



CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED
JUNE 30, 2020**

Cranford Public School District

Cranford, New Jersey

Comprehensive Annual Financial Report
For the Year Ended June 30, 2020

Prepared by
Business Office

**CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2020**

TABLE OF CONTENTS

	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	1
Organizational Chart	5
Roster of Officials	6
Consultants and Advisors	7
FINANCIAL SECTION	
Independent Auditors' Report	8
Required Supplementary Information – Part I	
Management's Discussion and Analysis	11
Basic Financial Statements	
A. Government-wide Financial Statements	
A- 1 Statement of Net Position	22
A- 2 Statement of Activities	23
B. Fund Financial Statements	
Governmental Funds:	
B- 1 Balance Sheet	24
B- 2 Statement of Revenues, Expenditures, and Changes in Fund Balances	25
B- 3 Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds	26
Proprietary Funds:	
B- 4 Statement of Net Position	27
B- 5 Statement of Revenues, Expenses, and Changes in Net Position	28
B- 6 Statement of Cash Flows	29

**CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2020**

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
Fiduciary Funds:	
B- 7 Statement of Fiduciary Net Position	30
B- 8 Statement of Changes in Fiduciary Net Position	31
Notes to the Basic Financial Statements	32
Required Supplementary Information – Part II	
L Schedules Related to Accounting and Reporting for Pensions (GASB 68)	
L- 1 Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees’ Retirement System (PERS)	68
L- 2 Schedule of District Contributions – Public Employees’ Retirement System (PERS)	69
L- 3 Schedule of the State’s Proportionate Share of the Net Pension Liability Associated with the District – Teacher’s Pension and Annuity Fund (TPAF)	70
Notes to Required Supplementary Pension Information	71
M Schedule Related to Accounting and Reporting for OPEB (GASB 75)	
M- 1 Schedule of the State’s Proportionate Share of the OPEB Liability Associated With the District State Health Local Education Retired Employees Plan	72
Notes to Required Supplementary OPEB Information	73
Required Supplementary Information – Part III	
C- 1 Budgetary Comparison Schedule - General Fund – Budgetary Basis	74
C- 1a Combining Budgetary Comparison Schedule – General Fund – Budgetary Basis	N/A
C- 1b Education Jobs Fund Program Budgetary Comparison Schedule – Budgetary Basis	N/A
C- 2 Budgetary Comparison Schedule - Special Revenue Fund – Budgetary Basis	88
C- 3 Budgetary Comparison Schedule - Note to RSI	89

**CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2020**

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
Supplementary Information	
E. Special Revenue Fund:	
E- 1 Combining Schedule of Program Revenues and Expenditures - Budgetary Basis	90
E- 2 Schedule of Preschool Education Aid Expenditures – Budgetary Basis	N/A
F. Capital Projects Fund:	
F- 1 Summary Schedule of Project Expenditures	96
F- 2 Summary Schedule of Revenues, Expenditures, and Change in Fund Balance - Budgetary Basis	97
F- 2a Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - CHS	98
F- 2b Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Hillside Avenue	99
F- 2c Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Orange Avenue	100
F- 2d Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Bloomingdale Avenue	101
F- 2e Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Brookside Place	102
F- 2f Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Livingston Avenue	103
F- 2g Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Walnut Avenue	104
F- 2h Schedule of Project Revenues, Expenditures, Project Balance and Project Status - Budgetary Basis - Lincoln Avenue	105

**CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2020**

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
G. Proprietary Funds:	
Enterprise Fund:	
G- 1 Combining Statement of Net Position	N/A
G- 2 Combining Statement of Revenues, Expenses and Changes in Net Position	N/A
G- 3 Combining Statement of Cash Flows	N/A
Internal Service Fund:	
G- 4 Combining Statement of Net Position	N/A
G- 5 Combining Statement of Revenues, Expenses, and Changes in Fund Net Position	N/A
G- 6 Combining Statement of Cash Flows	N/A
H. Fiduciary Funds:	
H- 1 Combining Statement of Fiduciary Net Position	106
H- 2 Combining Statement of Changes in Fiduciary Net Position	106
H- 3 Statement of Cash Receipts and Cash Disbursements – Student Activity Agency Fund	107
H- 4 Statement of Cash Receipts and Disbursements – Payroll Agency Fund	108
I. Long-Term Debt:	
I- 1 Schedule of Serial Bonds Payable	110
I- 2 Schedule of Obligations Under Capital Leases	111
I- 3 Budgetary Comparison Schedule – Debt Service Fund	112
STATISTICAL SECTION (Unaudited)	
Financial Trends	
J- 1 Net Position by Component	113
J- 2 Changes in Net Position	114
J- 3 Fund Balances - Governmental Funds	116
J- 4 Change in Fund Balances, Governmental Funds	117
J- 5 General Fund – Other Local Revenue by Source	118
Revenue Capacity	
J- 6 Assessed Value and Actual Value of Taxable Property	119
J- 7 Property Tax Rates - Direct and Overlapping Governments	120
J- 8 Principal Property Taxpayers	121

**CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY**

**COMPREHENSIVE ANNUAL FINANCIAL REPORT
JUNE 30, 2020**

TABLE OF CONTENTS (continued)

	<u>PAGE</u>
STATISTICAL SECTION (Unaudited) (Cont'd.)	
J- 9 Property Tax Levies and Collections	122
Debt Capacity	
J-10 Ratios of Outstanding Debt by Type	123
J-11 Ratios of Net General Bonded Debt Outstanding	124
J-12 Direct and Overlapping Governmental Activities Debt	125
J-13 Legal Debt Margin Information	126
Demographic and Economic Information	
J-14 Demographic and Economic Statistics	127
J-15 Principal Employers	128
Operating Information	
J-16 Full-time Equivalent District Employees by Function/Program	129
J-17 Operating Statistics	130
J-18 School Building Information	131
J-19 Schedule of Required Maintenance for School Facilities	132
J-20 Insurance Schedule	133
SINGLE AUDIT SECTION	
K- 1 Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	134
K- 2 Report on Compliance for Each Major Federal and State Program and Report on Internal Control Over Compliance Required by OMB Uniform Guidance and New Jersey OMB 15-08	136
K - 3 Schedule A - Schedule of Expenditures of Federal Awards – Supplementary Information	139
K - 4 Schedule B - Schedule of Expenditures of State Financial Assistance – Supplementary Information	140
K - 5 Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	141
K - 6 Schedule of Findings and Questioned Costs	144
K - 7 Summary Schedule of Prior Audit Findings	146

Note: The schedules denoted with N/A are not applicable in the current year. However, the New Jersey Department of Education requires the District to reference all schedules included in its sample Comprehensive Annual Financial Report.

Introductory Section



Cranford Public School District

Robert J. Carfagno, CPA, RMA, PSA
Business Administrator/Board Secretary

*132 Thomas Street
Cranford, NJ 07016*

*Tele: 908-709-6210
Fax: 908-272-8813
E-mail: carfagno@cranfordschools.org*

February 5, 2021

Honorable President and
Members of the Board of Education
Cranford Township Public School District
Cranford, NJ 07016

Dear Board Members:

The comprehensive annual financial (CAFR) of the Cranford Township Public School District (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 (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This comprehensive annual financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this letter of transmittal, the District's organization chart and a list of principal officials. The financial section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements and notes, supplemental information and the combining individual fund schedules. 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 the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

1. **REPORTING ENTITY AND ITS SERVICES:** The Cranford Township Public School District is an independent reporting entity within the criteria adopted by the Government Accounting Standards Board (GASB) in codification section 2100. All funds and account groups of the District are included in this report. The Cranford Township Board of Education and all its schools constitute the District's reporting entity.

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular education as well as special education for handicapped youngsters. The District completed the 2019-2020 fiscal year with an enrollment of 3,782 students, which is 81 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-2020	3,782	-2.09%
2018-2019	3,863	0.00%
2017-2018	3,860	-1.13%
2016-2017	3,905	0.00%
2015-2016	3,901	0.00%

2. ECONOMIC CONDITION AND OUTLOOK: The Cranford Township School District and the community have enjoyed a relatively stable economic condition and financial outlook over the past decade, however with the two variables of state aid and revenue generation declining, the financial impact has begun to negatively impact the local school tax levy pushing it to a higher proportion of the total tax levy. The 2019-2020 year saw a slight increase of state formula aid (\$216,159.00), and is only at 85% of the amount provided during the 2009-2010 school year. These factors have created a heavy dependence on local tax revenue to support the school district.

What is quickly becoming a reality is that more and more of the district budget is dominated by fixed costs, many being mandated and contractual obligations. Trends indicate that spending in the area of contractual and mandated categories are increasing while spending in discretionary and non-contractual items of spending are decreasing. Trends have seen increases in mandated Special Education Programs and health benefits well above 2% annual increases.

3. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control 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 requires estimates and judgments by management.

As a recipient of federal awards and state financial assistance, the District also is responsible for ensuring that an adequate internal controls are in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is also subject to periodic evaluation by the District management. Since grant periods differ in their prescribed fiscal years, representations are made prior to the end of the fiscal year for those grants having fiscal years other than July 1 through June 30.

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

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

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

5. ACCOUNTING SYSTEM AND REPORTS: The District’s accounting records reflect generally accepted accounting principles, as promulgated by the GASB, as explained in the “Notes to the Financial Statements,” Note 1.

6. FINANCIAL INFORMATION AT FISCAL YEAR END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2020 and the amount and percentage of increases/decreases in relation to prior year revenues.

<u>Revenue</u>	<u>FY 2020 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2019</u>	<u>Percent of Increase (Decrease)</u>	<u>FY 2019 Amount</u>
Local Sources	\$ 63,682,158.76	80.59%	\$ 1,242,853.59	1.99%	\$ 62,439,305.17
State Sources	14,282,058.81	18.08%	256,342.31	1.83%	14,025,716.50
Federal Sources	<u>1,051,758.66</u>	<u>1.33%</u>	<u>17,123.53</u>	<u>1.66%</u>	<u>1,034,635.13</u>
Total	\$ <u>79,015,976.23</u>	<u>100.00%</u>	\$ <u>1,516,319.43</u>	<u>1.96%</u>	\$ <u>77,499,656.80</u>

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2020 and the percentage of increases/decreases in relation to prior year amounts.

<u>Expenditures</u>	<u>FY 2020 Amount</u>	<u>Percent of Total</u>	<u>Increase/ (Decrease) From 2019</u>	<u>Percent of Increase (Decrease)</u>	<u>FY 2019 Amount</u>
Current Expense:					
Instruction	\$28,578,793.69	36.87%	\$ 93,201.69	0.33%	\$28,485,592.00
Undistributed	46,613,594.87	60.14%	(302,040.04)	(0.64%)	46,915,634.91
Capital Outlay	175,584.96	0.23%	(775,753.03)	(81.54%)	951,337.99
Special Revenue	1,284,523.24	1.66%	65,065.80	5.34%	1,219,457.44
Debt Service:					
Principal	560,000.00	0.71%	20,000.00	3.70%	540,000.00
Interest	<u>299,232.50</u>	<u>0.39%</u>	<u>(13,425.00)</u>	<u>(4.29%)</u>	<u>312,657.50</u>
Total	\$ <u>77,511,729.26</u>	<u>100.00%</u>	\$ <u>(921,950.58)</u>	<u>(1.16%)</u>	\$ <u>78,424,679.84</u>

7. DEBT ADMINISTRATION: At June 30, 2020, the District reported outstanding debt of \$8,068,000.00 of general obligation bonds.

8. CASH MANAGEMENT: The investment policy of the District is guided in large part by state statute as detailed in “Notes to the Financial Statements,” Note 2. The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit deposit Protection Act (GUDPA). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey. The law requires governmental units to deposit public funds only in public depositories located in New Jersey, where the funds are secured in accordance with the Act.

9. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability, and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds. Management and the Board of Education continue to explore innovative ways to contain insurance costs while still minimizing risks. A schedule of insurance coverage is found on Exhibit J-20.

The District along with other school districts, is a member of the Diploma Joint Insurance Fund for Workers' Compensation Insurance Coverage. The Fund is organized and operated pursuant to the regulatory authority of the Department of Banking and Insurance, State of New Jersey and provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained excess liability coverages for participants. Additional information is included in Note 7 to the Basic Financial Statements.

10. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Hodulik & Morrison, P.A., a division of PKF O'Connor Davies, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also 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 the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

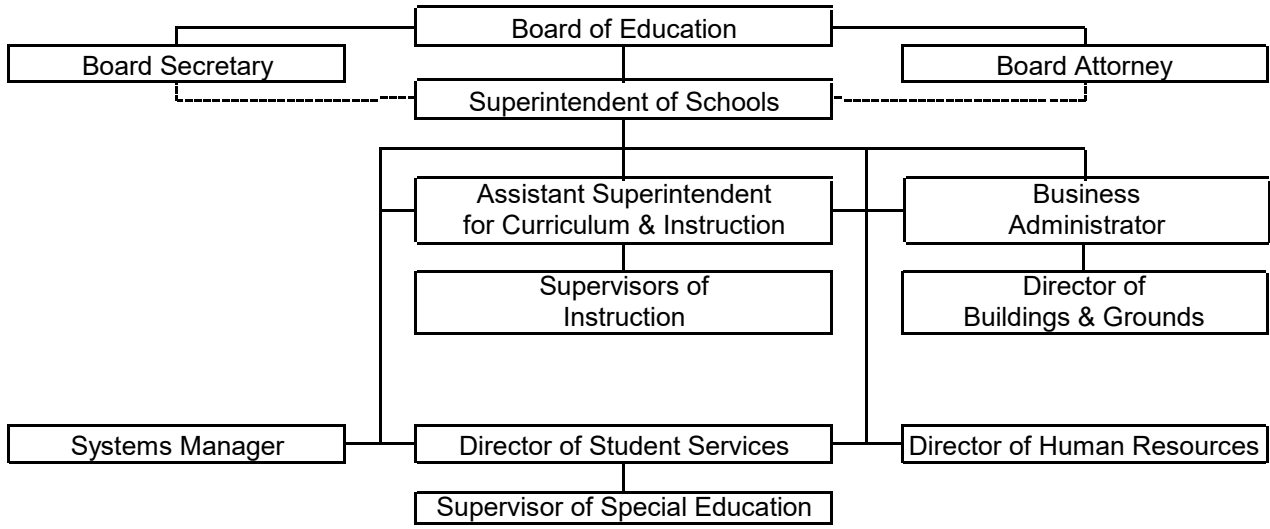
11. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Cranford Township Board of Education for their diligence and concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

Respectfully submitted,



Robert J. Carfagno, CPA, RMA, PSA
Business Administrator/Board Secretary

CRANFORD PUBLIC SCHOOL DISTRICT
 ORGANIZATIONAL CHART
 DISTRICT ADMINISTRATION



**CRANFORD PUBLIC SCHOOL DISTRICT
ROSTER OF OFFICIALS
JUNE 30, 2020**

Members of the Board of Education

Term Expires*

Kurt Petschow, Jr.	President	2020
Lisa A. Carbone	Vice President	2020
Terry Darling	Member	2021
Brett Dreyer	Member	2022
William Hulse	Member	2021
Nicole Sherrin Kessler	Member	2022
Maria Loikith	Member	2021
Patrick A. Lynch	Member	2022
Kristen Mallon	Member	2020

Other Officials

Scott Rubin, Ed.D., Superintendent of Schools

Robert J. Carfagno, CPA, Business Administrator/Board Secretary

* The Board of Education passed a Resolution on January 23, 2012 changing the annual election date for its members from the third Tuesday in April to the first Tuesday after the first Monday in November (the General Election), beginning in 2012. Terms expire in the following January after the year in which the term expires.

