NJ Schools Development Authority				(587,795)								(587,795)	587,795
Total State Awards				\$ (1,656,581)	\$ -0-	\$ 38,162	\$ 10,527,922	\$ (10,275,226)	\$ (38,162)	\$ (1,297,082)	\$ 93,922	\$ (1,497,807)	\$ 14,932,581
Less: State Awards Not Subject to Single Audit Major Program Determination													
On-Behalf TPAF Pension System Contributions:													
On-Behalf TPAF Post Retirement Contributions	20-495-034-5094-001	7/1/19-6/30/20						1,473,734					1,473,734
On-Behalf TPAF Pension Contributions	20-495-034-5094-002	7/1/19-6/30/20						3,902,577					3,902,577
On-Behalf TPAF Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20						69,949					69,949
On-Behalf TPAF Long-Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20						3,172					3,172
Subtotal - On-Behalf TPAF Pension System Contributions								5,449,432					5,449,432
Total State Awards Subject to Single Audit Major Program Determination													\$ (4,825,794)

N/A - Not Applicable/Available

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

NOTE 1. BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal and state awards includes the federal and state grant activity of the Caldwell-West Caldwell School District under programs of the federal and state governments for the fiscal year ended June 30, 2020. 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 (\$25,380) for the General Fund and (\$135,744) for the Special Revenue Fund (of which (\$2,434) 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.

CALDWELL-WEST CALDWELL SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF FEDERAL AND STATE AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

(Continued)

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

Revenue from federal and state awards is reported in the Board's basic financial statements on the GAAP basis as presented below:

	Federal	State	Total
General Fund	\$ 6,503	\$ 9,385,272	\$ 9,391,775
Special Revenue Fund	800,759	152,722	953,481
Debt Service Fund		708,603	708,603
Food Service Fund	85,579	3,249	88,828
Total Awards	\$ 892,841	\$ 10,249,846	\$ 11,142,687

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, 2020.

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, 2020

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:

	<u>C.F.D.A.#/ State Grant Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Budgetary Expenditures</u>
<u>Federal:</u>				
Special Education Cluster:				
I.D.E.A. Part B, Basic	84.027	7/1/19-9/30/20	\$ 612,805	\$ 582,288
I.D.E.A. Preschool	84.173	7/1/19-9/30/20	19,713	19,319
<u>State:</u>				
Special Education Aid	20-495-034-5120-089	7/1/19-6/30/20	1,257,414	1,257,414
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	226,292	226,292

- 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, 2020
(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, 2020

Status of Prior Year Findings:

The District had no prior year audit findings.