**CRANFORD PUBLIC SCHOOL DISTRICT
INDEPENDENT AUDITORS AND ADVISORS**

Audit Firm

PKF O'Connor Davies, LLP
20 Commerce Drive
Suite 301
Cranford, New Jersey 07016

Attorney

Anthony P. Sciarrillo, Esq.
Sciarrillo, Cornell, Merlino, McKeever & Osborne, L.L.C
238 St. Paul Street
Westfield, New Jersey 07090

Official Depository

Investors Bank
105 North Avenue West
Cranford, New Jersey 07016

Bond Counsel

Lisa A. Gorab, Esq.
Wilentz, Goldman & Spitzer P.A.
90 Woodbridge Center Drive
Suite 900, Box 10
Woodbridge, New Jersey 07095-0958

Financial Section



INDEPENDENT AUDITORS' REPORT

**Honorable President and Members
of the Board of Education
Cranford Public School District
Cranford, New Jersey**

Report on 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 Board of Education of the Cranford Public School District ("District"), in the County of Union, State of New Jersey, 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 the 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 error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion 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 and 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. Those standards and requirements require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 entity'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.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

**Honorable President and Members
of the Board of Education
Cranford Public School District**

Page 2

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, business-type activities, each major fund, and the aggregate remaining fund information of the Cranford Public School District, in the County of Union, State of New Jersey, as of June 30, 2020 and the respective changes in financial position and where applicable, cash flows thereof for the 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, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of State's proportionate share of the OPEB liability associated with the District and budgetary comparison information as presented in the table of contents 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 introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by *Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey State Office of Management and Budget Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are not a required part of the basic financial statements.

**Honorable President and Members
of the Board of Education
Cranford Public School District**

Page 3

The combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of federal awards and schedule of state financial assistance are the responsibility of management and are 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 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, long-term debt schedules, schedule of expenditures of federal awards and schedule of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole.

The introductory and statistical sections have 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 them.

Other Reporting Required by Governmental Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2021 on our consideration of the District's internal control over financial reporting and 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.

PKF O'Connor Davies, LLP

February 5, 2021
Cranford, New Jersey

David J. Gannon

David J. Gannon
Licensed Public School Accountant No. 2305

Required Supplementary Information – Part I

Management's Discussion and Analysis

**Cranford Public School District
Cranford, New Jersey
Union County**

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)
June 30, 2020**

The Cranford Township Public School District (the "District") discussion and analysis is designed to provide an overview of the District's financial activities for the year ended June 30, 2020, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

The focus of the Management Discussion and Analysis (MD&A) is on current year activities, resulting changes and currently known facts. The MD&A should be read in conjunction with the Transmittal Letter and the District's Financial Statements.

FINANCIAL HIGHLIGHTS

The key financial highlights for the 2019-2020 fiscal year include the following:

Total net position for governmental activities are reported at \$29,865,788 at June 30, 2020. This represents an increase of \$1,159,866 or 4.04% over the prior year reported net position. Governmental funds reported a total fund balance of \$3,985,279 (see Exhibit B-1), which is a 67.30% increase is from last year's total governmental fund balance. The general or operating fund balance was reported at \$2,391,223, of which \$166,556 was appropriated toward the approved and adopted 2020-2021 budget. The unassigned general fund balance is reported at \$1,442,686. The ending fund balance was impacted by the non-recognition, on a GAAP basis, of net State Aid payments deferred to July 2021 in the amount of \$277,131 in the general fund that were due at June 30, 2020 but not yet funded by the State of New Jersey as of that date. Total spending for all governmental funds was \$77,511,729. Total revenues were \$79,015,976, resulting in an excess of revenues over expenditures of \$1,504,247 for the year. This excess is primarily the result of the increase in the local tax levy and state source revenue year over year. Please note proceeds from the sale of financings are not included in revenues whereas the spending related to the capital projects are included in the expenditures reported. Revenues included \$15,333,817 in state and federal aid and \$59,703,596 in local taxes.

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 government-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 operated like businesses, such as food services.
- Fiduciary funds statements provide information about the financial relationship in which the district acts solely as a trustee or agent for the benefits 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 Annual Financial Report

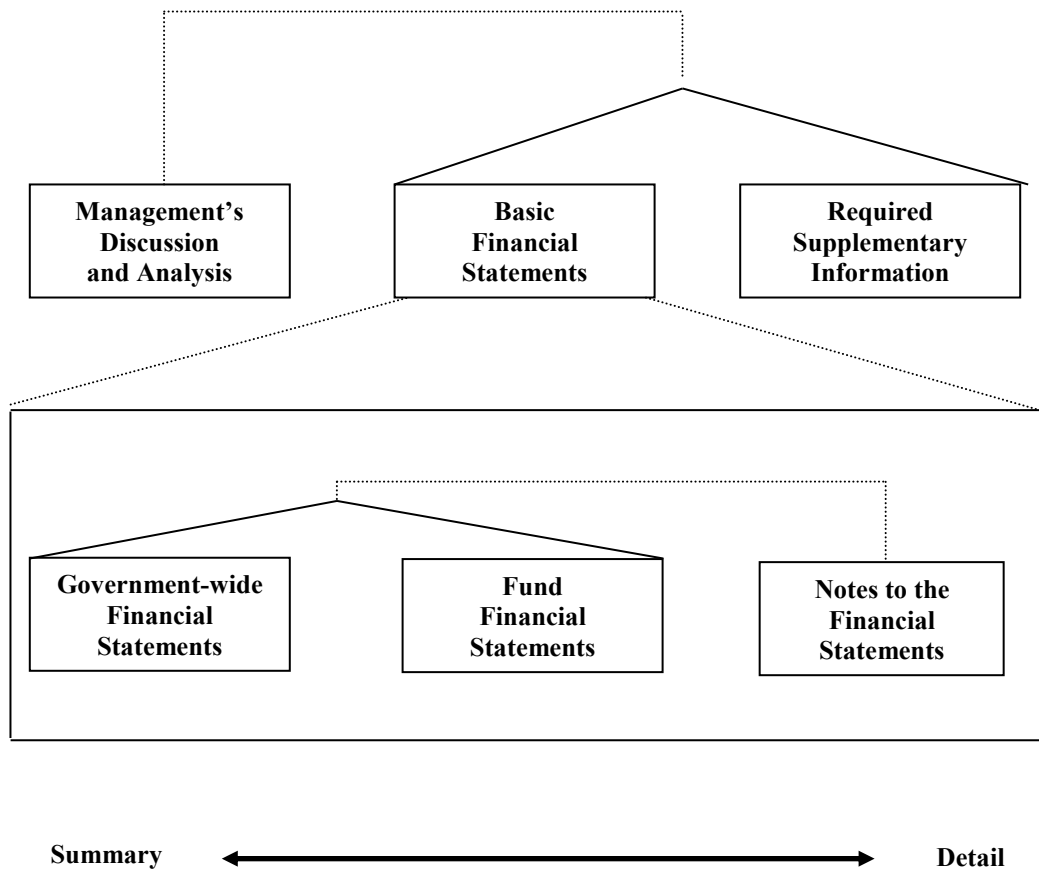


Figure A-2 summarizes the major features of the district's financial statements, including the portion of the district's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements				
	Government-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 adult education	Instances in which the district administers resources on behalf of someone else, such as scholarship programs and 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 revenues, expenditures, and changes in fund balances 	<ul style="list-style-type: none"> Statement of net position Statement of revenues, 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 focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets, liabilities, Deferred inflows/outflows of resources, 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 included	All assets and liabilities, both financial and capital, and 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/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues 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 revenues 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

Government-wide Statements

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

The two government-wide statements report the District's net position and how they have changed. Net position - the difference between the District's assets and deferred outflows and its liabilities and deferred inflows - 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 that the school district's goal is to provide services to students, not to generate profit as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the District.

In the government-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 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 services and reading academy 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 revenues (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 differences) 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.
- **Fiduciary funds:** The District is the trustee, or fiduciary, for assets that belong to others, such as the scholarship fund 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 government-wide financial statements because it cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The school district's Governmental Activities net position was \$29,865,788 at June 30, 2020. Of this amount, (\$18,844,247) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the school district's ability to use those net assets for day-to-day operations. Our analysis below focuses on the net position (Figure A-3) and change in net position (Figure A-4) of the school district's governmental activities.

Figure A-3
Net Position

	Governmental Activities June 30, <u>2020</u>	Governmental Activities June 30, <u>2019</u>	% Increase (Decrease)
Current and other assets	\$ 5,346,499	\$ 3,990,516	33.98 %
Capital assets	<u>55,630,524</u>	<u>56,792,730</u>	<u>(2.05)</u>
Total assets	<u>60,977,023</u>	<u>60,783,246</u>	<u>0.32</u>
Deferred Outflow of Resources	<u>3,133,317</u>	<u>4,595,141</u>	<u>(31.81)</u>
Total Deferred Outflows	<u>3,133,317</u>	<u>4,595,141</u>	<u>(31.81)</u>
Current and other liabilities	3,276,252	3,427,586	(4.42)
Long-term liabilities	<u>25,203,194</u>	<u>27,483,072</u>	<u>(8.30)</u>
Total liabilities	<u>28,479,446</u>	<u>30,910,658</u>	<u>(7.87)</u>
Deferred Inflow of Resources	<u>5,765,106</u>	<u>5,761,806</u>	<u>0.06</u>
Total Deferred Inflows	<u>5,765,106</u>	<u>5,761,806</u>	<u>0.06</u>
Net Position:			
Net Investment in Capital Assets	46,832,588	47,285,630	(0.96)
Restricted	1,877,447	2,060,210	(8.75)
Unrestricted	<u>(18,844,247)</u>	<u>(20,639,918)</u>	<u>(8.69)</u>
Total net position	<u>\$ 29,865,788</u>	<u>\$ 28,705,922</u>	<u>4.04%</u>

The (\$18,844,247) in unrestricted net position of governmental activities represents the accumulated results of all past years' operations. It means that if we had to pay off all of our bills today including all of our non-capital liabilities (compensated absences for example), we would have (\$18,844,247) left.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE (Continued)

The results of this year's operations for the school district Governmental Activities as a whole are reported in the Statement of Activities. Figure A-4, below, takes the information from that Statement, rounds off the numbers, and rearranges them slightly so you can see our total revenues and expenses for the year.

Figure A-4
Activity Results for Years Ended

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase/ (Decrease)</u>
Revenues:			
Program revenue			
State grants & entitlements	\$ 1,284,523	\$ 1,219,457	\$ 65,066
Charges for services	3,646,805	3,595,061	51,744
General Revenue			
Local tax levy	59,703,596	58,543,209	1,160,387
Federal and State aid	18,210,653	18,633,285	(422,632)
Miscellaneous revenues (Incl. Transfers)	<u>315,650</u>	<u>1,071,609</u>	<u>(755,959)</u>
Total Revenues	<u>\$ 83,161,227</u>	<u>\$ 83,062,621</u>	<u>\$ 98,606</u>
Functions/Program Expenses:			
Instruction			
Regular programs	\$ 32,208,120	\$ 32,387,555	\$ (179,435)
Special programs	13,673,538	14,202,505	(528,967)
Other Instructional programs	1,899,372	2,007,171	(107,799)
Support Services			
Student services	11,912,168	12,280,766	(368,598)
Tuition	4,793,731	4,811,936	(18,205)
Instructional staff support			
General administration and Business services	1,151,102	2,363,774	(1,212,672)
School administration	5,142,063	5,131,191	10,872
Plant services	8,965,252	8,405,682	559,570
Student transportation services	1,959,233	1,994,142	(34,909)
Interest on long-term debt	<u>296,782</u>	<u>310,633</u>	<u>(13,851)</u>
Total Expenses	<u>\$82,001,361</u>	<u>\$ 83,895,353</u>	<u>\$(1,893,992)</u>
<i>Increase/decrease in net position</i>	<u>\$ 1,159,866</u>	<u>\$ (832,732)</u>	<u>\$ 1,992,598</u>

Governmental Activities

As reported in the Statement of Activities, the cost of all our governmental activities this year was \$82,001,361. These costs were financed by \$59,703,596 in local property school taxes, \$18,210,653 in federal and state aid and \$315,650 in miscellaneous revenues including interest, general entitlements, special items and transfers.

In Figure A-5, below, we have presented the cost of each of the school district's seven largest functions as listed below. Providing this information allows our citizens to consider the cost of each function in comparison to the benefits they believe are provided by the function.

Figure A-5

Governmental Activities

Total Cost of Services

	<u>Year Ended June 30, 2020</u>	<u>Year Ended June 30, 2019</u>
Regular programs instruction	\$ 32,208,120	\$ 32,387,555
Special education instruction	13,673,538	14,202,505
Student and instruction related services	11,912,168	12,280,766
Plant operations and maintenance	8,965,252	8,405,682
School administrative services	5,142,063	5,131,191
Tuition	4,793,731	4,811,936
All others	<u>5,306,489</u>	<u>6,675,719</u>
Total	<u>\$ 82,001,361</u>	<u>\$ 83,895,353</u>

Financial Analysis of the District's Funds

As we noted earlier, the school district uses funds to help it control and manage money for particular purposes. Looking at funds helps you consider whether the school district is being accountable for the resources provided to it, and also, gives more insight into the school district's overall financial health.

As the school district completed this year, our governmental funds reported a combined fund balance of \$3,985,279, which is an increase of \$1,603,130 from last year. This increase is primarily the result of an increase in the local tax levy and a decrease in Capital Outlay expenditures from the previous year. Also, as noted previously, the reported governmental fund balance is impacted by the non-recognition, on a GAAP basis, of State Aid payments deferred to July 2020 in the combined amount of \$277,131.

General Fund Budgetary Highlights

Over the course of the year, the school district revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the district's projected budget for the general fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a deficit.

Actual revenues reflect a positive variance of \$10.73 million. This is primarily due to the non-budgeted employer on-behalf TPAF pension, post-retirement medical and social security contributions of \$10.48 million made by the State of New Jersey. Excluding these on-behalf TPAF contributions, revenues had a positive variance of \$248,881. This is primarily due to actual revenues for Tuition being less than budgeted.

Actual expenditures reflect a negative variance of \$8.56 million even though all budget lines show a positive variance. This is primarily due to the non-budgeted employer on-

behalf TPAF pension, post-retirement medical and social security contributions of \$10.48 million made by the State of New Jersey. Excluding these on-behalf TPAF contributions from the State, there is a positive variance of \$536,672. However, there were non-budgeted capital lease acquisitions made for copiers and District-wide security systems totaling \$137,322 made during the year.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

At June 30, 2020, the school district had \$135,354,305 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements and furniture and equipment. This amount represents a net increase (including additions and deductions) of \$186,255, or approximately 0.14% percent, from last year. These amounts do not include depreciation.

Figure A-6
Capital Assets at Year-End

<u>Governmental Activities</u>	<u>2020</u>	<u>2019</u>
Land	\$ 41,197,641	\$ 41,197,641
Buildings and Improvements	87,889,897	87,876,213
Furniture, Equipment and Vehicles	<u>6,266,767</u>	<u>6,094,196</u>
Total	<u>\$135,354,305</u>	<u>\$135,168,050</u>

See the accompanying Notes to the Financial Statements for additional information.

Long-Term Debt

At the end of this year, the school district had \$8,797,936 in bonds and capital leases outstanding versus \$9,507,100 the previous year – a decrease of 7.46%. The long-term debt of the District consisted of:

Figure A-7
Outstanding Debt, at Year-End

<u>Governmental Activities</u>	<u>2020</u>	<u>2019</u>
Capital leases	\$ 729,936	\$ 879,100
General obligation bonds	<u>8,068,000</u>	<u>8,628,000</u>
Total	<u>\$ 8,797,936</u>	<u>\$ 9,507,100</u>

The school district's general obligation bond rating continues to be above investment grade. The state limits the amount of general obligation debt that Districts can issue to 4% (for K through 12 districts) of the most recent three-year average state equalized assessed value of the taxable property within the school district's corporate limits. The school district's outstanding and authorized but not issued general obligation debt of

\$8,068,000 at June 30, 2020 is significantly below the \$185,651,299 statutorily-imposed limit. See the Notes to the Financial Statements and Schedule J-13 for additional information.

Other obligations include accrued vacation pay and sick leave and the school district's proportionate share of the Net Pension Liability of the New Jersey Public Employees Retirement System. We present more detailed information about our long-term liabilities in the notes to the financial statements.

FACTORS AFFECTING THE DISTRICT'S FUTURE

- The financial position of the District remains in a good and stable condition despite the difficult economic times. However, maintaining existing programs with enrollment needs, provisions of the multitude of programs/services legally required for special needs pupils, unfunded federal and state mandates and the cost of employee benefits place a great demand on the district's resources. As a result, careful management of expenses remains essential for the district to sustain its financial health.
- The state made significant cuts in aid to the district's 2010-2011 budget in the amount of \$2,594,245. This cut in the 2010-2011 budget represented 5% of the district's overall budget. Even though unrestricted state aid has been increased through the 2019-2020 budget cycle, and even with an additional \$216,159 in state aid in the 2019-2020 budget, the district is still dealing with a net loss of \$505,079 in state aid since 2009-2010 funding levels. There is no guarantee, based upon the current economic conditions that state aid levels will continue in the future. Also, the state currently only funds approximately 5% of the overall district budget. The incremental effect of the continued under funding of education, including unfunded federal and state mandates, continues to increase the reliance on local tax revenues to sustain the existing educational programs.
- Budget cap law, P.L. 2010, c. 44, effective July 13, 2010 (the "New Cap Law"), further provides limitations on a school district spending by limiting the amount a school district can raise for school district purposes through the property tax levy by two percent (2%) over the prior year's tax levy. The New Cap Law provides for certain adjustments to the tax levy cap for specific circumstances relating to enrollment increases, health care cost increases and increases in amounts for certain normal and accrued liability pension contributions. However, any utilization of these adjustments will result in an increased local tax burden upon the property owners of Cranford.
- The passage of S-1701 required all districts to reduce surplus to the greater of 2% or \$100,000 in 2005-2006 and maintained a reduced surplus of 2% starting in the 2006-2007 fiscal year. The law's surplus restriction runs contrary to sound financial principles, which have served as the basis for previous, long-standing state Department of Education policy. This restriction also undermines needed flexibility for long-term district planning. Until the enactment of S-1701, state statute permitted school districts, such as Cranford, to establish surplus accounts that ranged between 3% and 6%. Further, the state Department of Education's previous policy and administrative code required school districts to obtain state

permission to budget surplus below the 3% maximum. Inadequate reserves place school districts in a precarious financial position as they could find themselves ill prepared to deal with unanticipated expenditures that may lead to a budgetary crisis. Furthermore, the drawing down of District surplus's through forced utilization of budgeted fund balance generates automatic revenue shortfalls in subsequent budgets and drives the need to offset such shortfalls through increases in the tax levy or cut other areas such as instructional programming or maintenance.

CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

Our financial report is designed to provide our citizens, taxpayers, parents, students, investors and creditors with a general overview of the school district's finances and to show the school district's accountability for the money it received. If you have questions about this report or wish to request additional financial information, contact Robert J. Carfagno, CPA, Business Administrator/Board Secretary, at 132 Thomas Street, Cranford, New Jersey, 07016.

Basic Financial Statements

Government-wide Financial Statements

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2020.

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 3,451,922.45	\$ 1,779.95	\$ 3,453,702.40
Receivables, net	1,685,878.80	689.59	1,686,568.39
Inventory		22,700.84	22,700.84
Restricted assets:			
Funds held by trustee	200,229.82		200,229.82
Capital reserve account - cash	1.00		1.00
Capital assets, non-depreciable	41,197,641.00		41,197,641.00
Capital assets, depreciable, net	14,432,883.02	1,274.46	14,434,157.48
 Total Assets	 60,968,556.09	 26,444.84	 60,995,000.93
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Pension deferrals	3,133,317.00		3,133,317.00
 Total Deferred Outflow of Resources	 3,133,317.00		 3,133,317.00
<u>LIABILITIES</u>			
Accounts payable	1,720,045.75		1,720,045.75
Accrued interest payable	48,647.08		48,647.08
Accrued Salaries	121,602.30		121,602.30
Due to Grantor	23,474.53		23,474.53
Unearned Revenue	107,959.34	24,108.82	132,068.16
Other Liabilities	276,433.30		276,433.30
Noncurrent liabilities:			
Due within one year	969,623.02		969,623.02
Due beyond one year	10,552,490.60		10,552,490.60
Net Pension Liability	14,650,703.00		14,650,703.00
 Total liabilities	 28,470,978.92	 24,108.82	 28,495,087.74
<u>DEFERRED INFLOW OF RESOURCES</u>			
Pension deferrals	5,765,106.00		5,765,106.00
 Total Deferred Inflow of Resources	 5,765,106.00		 5,765,106.00
<u>NET POSITION</u>			
Net Investment in Capital Assets	46,832,587.63	1,274.46	46,833,862.09
Restricted for:			
Excess surplus - current year	283,395.46		283,395.46
Capital reserve	1.00		1.00
Capital projects	1,594,050.90		1,594,050.90
Unrestricted (Deficit)	(18,844,246.82)	1,061.56	(18,843,185.26)
 Total net position	 \$ 29,865,788.17	 \$ 2,336.02	 \$ 29,868,124.19

The accompanying Notes to Financial Statements are an integral part of this statement.

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental activities:						
Instruction:						
Regular	\$ 32,208,119.75	\$ 3,646,805.28	\$ 258,838.51	\$ (28,302,475.96)	\$	\$ (28,302,475.96)
Special education	12,518,016.14			(12,518,016.14)		(12,518,016.14)
Other special instruction	1,155,522.36			(1,155,522.36)		(1,155,522.36)
Other instruction	1,899,371.52			(1,899,371.52)		(1,899,371.52)
Support services:						
Tuition	4,793,730.96		804,405.00	(3,989,325.96)		(3,989,325.96)
Student & instruction related services	11,912,167.54		210,609.73	(11,701,557.81)		(11,701,557.81)
School administrative services	5,142,062.76			(5,142,062.76)		(5,142,062.76)
General and business administrative services	1,151,102.54			(1,151,102.54)		(1,151,102.54)
Plant operations and maintenance	8,965,251.89		10,670.00	(8,954,581.89)		(8,954,581.89)
Pupil transportation	1,959,233.32			(1,959,233.32)		(1,959,233.32)
Interest on long-term debt	296,782.50			(296,782.50)		(296,782.50)
Total governmental activities	<u>82,001,361.28</u>	<u>3,646,805.28</u>	<u>1,284,523.24</u>	<u>(77,070,032.76)</u>		<u>(77,070,032.76)</u>
Business-type activities:						
Food Service	673,800.97	647,137.16			(26,663.81)	(26,663.81)
Total business-type activities	<u>673,800.97</u>	<u>647,137.16</u>	<u>-</u>	<u>(26,663.81)</u>		<u>(26,663.81)</u>
Total primary government	<u>\$ 82,675,162.25</u>	<u>\$ 4,293,942.44</u>	<u>\$ 1,284,523.24</u>	<u>\$ (77,070,032.76)</u>	<u>\$ (26,663.81)</u>	<u>\$ (77,096,696.57)</u>
General revenues:						
Taxes:						
				\$ 58,844,363.00		\$ 58,844,363.00
				859,233.00		859,233.00
				18,210,652.23		18,210,652.23
				216,767.48	\$ 753.06	217,520.54
				98,882.76	38,439.24	137,322.00
				<u>78,229,898.47</u>	<u>39,192.30</u>	<u>78,269,090.77</u>
				1,159,865.71	12,528.49	1,172,394.20
				<u>28,705,922.46</u>	<u>(10,192.47)</u>	<u>28,695,729.99</u>
				<u>\$ 29,865,788.17</u>	<u>\$ 2,336.02</u>	<u>\$ 29,868,124.19</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Fund Financial Statements

Governmental Funds

GRANFORD PUBLIC SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020

Exhibit B-1

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Assets:					
Cash and Cash Equivalents	\$ 1,756,566.53	\$ 101,299.59	\$ 1,594,050.90	\$ 5.43	\$ 3,451,922.45
Accounts receivable:					
State	970,866.48				970,866.48
Federal		86,633.13			86,633.13
Other Intergovernmental	607,057.29				607,057.29
Other	12,161.90	500.00			12,661.90
Interfund	52,235.65				52,235.65
Restricted assets:					
Funds held by trustee	200,229.82				200,229.82
Cash and cash Equivalents	1.00				1.00
Total Assets	\$ 3,599,118.67	\$ 188,432.72	\$ 1,594,050.90	\$ 5.43	\$ 5,381,607.72
Liabilities and Fund Balances:					
Liabilities:					
Accounts Payable	\$ 748,315.55	\$ 74,968.20			\$ 823,283.75
Intergovernmental Payable		23,474.53			23,474.53
Accrued Salaries and Benefits	121,602.30				121,602.30
Interfund Payable		43,575.65			43,575.65
Unearned Revenue	61,545.00	46,414.34			107,959.34
Other Current Liabilities	276,433.30				276,433.30
Total Liabilities	1,207,896.15	188,432.72			1,396,328.87
Fund Balances:					
Restricted For:					
Capital Projects			\$ 1,594,050.90		1,594,050.90
Debt Service				\$ 3.43	3.43
Excess surplus - current year	283,395.46				283,395.46
Capital reserve	1.00				1.00
Assigned:					
Other purposes	498,584.41				498,584.41
Designated for subsequent year's expenditures	166,556.00			2.00	166,558.00
Unassigned	1,442,685.65				1,442,685.65
Total Fund Balances	2,391,222.52		1,594,050.90	5.43	3,985,278.85
Total Liabilities and Fund Balances	\$ 3,599,118.67	\$ 188,432.72	\$ 1,594,050.90	\$ 5.43	5,381,607.72

Amounts reported for governmental activities in the statement of net position (A-1) are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$135,354,305.11 and the accumulated depreciation is \$79,723,781.09.	55,630,524.02
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(48,647.08)
Long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(11,522,113.62)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(2,631,789.00)
Accrued pension contributions for the June 30, 2020 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the government-wide statement of net position.	(896,762.00)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	<u>(14,650,703.00)</u>
Net position of governmental activities	<u>\$ 29,865,788.17</u>

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Major Funds				Total Governmental Funds
	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	
Revenues:					
Local Tax Levy	\$ 58,844,363.00	\$	\$	\$ 859,233.00	\$ 59,703,596.00
Tuition Charges	3,646,805.28				3,646,805.28
Miscellaneous	216,767.48				216,767.48
Local Sources		114,990.00			114,990.00
State Sources	14,153,431.15	128,627.66			14,282,058.81
Federal Sources	10,853.08	1,040,905.58			1,051,758.66
Total Revenues	<u>76,872,219.99</u>	<u>1,284,523.24</u>	<u>-</u>	<u>859,233.00</u>	<u>79,015,976.23</u>
Expenditures:					
Current:					
Regular Instruction	19,249,415.10	258,838.51			19,508,253.61
Special Education Instruction	7,417,524.40				7,417,524.40
Other Special Instruction	680,762.04				680,762.04
Other Instruction	1,231,092.15				1,231,092.15
Support Services and Undistributed Costs:					0.00
Tuition	3,870,848.96	804,405.00			4,675,253.96
Student and Instruction Related Services	7,287,858.71	172,226.39			7,460,085.10
School Administrative Services	3,052,701.04				3,052,701.04
Other Administrative Services	894,729.04				894,729.04
Central Services	893,507.29				893,507.29
Administrative Information Technology	359,505.87				359,505.87
Plant Operations and Maintenance	5,189,192.46				5,189,192.46
Pupil Transportation	1,849,244.26				1,849,244.26
Unallocated Benefits	23,216,007.24	38,383.34			23,254,390.58
Debt Service:					0.00
Principal				560,000.00	560,000.00
Interest and Other Charges				299,232.50	299,232.50
Capital Outlay	175,584.96	10,670.00			186,254.96
Total Expenditures	<u>75,367,973.52</u>	<u>1,284,523.24</u>	<u>-</u>	<u>859,232.50</u>	<u>77,511,729.26</u>
Excess of Revenues over Expenditures	<u>1,504,246.47</u>	<u>-</u>	<u>-</u>	<u>0.50</u>	<u>1,504,246.97</u>
Other Financing Sources (Uses):					
Transfers Out - Food Service Fund	(38,439.24)				(38,439.24)
Capital Leases (Non-budgeted)	137,322.00				137,322.00
Total Other Financing Sources and Uses	<u>98,882.76</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>98,882.76</u>
Net Change in Fund Balances	1,603,129.23	-	-	0.50	1,603,129.73
Fund Balance - July 1	788,093.29		1,594,050.90	4.93	2,382,149.12
Fund Balance - June 30	<u>\$ 2,391,222.52</u>	<u>\$</u>	<u>\$ 1,594,050.90</u>	<u>\$ 5.43</u>	<u>\$ 3,985,278.85</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

CRANFORD PUBLIC SCHOOL DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020

Total net change in fund balances - governmental funds (from B-2)		\$ 1,603,129.73
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
	Depreciation expense	(1,348,461.32)
	Capital outlays	<u>186,254.96</u>
		(1,162,206.36)
Repayment of bond and lease obligation (long-term debt) principal 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.		
	Payment of bond principal	560,000.00
	Capital lease payment	<u>286,485.55</u>
		846,485.55
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
	Capital lease proceeds	(137,322.00)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		
		2,450.00
Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense exceeds the expenditure reported in the funds is a deduction.		
		6,481.00
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>847.79</u>
Change in net position of governmental activities (A-2)		\$ <u><u>1,159,865.71</u></u>

Proprietary Funds

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2020

		Major Fund Enterprise Fund Food Service
Assets:		
Current Assets:		
Cash and Cash Equivalents	\$	1,779.95
Accounts Receivable		689.59
Inventories		22,700.84
Total Current Assets		25,170.38
Noncurrent Assets:		
Furniture, Machinery & Equipment		241,803.35
Less Accumulated Depreciation		(240,528.89)
Total Capital Assets, Net		1,274.46
Total Assets		26,444.84
Liabilities:		
Current Liabilities:		
Unearned Revenue		24,108.82
Total Current Liabilities		24,108.82
Net Position:		
Investment in Capital Assets		1,274.46
Unrestricted		1,061.56
Total Net Position	\$	2,336.02

The accompanying Notes to Financial Statements are an integral part of this statement.

CRANFORD PUBLIC SCHOOL DISTRICT
 STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	Major Fund Enterprise Fund Food Service
Operating Revenues:	
Charges for Services	\$ 647,137.16
Total Operating Revenues	647,137.16
Operating Expenses:	
Purchased Property Services	43,549.80
Other Purchased Services	628,139.43
Depreciation	2,111.74
Total Operating Expenses	673,800.97
Operating (Loss)	(26,663.81)
Nonoperating Revenues:	
Interest and Investment Revenue	753.06
Total Nonoperating Revenues	753.06
Other Financing Sources:	
Transfers In	38,439.24
Total Other Financing Sources	38,439.24
Change in Net Position After Transfers	12,528.49
Total Net Position - Beginning	(10,192.47)
Total Net Position - Ending	\$ 2,336.02

The accompanying Notes to Financial Statements are an integral part of this statement.

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

		Major Fund Enterprise Fund Food Service
Cash Flows from Operating Activities:		
Cash Receipts from Customers	\$	660,866.29
Payments to Suppliers for Goods and Services		(737,975.52)
Net Cash (Used for) Operating Activities		(77,109.23)
 Cash Flows from Non-Capital Financing Activities:		
Cash Receipts from Other Funds		38,439.24
Net Cash Provided by Non-Capital Financing Activities		38,439.24
 Cash Flows from Investing Activities:		
Interest		753.06
Net Cash Provided by Investing Activities		753.06
 Net Decrease in Cash and Cash Equivalents		(37,916.93)
Cash and Cash Equivalents at Beginning of Year		39,696.88
Cash and Cash Equivalents at End of Year	\$	1,779.95
 Reconciliation of Operating (Loss) to Net Cash Provided (Used for) Operating Activities:		
Operating (Loss)	\$	(26,663.81)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used for) Operating Activities		
Depreciation Expense		2,111.74
Changes in Assets and Liabilities:		
Decrease in Accounts Receivable		656.55
(Increase) in Inventories		(9,927.52)
(Decrease) in Accounts Payable		(56,358.77)
Increase in Unearned Revenue		13,072.58
Net Cash (Used for) Operating Activities	\$	(77,109.23)

The accompanying Notes to Financial Statements are an integral part of this statement.

Fiduciary Funds

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY NET POSITION
FOR THE YEAR ENDED JUNE 30, 2020

	Unemployment Compensation Trust	Agency Fund
	<u> </u>	<u> </u>
ASSETS:		
Cash and Cash Equivalents	\$ 99,301.06	\$ 1,909,969.27
Accounts Receivable	<u>56,611.23</u>	<u> </u>
 Total Assets	 \$ <u>155,912.29</u>	 \$ <u>1,909,969.27</u>
LIABILITIES:		
Accounts Payable	\$ 65,102.46	
Interfund Payable		\$ 8,660.00
Payroll Deductions and Withholdings		316,607.62
Accrued Salaries and Wages		1,244,626.71
Payable to Student Groups		<u>340,074.94</u>
 Total Liabilities	 \$ <u>65,102.46</u>	 \$ <u>1,909,969.27</u>
NET POSITION:		
Held in Trust for Unemployment Claims and Other Purposes	 <u>90,809.83</u>	
 Total Net Position	 \$ <u>90,809.83</u>	

The accompanying Notes to Financial Statements are an integral part of this statement.

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>
ADDITIONS	
Contributions:	
Employee	\$ 65,560.98
CARES Act Federal Contribution	<u>35,253.47</u>
Total Contributions	<u>100,814.45</u>
Investment Earnings:	
Interest	<u>852.02</u>
Net Investment Earnings	<u>852.02</u>
Total Additions	<u>101,666.47</u>
DEDUCTIONS	
Quarterly Contributions Reports	<u>108,653.03</u>
Total Deductions	<u>108,653.03</u>
Change in Net Position	(6,986.56)
Net Position - Beginning of the Year	<u>97,796.39</u>
Net Position - End of the Year	<u>\$ 90,809.83</u>

The accompanying Notes to Financial Statements are an integral part of this statement.

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) of the Board of Education (Board) of the Township of Cranford School District (District) report information on all of the nonfiduciary activities of the primary government only. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. The District is not financially accountable for any legally separate component units, and no component units have been included in the government-wide financial statements.

B. Reporting Entity

The Township of Cranford School District is a Type II district located in the County of Union, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Township of Cranford School District had an enrollment at June 30, 2020 of 3,819 students.

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

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

Based on the aforementioned criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity on the basis of such criteria.

C. Basis of Presentation – Government-Wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each category – governmental, proprietary and fiduciary are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, with each displayed in a separate column. Any remaining governmental and enterprise funds are aggregated and reports as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The District reports the following major governmental funds:

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

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

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

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

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

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

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Basis of Presentation – Fund Financial Statements (continued)

The District reports the following major enterprise fund:

Food Service Fund – the Food Service Fund is used to account for the activities of the cafeteria operations of the District.

The District also reports the following fiduciary fund types:

Agency Fund – The Agency Fund is used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments and/or other funds. Agency funds are custodial in nature and do not involve measurement of results of operations. Agency funds include payroll and student activities funds.

Employee Benefit Trust (Unemployment Insurance) – Employee Benefit Trust should be used to report resources that are required to be held in trust for members and beneficiaries of employee benefit plans.

During the course of its normal operations, the District will have activity between funds (interfund activity) for various purposes. Any residual interfund balances at year-end are reported as interfund accounts receivable/payable. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of government-wide financial statements. Balances between funds included within governmental activities (the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, any interfund balances between business-type (enterprise) funds are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, interfund activity may occur during the year involving transfers of resources between funds. In fund financial statements, these amounts are reported at gross amounts as transfers' in/out. In the preparation of the government-wide financial statements, transfers between funds included as governmental activities are eliminated so that only net amounts of resources transferred from or to the governmental activities are reported. A similar treatment is afforded transfers of resources between enterprise funds for the preparation of business-type activity financial statements.

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied is determined by its measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured, such as current financial resources or economic resources. The basis of accounting refers to the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Measurement Focus and Basis of Accounting (continued)

the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an "accounts receivable". Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

The governmental funds financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue is recognized when it becomes measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures are generally recorded when a liability is incurred, as under accrual basis accounting. Exceptions to this general rule include debt service, for which interest and principal expenditures in the Debt Service Fund are recognized on their due dates, and expenditures relating to compensated absences, claims and judgments, which are recorded in the period when payment becomes due. General capital assets acquisitions are recorded as expenditures in the governmental funds and are not capitalized. The issuance of long-term debt for capital purposes and capital lease obligations incurred to acquire general capital assets are reported as "other financing sources."

The District records the entire approved tax levy as revenue (accrued) at the start of the fiscal year, since the revenue is both measurable and available. Entitlements are recorded as revenue when all eligibility requirements, including timing of funding appropriations, are met, subject to the 60-day availability requirement for collection. Interest and tuition revenues are considered susceptible to accrual and have been recognized as revenues of the current fiscal period, subject to availability. Expenditure driven grant revenues are recorded as qualifying expenditures are incurred and all other eligibility requirements have been met, subject to availability requirements. All other revenue items are considered measurable and available only when cash is received by the District.

The District's proprietary funds, employee benefit trust fund and private purpose scholarship trust funds are reported using the economic resources measurement focus and the accrual basis of accounting. The agency fund has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

F. Budgets/Budgetary Control

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting, which differs from generally accepted accounting principles in one material respect.

Cranford Public School District
Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgets/Budgetary Control (continued)

Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses. The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP based fund financial statements are set forth in the explanation of differences schedules, which follow.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m) 1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limitations on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds. The Board of Education did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

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 legally mandated revenue recognition of the one or more June state aid payments for budgetary purposes only and 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.

Appropriations in the general and debt service funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executor) contracts for goods and services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year-end, valid outstanding encumbrances, for which the contracted performance is expected during the subsequent budget cycle, are legally restricted at year-end and are automatically re-appropriated and become part of the subsequent years' budget pursuant to state regulations.

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

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

F. Budgets/Budgetary Control (continued)

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

Explanation of differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures:

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedule	\$ 76,907,209.99	\$ 1,284,523.24
Difference- budget to GAAP:		
The last State Aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(277,131.00)	
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	<u>242,141.00</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 76,872,219.99</u>	<u>\$ 1,284,523.24</u>
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	\$ 75,367,973.52	\$ 1,284,523.24
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 75,367,973.52</u>	<u>\$ 1,284,523.24</u>

G. Cash, Cash Equivalents and Investments

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

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Cash, Cash Equivalents and Investments (continued)

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

H. Tuition

Tuition charges for the fiscal years 2018-2019 and 2019-2020 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

I. Inventories and Prepaid Expenses

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2020.

Inventory in the Food Service Fund at June 30, 2020 consisted of the following:

Food	\$ 17,767.97
Supplies	<u>4,932.87</u>
Total	<u>\$ 22,700.84</u>

J. Interfund Receivables/Payables

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.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Capital Assets

Capital assets are capitalized at historical cost, or estimated historical cost for assets where actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date of donation. The District maintains a threshold level of \$2,000.00 or more for capitalizing capital assets. The system for accumulation of fixed assets cost data does not provide the means for determining the percentage of assets valued at actual and those valued at estimated costs.

Capital assets are recorded in the District-wide financial statements, but are not reported in the Fund financial statements. Capital assets are depreciated using the straight-line method over their estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purpose by the District, no salvage value is taken into consideration for depreciation purpose. Useful lives vary from 20 to 50 years for land improvements and buildings, and 5 to 15 years for equipment.

Capital assets not being depreciated include land and construction in progress.

The District does not possess any material amounts of infrastructure capital assets, such as sidewalks and parking lots. Such items are considered to be part of the cost of buildings or other improvable property.

Depreciation of all exhaustive fixed assets used by proprietary funds is charged as an expense against their operations. Accumulated depreciation is reported on proprietary fund statement of net position. Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated used lives are as follows:

Food Service Fund:	
Equipment	10 Years

L. Accounts Receivable State – Capital Projects Fund

The District received approval for a state grant in the amount of \$7,992,506.00 for the 2009 School Board Referendum, to make improvements to various school buildings in the District. The state grant participation in the project represents 40% of total project costs of \$19,981,269.00, of costs deemed eligible as determined by the Commissioner of Education. As projects have come in at less cost, the amount of the grant has been reduced by \$2,834,775.18 for a net grant amount of \$5,157,730.82. The state has also established a fixed schedule for the submission of reimbursement vouchers, which is based upon the achievement of certain percentage of completion.

The District recognizes state grant revenue as earned, i.e., as eligible expenditures are incurred, at the rate of 40% of said expenditures. It is assumed that project completion will continue at a pace that will permit the filing of reimbursement vouchers within a time frame, which meets the availability criterion for revenue recognition under GAAP. Through June 30, 2020, the District has recognized the full total of \$5,157,730.82 in state grant revenue.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Compensated Absences

Compensated absences are those absences for which employees will be paid, such as vacation, sick leave, and sabbatical leave. A liability for compensated absences that are attributable to services already rendered, and that are not contingent on a specific event that is outside the control of the District and its employees, is accrued as the employees earn the rights to the benefits. Compensated absences that related to future services, or that are contingent on a specific event that is outside the control of the District and its employees, are accounted for in the period in which such services are rendered or in which such events take place. The School District reports compensated absences in accordance with the provisions of GASB No. 16, "Accounting for Compensated Absences".

The entire compensated absences liability is reported on the government-wide financial statements. For governmental funds, the current portion of unpaid compensated absences in the amount expected to be paid using expendable available resources. The non-current portion of the liability is not reported.

N. 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 New Jersey Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

O. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position may report a separate section for *deferred outflows of resources*. This separate financial statement element represents a consumption of net position that applies to a future period(s) and will not be recorded as an outflow of resources (expenditure/expense) until that time. The District is reporting five items in this category; Difference between expected and actual experience, Change in Pension Assumptions, Change in Proportion, the Difference in Pension Earnings and the amounts of pension payments made by the District subsequent to the pension measurement date. The former represents the District's proportionate share of plan earnings in excess of assumed amounts, while the latter represents the favorable impact of a decline in the District's proportionate share of system wide net pension liability. In addition to liabilities, the statement of financial position may report a separate section for *deferred inflows of resources*. This separate financial statement element represents the acquisition of net position that applies to a future period(s) and will not be recorded as an inflow of resources (revenue) until that time. The District is reporting two pension related item in this category, Change in Pension Assumptions and Change in Proportion.

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

P. Other Post-Employment Benefits

Pursuant to State Statute, the State Health Benefits Local Education Retirees Employees Plan was established to oversee the funding and payment of post-employment medical benefits for eligible LEA employees. This plan is a multi-employer defined benefit OPEB Plan that is administered on a pay-as-you-go basis. No assets are accumulated in a trust that meets the criteria of paragraph 4 of GASB Statement No. 75.

The Plan is a “Special Funding Situation” as defined in GASB Statement No. 75 as the State of New Jersey is solely responsible for funding the Plan’s obligations (net of employee contributions). Accordingly, no net OPEB liability is reported on the District’s Statement of Net Position. In the Statement of Activities, the District reports an annual OPEB expense and a corresponding revenue, equal to the allocated expense of the District as reported by the State.

Q. Unearned Revenue/Advances from Grantors

Unearned revenue represents cash advances received relating to services (expenditures/expenses) that will be provided in a subsequent fiscal period. Similarly, for expenditure-driven grants, amounts advanced to the District in excess of the amounts expended and earned are recorded as advances from grantors.

R. Fund Balances

GASB Statement No. 54, *Fund Balance Reporting and Governmental Type Definitions* (“GASB 54”) established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Under GASB 54, fund balances in the governmental funds financial statements are reported under the modified accrual basis of accounting and classified into the following five categories:

- 1) Nonspendable – includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Assets included in this fund balance category include prepaid assets, inventories, long-term receivables, and corpus of any permanent funds.
- 2) Restricted – includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- 3) Committed – includes amounts that can be used only for the specific purposes imposed by a formal action of the government’s highest level of decision-making authority. The District’s highest level of decision-making authority is the Board of Education (the “Board”) and formal action is taken by resolution of the Board at publicly held meetings. Once committed, amounts cannot be used for other purposes unless the Board revises or changes the specified use by taking the same action (resolution) taken to originally commit these funds.
- 4) Assigned – amounts intended to be used by the government for specific purposes but do not meet the criteria to be classified as restricted or committed. Intent is expressed by either the Board or Business Administrator, to whom the Board has delegated the authority to assign amounts to be used for specific purposes, including the encumbering of funds.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

R. Fund Balances (continued)

- 5) Unassigned – includes all spendable amounts not contained in the other classifications in the general fund. This classification represents fund balance that has not been assigned to other funds and that has not been restricted, committed or assigned to specific purposes within the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In the other governmental funds, if expenditures incurred for specific purposes exceed the amounts restricted, committed or assigned to those purposes, it may be necessary to report a negative unassigned fund balance.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds. Of the \$2,391,222.52 of fund balance in the General Fund, \$283,395.46 has been restricted for excess surplus – current year, \$1.00 has been restricted for capital reserve, \$498,584.41 has been assigned for other purposes, \$166,556.00 has been designated for subsequent year's expenditures, and \$1,442,685.65 is classified as unassigned.

S. Net Position and Fund Balance/Restricted Assets

GASB Statement Number 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* became effective for financial statements for periods beginning after December 15, 2011 and established standards for reporting deferred outflows of resources, deferred inflows of resources and net position. The adoption of this statement resulted in a change in the presentation of the statement of net position to what is now referred to as the statement of net position and the term "net assets" is changed to "net position" throughout the financial statements. Net Position represents the difference between assets, deferred outflows, deferred inflows, and liabilities in the government-wide financial statements. Net position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statements when there are limitations imposed on their use through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

T. Government-Wide Financial Statement Classifications

1. Program Revenues – Amounts reported as program revenues include a) charges to customers or applicants who purchase, use or benefit from goods services or privileges provided by a given function or segment and b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.
2. General Revenues – all taxes, including those designated for specific purposes such as debt service, are reported as general revenues. All other resources, including internally dedicated resources, unrestricted entitlements, and investment income are reported as general revenues.
3. Capital Assets – In the statement of net position, capital assets are reported, net of accumulated depreciation as assets of the governmental activities and business-type activities.

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

T. Government-Wide Financial Statement Classifications (continued)

4. Long-term Debt - In the statement of net position, long-term debt is reported as a component of long-term liabilities of the governmental activities and business-type activities.
5. Net Investment in Capital Assets – In the statement of Net Position, the net undepreciated value of capital assets, less the value of outstanding debt issued to purchase acquire or build those capital assets, is reported as Net Investment in Capital Assets as a component of net position for the governmental activities and business-type activities.

U. Proprietary Fund Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and products in connection with the primary purpose or function for which the fund was established. The District's Food Service proprietary fund reports operating revenues from the sale of lunches and a la carte items, and operating expenses include the costs of sales (food, supplies and labor), administrative costs and depreciation on capital assets. Revenues earned from interest and investment income are classified as nonoperating revenues.

W. Management Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates, particularly given the significant social and economic disruptions and uncertainties associated with the ongoing COVID-19 ("Coronavirus") pandemic and the mitigation responses, and such differences may be material. See Note 11.

X. 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 are authorized to enter into tax abatement agreements. Furthermore, 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. 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.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

X. Tax Abatements (continued)

There have been no tax abatement agreements entered into by the Township that will materially affect the District.

Y. Recently Issued Accounting Pronouncements to be Implemented in Future Years

The GASB issued Statement No. 84, *Fiduciary Activities* in January 2017. This Statement establishes standards of accounting and financial reporting for fiduciary activities. The requirements of this Statement are effective for periods beginning after December 15, 2018. Due to the COVID-19 pandemic, the effective date has been postponed by one year. Management has not determined the impact of the Statement on the financial statements.

The GASB issued Statement No. 87, *Leases* in June 2017. This Statement establishes standards of accounting and financial reporting for leases by lessees and lessors. The requirements of this Statement are effective for periods beginning after December 15, 2019. Due to the COVID-19 pandemic, the effective date has been postponed by eighteen months. Management has not determined the impact of the Statement on the financial statements.

Z. Subsequent Events

Management has reviewed and evaluated all events and transactions that occurred between June 30, 2020 and February 5, 2021, the date that the financial statements were issued, for possible disclosure and recognition in the financial statements, and no items have come to the attention of the District that would require disclosure.

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS

New Jersey statutes permit the deposit of public funds in institutions located in New Jersey that are insured by the Federal Deposit Insurance Corporation (FDIC), New Jersey's Governmental Unit Deposit Protection Act, by any other agencies of the United States that insures deposits or the State of New Jersey Cash Management Fund. The New Jersey Governmental Deposit Protection Act requires all banks doing business in the State of New Jersey to maintain collateral in the amount of 5% of the average public deposits and deposit these amounts with the Federal Reserve Bank for all deposits not covered by the FDIC.

Cash on deposit is partially insured by federal deposit insurance in the amount of \$250,000.00 in each depository. Balances above the federal deposit insurance amount are insured by the Government Unit Deposit Protection Act (GUDPA), N.J.S.A. 17:941, et seq., which insures all New Jersey governmental units' deposits in excess of the federal deposit insurance maximums.

Based upon GASB criteria, the District considers cash and cash equivalents to include petty cash, change funds, demand deposits, money market accounts and short-term investments and are either any direct and general obligation of the United States of America or certificates of deposit issued by any bank, savings and bank or national banking association if qualified to serve as a depository for public funds under the provisions of the Governmental Unit Depository Protection Act.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

The Cranford Board of Education had the following depository accounts. All deposits are carried at cost plus accrued interest. The government does not have a deposit policy.

Depository Account	Bank Balance
Insured - FDIC	\$ 250,000.00
Insured - NJGUDPA (N.J.S.A. 17:9-41)	<u>5,700,843.97</u>
Total Deposits	<u>\$ 5,950,843.97</u>

Custodial Credit Risk – Deposits- Custodial credit risk is the risk that in the event of a bank failure, the board’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2020, none of the Board’s bank balance of \$6,001,981.87 was exposed to custodial risk. (See Note 1-G. relating to statutory mitigation of custodial risk in the event of a bank failure).

Concentration of Credit Risk – This is the risk associated with the amount of investments that the Board has with any one issuer that exceeds 5 percent or more of its total investments. Investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments are excluded from this requirement.

Credit Risk – GASB 40 requires that disclosure be made as to the credit rating of all debt security investments except for obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government. This is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. In general, the Board does not have an investment policy regarding Credit Risk except to the extent outlined under the Board’s investment policy.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. The Board does not have a formal policy that limits investment maturities as a means of managing its exposure to fair value losses arising from interest rate fluctuations.

New Jersey Cash Management Fund – All investments in the Fund are governed by the regulations of the Investment Council, which prescribe specific standards designed to insure the quality of investments and to minimize the risks related to investments. In all the years of the Division of Investment’s existence, the Division has never suffered a default of principal or interest on any short-term security held by it due to the bankruptcy of a securities issuer; nevertheless, the possibility always exists, and for this reason a reserve is being accumulated as additional protection for the “Other-than-State” participants. In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2020, the District had \$51,137.90 on deposit with the New Jersey Cash Management Fund.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS (continued)

At June 30, 2020, the cash and cash equivalents and investments of the District consisted of the following:

	<u>2020</u>
Cash (Demand Accts.)	\$ 5,411,835.83
State of N.J. Cash Mgmt. Fund	51,137.90
Total	\$ 5,462,973.73

FUNDS HELD BY TRUSTEE

Pursuant to the terms of Lease Purchase Agreements, the proceeds from these financings were required to be deposited into accounts controlled by designated Trustees. The Trustee's responsibilities include the management of the funds held and the payment of project related costs upon the submission of appropriate documentation and the approval of the School District. At June 30, 2020, the Trustee held amounts, segregated by project, as follows:

Security Lease #1 Escrow	\$ 60,885.50
Security Lease #2 Escrow	1,093.49
Security Lease	138,250.83
Total Funds Held by Trustee	\$ 200,229.82

The Trustee for the Vehicles and Computer Supplies project held the unexpended proceeds in a demand account at June 30, 2020.

The full balance of the funds held by the Trustee are exposed to the risk of loss due to changing market conditions, and no portion of the balance is insured by the FDIC or eligible for protection under GUDPA.

NOTE 3. CAPITAL ASSETS

The governmental fund balance sheet includes a reconciliation between fund balance – total funds and net position – governmental activities as reported in the Government-Wide statement of net position. One item of that reconciliation explains that capital assets used in governmental are not financial resources and therefore are not reported in the funds. An addition to the fund balance – total governmental funds is made to reflect the carrying value of the District's capital assets at year-end in the District-wide financial statements, which consist of:

Total capital assets at cost	\$ 135,354,305.11
Less: accumulated depreciation	(79,723,781.09)
Government Activities Capital Assets, Net	\$ 55,630,524.02

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 3. CAPITAL ASSETS (continued)

Capital assets by classification and activity for the year ended June 30, 2020 were as follows:

	<u>Beginning</u> <u>Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending</u> <u>Balance</u>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 41,197,641.00	\$	\$	\$ 41,197,641.00
Total Capital Assets Not Being Depreciated	<u>41,197,641.00</u>			<u>41,197,641.00</u>
Building and Building Improvements	87,357,552.25	13,684.00		87,371,236.25
Improvements other than Buildings	518,661.00			518,661.00
Machinery, Equipment, Furniture & Vehicles	<u>6,094,195.90</u>	<u>172,570.96</u>		<u>6,266,766.86</u>
Totals at Historical Cost	<u>93,970,409.15</u>	<u>186,254.96</u>	-	<u>94,156,664.11</u>
Less Accumulated Depreciation For:				
Building and Building Improvements	(73,718,183.90)	(928,927.60)		(74,647,111.50)
Improvements other than Buildings	(462,086.89)	(6,284.13)		(468,371.02)
Equipment, Furniture, and Vehicles	<u>(4,195,048.98)</u>	<u>(413,249.59)</u>		<u>(4,608,298.57)</u>
Total Accumulated Depreciation	<u>(78,375,319.77)</u>	<u>(1,348,461.32)</u>	-	<u>(79,723,781.09)</u>
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	<u>15,595,089.38</u>	<u>(1,162,206.36)</u>	-	<u>14,432,883.02</u>
Government Activities Capital Assets, Net	<u>\$ 56,792,730.38</u>	<u>\$ (1,162,206.36)</u>	<u>\$ -</u>	<u>\$ 55,630,524.02</u>
Business-type Activities				
Equipment	\$ 241,803.35			\$ 241,803.35
Less Accumulated Depreciation for:				
Equipment	<u>(238,417.15)</u>	<u>(2,111.74)</u>		<u>(240,528.89)</u>
Business-type Activities Capital Assets, Net	<u>\$ 3,386.20</u>	<u>\$ (2,111.74)</u>	<u>\$ -</u>	<u>\$ 1,274.46</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 730,785.32
Tuition	118,477.00
Student & instruction related services	189,049.00
School Administrative services	77,360.00
General and business administrative services	22,674.00
Plant operations and maintenance	163,254.00
Pupil transportation	<u>46,862.00</u>
Total	<u>\$ 1,348,461.32</u>

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 4. LONG-TERM LIABILITIES

Long-term debt liability activity for the year ended June 30, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$ 8,628,000.00	\$	\$ 560,000.00	\$ 8,068,000.00	\$ 580,000.00
Total Bonds Payable	<u>8,628,000.00</u>	<u>-</u>	<u>560,000.00</u>	<u>8,068,000.00</u>	<u>580,000.00</u>
Other Liabilities:					
Obligations Under Capital Lease	879,099.94	137,322.00	286,485.55	729,936.39	282,293.00
Compensated Absences Payable	<u>2,725,025.02</u>	<u>221,011.64</u>	<u>221,859.43</u>	<u>2,724,177.23</u>	<u>107,330.02</u>
Total Other Liabilities	<u>3,604,124.96</u>	<u>358,333.64</u>	<u>508,344.98</u>	<u>3,454,113.62</u>	<u>389,623.02</u>
Net Pension Liability (PERS)	<u>16,225,599.00</u>	<u></u>	<u>1,574,896.00</u>	<u>14,650,703.00</u>	<u></u>
Total Liabilities	<u>\$ 28,457,723.96</u>	<u>\$ 358,333.64</u>	<u>\$ 2,643,240.98</u>	<u>\$ 26,172,816.62</u>	<u>\$ 969,623.02</u>

A. Bonds Payable - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. Bonds payable at June 30, 2020 consist of the following issues and amounts:

a.) 2010 School Bonds, originally issued November 1, 2010 in the amount of \$11,988,000. The outstanding balance of this issue at June 30, 2020 was \$8,068,000, which is payable in semi-annual installments due November 1, 2020 through November 1, 2030 at interest rates ranging from 2.750% to 4.000%.

Principal and interest due on bonds outstanding as at June 30, 2020 is as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 580,000.00	\$ 283,907.50	\$ 863,907.50
2022	610,000.00	266,782.50	876,782.50
2023	630,000.00	248,182.50	878,182.50
2024	670,000.00	228,263.75	898,263.75
2025	710,000.00	206,257.50	916,257.50
2026 - 2030	4,030,000.00	581,000.00	4,611,000.00
2031 - 2035	<u>838,000.00</u>	<u>16,760.00</u>	<u>854,760.00</u>
	<u>\$ 8,068,000.00</u>	<u>\$ 1,831,153.75</u>	<u>\$ 9,899,153.75</u>

B. Bonds Authorized But Not Issued (ABNI)

At June 30, 2020, the District had no unissued bond authorizations.

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 4. LONG-TERM LIABILITIES (continued)

C. Capital Leases - The District is leasing copier equipment, playground equipment, and maintenance vehicle under capital leases. Following are schedules of the future lease payments under the respective capital leases, and the present value of net minimum lease payments at June 30, 2020:

Lease Purchase Agreements – Copiers

Year Ending June 30,	Principal + Interest	Total
2021	\$ 71,166.12	\$ 71,166.12
2022	56,347.08	56,347.08
2023	45,394.12	45,394.12
2024	<u>17,655.00</u>	<u>17,655.00</u>
Total	<u>\$ 190,562.32</u>	<u>\$ 190,562.32</u>

Lease Purchase Agreements – IT Equipment

Year Ending June 30,	Principal	Interest	Total
2021	<u>\$ 68,063.62</u>	<u>\$ 1,583.15</u>	<u>\$ 69,646.77</u>
Total	<u>\$ 68,063.62</u>	<u>\$ 1,583.15</u>	<u>\$ 69,646.77</u>

Lease Purchase Agreements – Security Systems:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 80,335.68	\$ 7,705.22	\$ 88,040.90
2022	82,826.08	5,214.82	88,040.90
2023	<u>85,393.69</u>	<u>2,647.21</u>	<u>88,040.90</u>
Total	<u>\$ 248,555.45</u>	<u>\$ 15,567.25</u>	<u>\$ 264,122.70</u>

Lease Purchase Agreements – Security Systems:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 36,778.52	\$ 3,998.48	\$ 40,777.00
2022	38,065.77	2,711.23	40,777.00
2023	<u>39,398.07</u>	<u>1,378.93</u>	<u>40,777.00</u>
Total	<u>\$ 114,242.36</u>	<u>\$ 8,088.64</u>	<u>\$ 122,331.00</u>

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 4. LONG-TERM LIABILITIES (continued)

Lease Purchase Agreements – Maintenance Equipment:

Year Ending June 30,	Principal	Interest	Total
2021	\$ 25,949.06	\$ 3,222.83	\$ 29,171.89
2022	26,719.75	2,452.14	29,171.89
2023	27,513.33	1,658.56	29,171.89
2024	<u>28,330.50</u>	<u>841.39</u>	<u>29,171.89</u>
Total	<u>\$ 108,512.64</u>	<u>\$ 8,174.92</u>	<u>\$ 116,687.56</u>

D. Bond Referendum

On December 8, 2009, the District held a School Board Referendum. The School District voters approved the referendum, which consisted of the following:

Undertake district-wide roof/energy efficiency improvement projects including roof replacement at all schools; heating/ventilation upgrades at Brookside Place School, Walnut Avenue School and Bloomingdale Avenue School; and boiler replacement at Orange Avenue School, Hillside Avenue School and Lincoln School; expend on such projects an aggregate amount not exceeding \$19,981,269, which expenditure shall be funded, in part, with a \$7,992,506 State grant, based on aggregate final eligible costs of \$19,981,269 as determined by the Commissioner of Education; and issue bonds in an aggregate amount not exceeding \$11,988,763 representing the School District’s local share of projects costs. The local shares of each of the projects may be transferred among projects.

Of the total amount of \$19,981,269, the School District Bonds received authorization to issue bonds in the amount of \$11,988,763, which represents the School Districts local share of the project costs. Furthermore, the Board of Education has received grant approval from the State of New Jersey Schools Development Authority in the amount of \$7,992,506. At June 30, 2020, all of the SDA funds were invoiced and have been recognized as project revenues.

E. Compensated Absences

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

District employees are granted varying amounts of vacation and sick leave in accordance with the district’s personnel policy. Upon termination, employees are paid for accrued vacation in accordance with the District’s agreements with the various employee unions or individual employment contracts. The District’s policy permits employees to accumulate unused sick leave and carry forward the full amount to subsequent years.

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 4. LONG-TERM LIABILITIES (continued):

Upon retirement employees shall be paid by the district for the unused sick leave in accordance with the Districts' agreements with the various employee unions or individual employment contracts.

In the district-wide *Statement of Net Assets*, 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.

The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2020, a liability existed for compensated absences in the government-wide financial statements in the amount of \$2,724,177.23 and no liability existed for compensated absences in the District Enterprise funds.

NOTE 5. PENSION PLANS

Description of Systems

Substantially all of the District's employees participate in one of the following contributory defined benefit public employee retirement systems which have been established by State statute: the Teachers' Pension and Annuity Fund (TPAF) or the Public Employees' Retirement System (PERS). These systems are sponsored and administered by the State of New Jersey. The Teachers' Pension and Annuity Fund Retirement System is considered a cost-sharing multiple-employer plan, with a special funding situation, as under current statute, all employer contributions are made by the State of New Jersey on behalf of the Board and the system's other related non-contributing employers. The Public Employees' Retirement System is considered a cost-sharing multiple-employer plan.

Teachers' Pension and Annuity Fund

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 5. PENSION PLANS (continued):

Public Employee's Retirement System

The Public Employees' Retirement System was established in January 1955 under the provisions of N.J.S.A. 43:15A to provide coverage including post-retirement health care to substantially all full time employees of the State or any county, municipality, school Board or public agency provided the employee is not a member of another State-administered retirement system. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011. Members are classified into one of five tiers dependent upon the date of their enrollment.

Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service.

Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

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

Funding Policy

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased to 7.5% of employees' annual compensation. Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2020, the State of New Jersey contributed \$8,316,439.00 to the TPAF for normal costs of pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,166,680.15 during the year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included as both revenues and expenditures in the government-wide and fund financial statements.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 5. PENSION PLANS (continued):

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2020, 2019, and 2018 were \$793,471.00, \$822,656.00, and \$750,959.00 respectively, equal to the required contributions for each year.

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 PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

Public Employee's Retirement System (PERS)

At June 30, 2020, the District reported a liability of \$14,650,703.00 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 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 school districts, actuarially determined. At June 30, 2019, the District's proportion was 0.0813093019 percent, which was a decrease of 0.0010980592 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized full accrual pension expense of \$801,100.00 in the government-wide financial statements. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 262,961.00	\$ 64,720.00
Changes of assumptions	1,462,926.00	5,085,213.00
Difference between projected and actual earnings on pension plan investments	-	231,267.00
Changes in proportion and differences between District contributions and proportionate share of contributions	510,668.00	383,906.00
District contributions subsequent to the measurement date	896,762.00	
Total	<u>\$ 3,133,317.00</u>	<u>\$ 5,765,106.00</u>

\$896,762.00 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 5. PENSION PLANS (continued)

Year ending June 30,	
2021	\$ (373,305.00)
2022	(1,324,906.00)
2023	(1,199,709.00)
2024	(562,481.00)
2025	<u>(68,150.00)</u>
Total	<u>\$ (3,528,551.00)</u>

Actuarial Assumptions

The collective 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 included in the measurement:

Inflation	
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%

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.

Mortality Rates

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 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.

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 5. PENSION PLANS (continued)

Long-Term Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 rates of return for each major asset class included in PERS'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%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

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 based on 70% of the actuarially determined contributions for the State employer and 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.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 5. PENSION PLANS (continued)

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 net pension liability as of June 30, 2019, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	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	\$ 18,506,219	\$ 14,650,703	\$ 11,401,885

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued financial report for the State of New Jersey Public Employees Retirement System.

Additional Information

Collective balances at June 30, 2019 are as follows:

Deferred outflows of resources	\$ 3,149,522,616
Deferred inflows of resources	7,645,087,574
Net pension liability	18,143,832,135
District's proportion	0.0813093019%

Collective pension expense for the Local Group for the measurement period ended June 30, 2019 is \$974,471,686.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years, respectively.

Teachers Pensions and Annuity Fund (TPAF) – 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.

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 5. PENSION PLANS (continued)

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. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2019 was \$168,210,356.00. The District's proportionate share was \$0.

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 State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined. At June 30, 2019, the State's proportionate share of the TPAF net pension liability associated with the District was 0.2740879404 percent, which was a decrease of 0.0023985757 from its proportion measured as of June 30, 2018.

For the year ended June 30, 2020, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$9,921,496.00 for contributions incurred by the State.

Actuarial assumptions

The actuarial valuation used the following actuarial assumptions, applied to all periods included 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%

Mortality Rates

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.

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 5. PENSION PLANS (continued)

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 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 plan investments (7.00% at June 30, 2019) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment 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 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 Mitifation 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%
US Equity	28.00%	8.26%
Non-U.S. Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
Private Equity	12.00%	10.85%
	<u>100.00%</u>	

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 5. PENSION PLANS (continued)

Discount Rate

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 based on 70% of the actuarially determined contributions for the State. 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 2054. Therefore, the long-term expected rate of return on 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.

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 net pension liability of the State 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 associated with the District would be if it calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<u>At 1% decrease (4.60%)</u>	<u>At current discount rate (5.60%)</u>	<u>At 1% increase (6.60%)</u>
District's proportionate share of the net pension liability	\$ 198,357,240	\$ 168,210,356	\$ 143,197,961

Pension plan fiduciary net position

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

Additional Information

Collective balances at June 30, 2019 are as follows:

Collective Deferred Outflows of Resources	\$ 10,129,162,237
Collective Deferred Inflows of Resources	17,736,240,054
State's Total Non-employer Net Pension Liability	61,519,112,443
District's Proportion	0.2740879404%

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 5. PENSION PLANS (continued)

Collective pension expense for the plan for the measurement period ended June 30, 2019 is \$3,628,861,805.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2019, 2018, 2017, 2016, 2015 and 2014 is 8.0, 8.3, 8.3, 8.3, 8.3, and 8.5 years, respectively.

NOTE 6. POST-RETIREMENT BENEFITS

Plan Description

The District participates in the New Jersey State Health Benefits Program (the "SHBP"), a multiple-employer defined benefit postemployment healthcare plan administered by the State of New Jersey Division of Pension and Benefits. SHBP provide medical, prescription drug, mental health/substance abuse and Medicare Part B reimbursement to retirees and their covered dependents. The State Health Benefits Program Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code. The State of New Jersey Division of Pension and Benefits issues a publicly available financial report that includes financial statements and required supplementary information for SHBP. That report may be obtained by writing to Division of Pension and Benefits, PO Box 295, Trenton, NJ 08625-0295.

Funding Policy

P.L. 1987, c.384 and P.L. 1990, c.6 required Teachers' Pensions and Annuity Fund (TPAF) and the Public Employees' Retirement System (PERS), respectively, to fund post-retirement medical benefits for those state employees who retire after accumulating 25 years of credited service or on a disability retirement. P.L. 2007, c.103 amended the law to eliminate the funding of post-retirement medical benefits through the TPAF and PERS. It created separate funds outside of the pension plans for the funding and payment of post-retirement medical benefits for retired state employees and retired educational employees. The cost of these benefits is funded through contributions by the State in accordance with P.L. 1994, c.62.

Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. The State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2020, 2019 and 2018 were \$2,248,877.00, \$2,496,373.00, and \$2,693,624.00, respectively, which equaled the regional contributions for each year.

As the employer contributions for local government education employers are legally required to be funded by the State, this constitutes a special funding situation as defined by GASB Statement No. 75 and the State is treated as a non-employer contributing entity.

The State is also responsible for the cost attributable P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program (APB) who retired from a board of education or county college with 25 years of service.

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 6. POST-RETIREMENT BENEFITS (continued)

The School Employees Health Benefits Program (SEHBP) Act is found in New Jersey Statutes Annotated, Title 52, Article 17.25 et.seq. Rules governing the operation and administration of the program are found in Title 17, Chapter 9 of the New Jersey Administrative Code.

The State provides OPEB benefits through a defined benefit OPEB plan that is not administered through a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Total OPEB Liability

The nonemployer OPEB liability from New Jersey's plan is \$41,729,081,045.00.

The following members were covered by the benefit terms:

<u>Local Education</u>	<u>June 30, 2018</u>
Active Plan Members	216,892
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	148,051
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	<u>364,943</u>

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2019 was \$101,945,267.00 or 0.24%. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

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 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:

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 6. POST-RETIREMENT BENEFITS (continued)

Actuarial Assumptions and Other Inputs

Inflation rate	2.50%	
	TPAF/ABP	PERS
Salary increases:		
Through 2026	1.55 – 3.05% based on years of service	2.00 – 6.00% based on years of service
Thereafter	1.55 – 3.05% based on years of service	3.00 – 7.00% based on years of service

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019. Postretirement mortality tables 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 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.

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 are reflected. The assumed post-65 medical trend 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 trend 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 and 2018 was 3.50% and 3.87%, respectively. This represents the municipal bond return rate as chosen by the Division. 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.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 6. POST-RETIREMENT BENEFITS (continued)

Changes in the Total Nonemployer OPEB Liability

The following represents the change in the State's proportionate share of the OPEB liability associated with the District:

Balance at June 30, 2018		\$ 110,941,949.00
Increased by:		
Service cost	\$ 4,228,836.00	
Interest cost	4,398,908.00	
Member contributions	92,765.00	
Changes of assumptions	1,520,012.00	
		10,240,521.00
		121,182,470.00
Decreased by:		
Diff. between expected and actual exp.	16,107,787.00	
Gross benefit payments	3,129,416.00	
		19,237,203.00
Balance at June 30, 2019		\$ 101,945,267.00

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2019 is \$2,059,024.00 and \$48,491,680.00, respectively.

The following represents sensitivity of the State's proportionate share of the net OPEB liability associated with the District to changes in the discount rate and healthcare cost trend rate:

	At 1% decrease (2.50%)	At discount rate (3.50%)	At 1% increase (4.50%)
Net OPEB Liability (Allocable to the District and the responsibility of the State)	\$ 120,437,646.00	\$ 101,945,267.00	\$ 87,255,935.00

The following presents the State's proportionate share of the net OPEB liability associated with the District calculated using a healthcare cost trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rate:

	At 1% decrease	At Healthcare cost trend rate	At 1% increase
Net OPEB Liability	\$ 83,998,356.00	\$ 101,945,267.00	\$ 125,703,292.00

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 6. POST-RETIREMENT BENEFITS (continued)

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

For the year ended June 30, 2020, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$2,435,681.00 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2019 are as follows:

Deferred Outflows of Resources	\$	1,921,145,183
Deferred Inflows of Resources		20,887,639,826
Collective OPEB expense		1,015,664,874
 District's Proportion		 0.03751982%

NOTE 7. 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.

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

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 employee contributions and interest earnings, reimbursements to the State for benefits paid and the ending balance of the District's expendable trust fund for the current and prior two years:

<u>Fiscal Year</u>	<u>Contributions/ Interest</u>	<u>CARES Act Federal Contribution</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2019-2020	\$ 66,413.00	\$ 35,253.47	\$ 108,653.03	\$ 90,809.83
2018-2019	65,071.13	-	73,903.54	97,796.39
2017-2018	63,694.00	-	58,585.98	76,028.81

The Board, along with other school districts, is a member of the Diploma Joint Insurance Fund for Workers' Compensation Insurance Coverage. The Fund is organized and operated pursuant to the regulatory authority of the Department of Banking and Insurance, State of New Jersey and provides for a pooling of risks, subject to established limits and deductibles. In addition, the Fund has obtained excess liability coverages for participants.

At June 30, 2020, the last available audit report, the Fund reported case revenue and losses incurred but not reported (IBNR) in excess of fund balance for all years of \$3,195,926.00.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 8. INTERFUND RECEIVABLES AND PAYABLES

The following interfund balances remained on the balance sheet at June 30, 2020:

<u>Fund</u>	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$ 52,235.65	
Special Revenue Fund		\$ 43,575.65
Agency Fund	<u> </u>	<u>8,660.00</u>
Total	<u>\$ 52,235.65</u>	<u>\$ 52,235.65</u>

As of June 30, 2020, the Special Revenue Fund owes the General Fund for cash disbursed on its behalf before it was submitted for reimbursement to the State of New Jersey. The Student Activity Fund owes the General Fund for the receipt of reimbursement of athletics payments made. All interfunds are expected to be liquidated during the next fiscal year.

NOTE 9. 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 Reserved Fund Balance -- Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund fund balance at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent years' budget. The excess fund balance at June 30, 2020, calculated on a budgetary basis pursuant to statute, is \$283,395.46.

NOTE 10. CAPITAL RESERVE ACCOUNT

A capital reserve account was established by the Cranford Township Board of Education by inclusion of \$1.00 on September 25, 2000 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) and updated annually in the Quality Assurance Annual Report (QAAR). Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end June 1 to June 30 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 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 projects in its approved LRFP.

Cranford Public School District

Notes to the Basic Financial Statements

Year ended June 30, 2020

NOTE 11. CONTINGENT LIABILITIES

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required. In addition, the District is receiving funding from the New Jersey Schools Development Authority (NJSDA), in connection with its approved referendum project. The costs associated with the funding received from the NJSDA are subject to a final review of eligible costs and compliance by the New Jersey Department of Education and the NJSDA.

To the extent that the District has not complied with the rules and regulations governing the NJSDA funds or has not met the final eligible costs requirements, refunds of any money received may be required.

In the opinion of the District, there are no other significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying basic financial statements for such contingencies.

COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Department of Health and Human Services declared a public health emergency for the United States and, on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

In New Jersey, Governor Murphy declared a state of emergency on March 9, 2020, and has since issued multiple Executive Orders regarding the Pandemic. The District expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of the Pandemic. The Pandemic has negatively affected travel, commerce and financial markets globally, and is widely expected to continue negatively affecting economic growth and financial markets worldwide.

The District cannot reasonably predict how long the Pandemic in New Jersey is expected to last, how the outbreak may impact the financial condition or operations of the District, any unexpected deferrals of tax payments, and/or state or federal aid to the District or the costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs of the District.

Cranford Public School District
Notes to the Basic Financial Statements
Year ended June 30, 2020

NOTE 12. TRANSFERS

The following presents a reconciliation of transfers during the 2020 fiscal year:

Fund	2020	
	In	Out
General Fund		\$ 38,439.24
Food Service Fund	\$ 38,439.24	
	<u>\$ 38,439.24</u>	<u>\$ 38,439.24</u>

During the 2020 fiscal year, the transfer from the general fund to the food service fund was for the funding of the operating deficit.

Required Supplementary Information – Part II

Pension and OPEB Schedules

CRANFORD PUBLIC SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

	<u>Last Ten Fiscal Years*</u>						
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020
District's Proportion of the Net Pension Liability - Local Group	0.077652%	0.082595%	0.079195%	0.081089%	0.080068%	0.082407%	0.081309%
District's Proportionate Share of the Net Pension Liability	\$14,840,790	\$15,463,969	\$17,777,779	\$24,015,633	\$18,638,513	\$16,225,599	\$14,650,703
District's Covered-Employee Payroll	Not available	\$5,483,006	\$5,548,124	\$5,520,410	\$5,720,682	\$5,776,277	\$5,875,918
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	Not available	282.03%	320.43%	435.03%	325.81%	280.90%	249.33%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.72%	52.08%	47.93%	40.14%	48.10%	53.60%	5.66%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

CRANFORD PUBLIC SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS
PUBLIC EMPLOYEES' RETIREMENT SYSTEM

Last Ten Fiscal Years*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Contractually Required Contribution	\$ 585,090	\$ 680,898	\$ 724,669	\$ 750,899	\$ 822,646	\$ 793,471	\$ 896,762
Contribution in Relation to Contractually Required Contribution	<u>\$ (585,090)</u>	<u>\$ (680,898)</u>	<u>\$ (724,669)</u>	<u>\$ (750,899)</u>	<u>\$ (822,646)</u>	<u>\$ (793,471)</u>	<u>\$ (896,762)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Proportionate Share of the Payroll	\$ 5,483,006	\$ 5,548,124	\$ 5,520,410	\$ 5,720,682	\$ 5,776,277	\$ 5,875,918	\$ 5,862,304
Contributions as a percentage of Covered Employee Payroll	10.67%	12.27%	13.13%	13.13%	14.24%	13.50%	15.30%

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

CRANFORD PUBLIC SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE DISTRICT'S SHARE OF THE NET PENSION LIABILITY
TEACHERS PENSION AND ANNUITY FUND

	<u>Last 10 Fiscal Years*</u>						
	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.2683150%	0.2665140%	0.2753520%	0.2684440%	0.2636890%	0.2764865%	0.2740879%
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group	\$135,604,354	\$142,443,280	\$174,034,492	\$211,174,753	\$177,788,658	\$175,894,783	\$168,210,356
District's Covered-Employee Payroll	\$26,581,466	\$27,065,917	\$27,043,401	\$27,617,810	\$28,735,328	\$29,848,525	\$29,821,425
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll	510.15%	526.28%	643.54%	764.63%	618.71%	589.29%	564.06%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%

The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

* This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

Covered payroll information is not presented since the Teachers' Pension and Annuity Fund is a special funding situation in which the District does not make contributions to this plan.

CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY

NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
June 30, 2020

NOTE 1. CHANGES IN BENEFITS AND ASSUMPTIONS

The following information is as abstracted from the State of New Jersey, Division of Pension and Benefits, Financial Statements and Supplementary Schedules report as of June 30, 2019, dated June 5, 2020. This information pertains to the RSI schedules of changes in net pension liability contained in that report.

PERS

Changes in benefit terms: None

Changes in assumptions:

For 2019, the discount rate changed to 6.28% and the long-term expected rate of return remained at the prior-year rate of 7.00%. Demographic assumptions were unchanged.

For 2018, the discount rate changed to 5.66% and the long-term expected rate of return remained at the prior-year rate of 7.00%. Demographic assumptions were unchanged.

TPAF

Changes in benefit terms: None

Changes in assumptions:

For 2019, the discount rate was changed to 5.60%. There were no changes to the long-term expected rate of return and no changes to demographic assumptions.

For 2018, the discount rate was changed to 4.86%. There were no changes to the long-term expected rate of return and no changes to demographic assumptions.

CRANFORD PUBLIC SCHOOL DISTRICT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF THE STATE'S PROPORTIONATE SHARE OF THE OPEB LIABILITY ASSOCIATED WITH THE DISTRICT
 AND CHANGES IN THE OPEB LIABILITY AND RELATED RATIOS
STATE HEALTH BENEFITS LOCAL EDUCATION RETIRED EMPLOYEES PLAN

Last Ten Fiscal Years*

	Year Ended June 30, <u>2018</u>	Year Ended June 30, <u>2019</u>	Year Ended June 30, <u>2020</u>
State's proportion of the OPEB liability associated with the District	0.2451500%	0.2405984%	0.2443027%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -
State's Proportionate Share of the OPEB liability associated with the District	\$ 131,498,084	\$ 110,941,949	\$ 101,945,267
Total proportionate share of the OPEB liability associated with the District	<u>\$ 131,498,084</u>	<u>\$ 110,941,949</u>	<u>\$ 101,945,267</u>
Balance at June 30 (beginning)	\$ 141,699,912.00	\$ 131,498,084.00	\$ 110,941,949.00
Increased by:			
Service cost	5,937,830.00	4,921,250.00	4,228,836.00
Interest cost	4,166,165.00	4,832,997.00	4,398,908.00
Member contributions	112,153.00	102,529.00	92,765.00
	<u>151,916,060.00</u>	<u>141,354,860.00</u>	<u>119,662,458.00</u>
Decreased by:			
Difference between expected and actual experience		14,715,219.00	16,107,787.00
Changes of assumptions	17,372,201.00	12,731,144.00	(1,520,012.00)
Gross benefit payments	3,045,775.00	2,966,548.00	3,129,416.00
	<u>20,417,976.00</u>	<u>27,412,911.00</u>	<u>17,617,191.00</u>
Balance at June 30 (ending)	<u>\$ 131,498,084.00</u>	<u>\$ 110,941,949.00</u>	<u>\$ 101,945,267.00</u>
Covered by employee payroll	\$ 35,345,896	\$ 36,752,108	\$ 35,683,729
Total OPEB liability as a percentage of covered employee payroll	372.03%	301.87%	285.69%

* The amounts presented for each fiscal year were determined as of the previous fiscal year-end.

This schedule is presented to illustrate the requirement to show information for ten years. However, until a full ten-year trend is compiled, governments should present information for those years for which information is available.

CRANFORD PUBLIC SCHOOL DISTRICT
COUNTY OF UNION, NEW JERSEY

NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
JUNE 30, 2020

NOTE 1. SPECIAL FUNDING SITUATION

The State of New Jersey, a non-employer contributing entity, is the only entity that has a legal obligation to make contributions to OPEB for qualified retired SHBLEREP participants. Accordingly, proportionate share information of the Net OPEB Liability is not reflected in the District's financial statements.

NOTE 2. CHANGES IN ASSUMPTIONS

For 2019, the discount rate changed to 3.50% from 3.87% in 2018. For pre-Medicare PPO and HMO medical benefits, the initial trend rate changed to 5.7% from 5.8%. For prescription drug benefits, the initial trend rate changed to 7.5% from 8.0%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

For 2018, the discount rate changed to 3.87% from 3.58%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

Required Supplementary Information – Part III

Budgetary Comparison Schedules

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 1 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
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:					
Local Tax Levy	\$ 58,844,363.00	\$	\$ 58,844,363.00	\$ 58,844,363.00	\$
Tuition	3,836,678.00		3,836,678.00	3,646,805.28	(189,872.72)
Miscellaneous	<u>189,755.00</u>		<u>189,755.00</u>	<u>216,767.48</u>	<u>27,012.48</u>
Total - Local Sources	<u>62,870,796.00</u>		<u>62,870,796.00</u>	<u>62,707,935.76</u>	<u>(162,860.24)</u>
State Sources:					
Categorical Transportation Aid	354,868.00		354,868.00	354,868.00	
Extraordinary Aid	439,433.00		439,433.00	861,714.00	422,281.00
Categorical Special Education Aid	2,304,623.00		2,304,623.00	2,304,623.00	
Equalization Aid	88,682.00		88,682.00	88,682.00	
Categorical Security Aid	92,830.00		92,830.00	92,830.00	
Non-public Transportation Aid				2,585.00	2,585.00
On Behalf T.P.A.F. Pension					
Contributions (non-budgeted)				5,955,221.00	5,955,221.00
On Behalf Post Retirement Medical					
Contributions (non-budgeted)				2,248,877.00	2,248,877.00
On Behalf T.P.A.F. Non-Contributory Group Insurance					
Contributions (non-budgeted)				106,741.00	106,741.00
On Behalf T.P.A.F. Long Term Disability Insurance					
Contributions (non-budgeted)				5,600.00	5,600.00
Reimbursed TPAF Social Security					
Contributions (non-budgeted)				<u>2,166,680.15</u>	<u>2,166,680.15</u>
Total - State Sources	<u>3,280,436.00</u>		<u>3,280,436.00</u>	<u>14,188,421.15</u>	<u>10,907,985.15</u>
Federal Sources:					
Medicaid Reimbursement	<u>23,978.00</u>		<u>23,978.00</u>	<u>10,853.08</u>	<u>(13,124.92)</u>
Total - Federal Sources	<u>23,978.00</u>		<u>23,978.00</u>	<u>10,853.08</u>	<u>(13,124.92)</u>
Total Revenues	<u>66,175,210.00</u>		<u>66,175,210.00</u>	<u>76,907,209.99</u>	<u>10,731,999.99</u>

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 2 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 511,594.00	\$ (16,000.00)	\$ 495,594.00	\$ 489,951.75	\$ 5,642.25
Grades 1- 5	6,958,184.00	167,675.00	7,125,859.00	7,065,715.26	60,143.74
Grades 6- 8	3,908,250.00	(2,053.39)	3,906,196.61	3,906,196.61	
Grades 9-12	6,676,713.00	(163,816.30)	6,512,896.70	6,486,146.77	26,749.93
Regular Programs - Home Instruction:					
Salaries of Teachers	23,675.00		23,675.00	14,117.84	9,557.16
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	133,899.00	(1,446.21)	132,452.79	132,452.79	
Purchased Professional - Educational Services	4,080.00	(670.00)	3,410.00	3,108.00	302.00
Other Purchased Services	427,931.24	22,114.07	450,045.31	417,196.19	32,849.12
General Supplies	763,791.09	203,503.43	967,294.52	679,905.70	287,388.82
Textbooks	68,950.00	(15,504.33)	53,445.67	53,324.19	121.48
Other Objects	1,300.00		1,300.00	1,300.00	
Total Regular Programs - Instruction	<u>19,478,367.33</u>	<u>193,802.27</u>	<u>19,672,169.60</u>	<u>19,249,415.10</u>	<u>422,754.50</u>
Learning and/or Language Disabilities:					
Salaries of Teachers	290,757.00	(10,000.00)	280,757.00	277,999.04	2,757.96
Other Salaries for Instruction	247,281.00	(30,000.00)	217,281.00	216,231.97	1,049.03
General Supplies	1,400.00	(258.24)	1,141.76	988.17	153.59
Total Learning and/or Language Disabilities	<u>539,438.00</u>	<u>(40,258.24)</u>	<u>499,179.76</u>	<u>495,219.18</u>	<u>3,960.58</u>

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 3 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
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>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Special Education (Cont'd.):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 1,576,562.00	\$ (99,972.00)	\$ 1,476,590.00	\$ 1,474,552.91	\$ 2,037.09
Other Salaries for Instruction	442,778.00	128,777.80	571,555.80	571,555.80	
Purchased Professional - Educational Services	600.00	(600.00)			
Other Purchased Services	6,773.00	(1,970.00)	4,803.00	4,558.83	244.17
General Supplies	41,885.00	4,074.50	45,959.50	29,663.16	16,296.34
Textbooks	1,000.00	(1,000.00)			
Other Objects	10,500.00	7,978.01	18,478.01	17,856.31	621.70
Total Behavioral Disabilities	<u>2,080,098.00</u>	<u>37,288.31</u>	<u>2,117,386.31</u>	<u>2,098,187.01</u>	<u>19,199.30</u>
Resource Room/Resource Center:					
Salaries of Teachers	4,095,588.00	(121,483.52)	3,974,104.48	3,931,117.73	42,986.75
General Supplies	20,453.00	136.94	20,589.94	17,922.51	2,667.43
Total Resource Room/Resource Center	<u>4,116,041.00</u>	<u>(121,346.58)</u>	<u>3,994,694.42</u>	<u>3,949,040.24</u>	<u>45,654.18</u>
Autism:					
Salaries of Teachers	130,874.00	2,000.00	132,874.00	130,322.02	2,551.98
Other Salaries for Instruction	157,770.00	(13,464.50)	144,305.50	144,305.22	0.28
General Supplies	2,250.00		2,250.00	746.70	1,503.30
Total Autism	<u>290,894.00</u>	<u>(11,464.50)</u>	<u>279,429.50</u>	<u>275,373.94</u>	<u>4,055.56</u>

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 4 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
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>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Special Education (Cont'd.):					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 217,465.00	\$	\$ 217,465.00	\$ 217,161.23	\$ 303.77
Other Salaries for Instruction	188,053.00	3,400.00	191,453.00	190,652.25	800.75
General Supplies	3,349.99	(43.58)	3,306.41	2,376.18	930.23
Total Preschool Disabilities - Part-Time	<u>408,867.99</u>	<u>3,356.42</u>	<u>412,224.41</u>	<u>410,189.66</u>	<u>2,034.75</u>
Preschool Disabilities - Full-Time:					
Salaries of Teachers	63,548.00		63,548.00	61,379.65	2,168.35
Other Salaries for Instruction	29,649.00	1,222.56	30,871.56	30,871.56	
General Supplies	500.00	(119.05)	380.95	81.13	299.82
Total Preschool Disabilities - Full-Time	<u>93,697.00</u>	<u>1,103.51</u>	<u>94,800.51</u>	<u>92,332.34</u>	<u>2,468.17</u>
Special Education - Home Instruction:					
Salaries of Teachers	43,681.00		43,681.00	36,635.72	7,045.28
Purchased Professional - Educational Services	32,526.00	44,255.00	76,781.00	60,546.31	16,234.69
Total Special Education - Home Instruction	<u>76,207.00</u>	<u>44,255.00</u>	<u>120,462.00</u>	<u>97,182.03</u>	<u>23,279.97</u>
Total Special Education	<u>7,605,242.99</u>	<u>(87,066.08)</u>	<u>7,518,176.91</u>	<u>7,417,524.40</u>	<u>100,652.51</u>
Basic Skills/Remedial:					
Salaries of Teachers	642,135.00	(30,012.80)	612,122.20	611,498.24	623.96
General Supplies	2,765.00	(352.24)	2,412.76	1,953.56	459.20
Total Basic Skills/Remedial	<u>644,900.00</u>	<u>(30,365.04)</u>	<u>614,534.96</u>	<u>613,451.80</u>	<u>1,083.16</u>

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 5 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Bilingual Education:					
Salaries of Teachers	\$ 56,131.00	\$ 10,720.00	\$ 66,851.00	\$ 66,756.00	\$ 95.00
General Supplies	554.24		554.24	554.24	
Total Bilingual Education	56,685.24	10,720.00	67,405.24	67,310.24	95.00
School - Sponsored Cocurricular Activities:					
Salaries	324,139.00	7,708.00	331,847.00	330,014.00	1,833.00
Purchased Services	24,825.75	(10,035.00)	14,790.75	12,945.55	1,845.20
Supplies and Materials	16,635.79	(5,607.57)	11,028.22	10,269.54	758.68
Other Objects	33,925.00	(6,850.00)	27,075.00	12,142.91	14,932.09
Total School - Sponsored Cocurricular Activities	399,525.54	(14,784.57)	384,740.97	365,372.00	19,368.97
School - Sponsored Athletics:					
Salaries	536,894.00	(7,599.00)	529,295.00	493,680.41	35,614.59
Purchased Services	174,185.00	(10,891.25)	163,293.75	131,774.48	31,519.27
Supplies and Materials	86,868.00	12,400.00	99,268.00	76,552.58	22,715.42
Other Objects	20,760.00	775.00	21,535.00	18,492.29	3,042.71
Total School - Sponsored Athletics	818,707.00	(5,315.25)	813,391.75	720,499.76	92,891.99
Summer School - Instruction:					
Salaries of Teachers	68,925.00		68,925.00	60,063.42	8,861.58
Other Salaries for Instruction	45,268.00		45,268.00	36,311.25	8,956.75
Purchased Professional and Technical Services	23,375.00	5,013.00	28,388.00	24,249.00	4,139.00
General Supplies	250.00		250.00	195.77	54.23
Total Summer School - Instruction	137,818.00	5,013.00	142,831.00	120,819.44	22,011.56
Summer School - Support Services:					
Salaries	2,063.00		2,063.00	1,853.75	209.25
Total Summer School - Support Services	2,063.00		2,063.00	1,853.75	209.25
Total Summer School	139,881.00	5,013.00	144,894.00	122,673.19	22,220.81

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 6 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Community Services Programs/Operations:					
Salaries	\$ 29,175.00	\$	\$ 29,175.00	\$ 22,547.20	\$ 6,627.80
Purchased Services	<u>700.00</u>		<u>700.00</u>		<u>700.00</u>
Total Community Services Programs/Operations	<u>29,875.00</u>		<u>29,875.00</u>	<u>22,547.20</u>	<u>7,327.80</u>
Total Instruction	<u>29,173,184.10</u>	<u>72,004.33</u>	<u>29,245,188.43</u>	<u>28,578,793.69</u>	<u>666,394.74</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAS Within the State - Special	1,288,281.00	(135,942.90)	1,152,338.10	1,104,704.04	47,634.06
Tuition to County Vocational School Districts - Regular	503,000.00	56,000.00	559,000.00	557,750.00	1,250.00
Tuition to County Vocational School Districts - Special	31,000.00	(6,000.00)	25,000.00	21,500.00	3,500.00
Tuition to Private Schools for the Disabled within State	1,655,167.57	292,555.99	1,947,723.56	1,917,662.54	30,061.02
Tuition - Other	<u>289,411.00</u>	<u>(6,491.66)</u>	<u>282,919.34</u>	<u>269,232.38</u>	<u>13,686.96</u>
Total Undistributed Expenditures - Instruction	<u>3,766,859.57</u>	<u>200,121.43</u>	<u>3,966,981.00</u>	<u>3,870,848.96</u>	<u>96,132.04</u>
Attendance and Social Work Services:					
Purchased Professional and Technical Services	<u>4,200.00</u>	<u>2,000.00</u>	<u>6,200.00</u>		<u>6,200.00</u>
Total Attendance and Social Work Services	<u>4,200.00</u>	<u>2,000.00</u>	<u>6,200.00</u>		<u>6,200.00</u>

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 7 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Health Services:					
Salaries	\$ 636,434.00	\$ 390.00	\$ 636,824.00	\$ 620,438.92	\$ 16,385.08
Purchased Professional and Technical Services	17,119.25	(1,330.00)	15,789.25	14,782.00	1,007.25
Other Purchased Services	12,272.00	(6,425.00)	5,847.00	4,704.00	1,143.00
Supplies and Materials	11,407.00	250.00	11,657.00	11,528.53	128.47
Total Health Services	<u>677,232.25</u>	<u>(7,115.00)</u>	<u>670,117.25</u>	<u>651,453.45</u>	<u>18,663.80</u>
Speech, OT, PT and Related Services:					
Salaries	1,117,864.00	(198,514.96)	919,349.04	913,427.71	5,921.33
Purchased Professional - Educational Services	123,406.52	(19,815.28)	103,591.24	65,473.90	38,117.34
Supplies and Materials	6,752.00	210.00	6,962.00	4,825.66	2,136.34
Total Speech, OT, PT and Related Services	<u>1,248,022.52</u>	<u>(218,120.24)</u>	<u>1,029,902.28</u>	<u>983,727.27</u>	<u>46,175.01</u>
Other Support Services - Students - Extraordinary Services:					
Salaries	994,901.00	48,282.50	1,043,183.50	1,037,548.13	5,635.37
Purchased Professional - Educational Services	336,763.00	27,868.56	364,631.56	350,270.65	14,360.91
Supplies and Materials	6,584.00	7,379.64	13,963.64	13,878.87	84.77
Total Other Support Services - Students - Extraordinary	<u>1,338,248.00</u>	<u>83,530.70</u>	<u>1,421,778.70</u>	<u>1,401,697.65</u>	<u>20,081.05</u>
Guidance:					
Salaries of Other Professional Staff	825,432.00		825,432.00	820,834.74	4,597.26
Salaries of Secretarial and Clerical Assistants	172,952.00		172,952.00	171,512.24	1,439.76
Other Purchased Professional and Technical Services	69,734.70	(3,279.46)	66,455.24	66,207.89	247.35
Other Purchased Services	2,400.00	(900.00)	1,500.00	1,383.37	116.63
Supplies and Materials	8,098.20	(1,158.34)	6,939.86	5,456.10	1,483.76
Other Objects	1,675.00	(800.00)	875.00	800.00	75.00
Total Guidance	<u>1,080,291.90</u>	<u>(6,137.80)</u>	<u>1,074,154.10</u>	<u>1,066,194.34</u>	<u>7,959.76</u>

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 8 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 1,169,588.00	\$ (173,000.00)	\$ 996,588.00	\$ 977,933.09	\$ 18,654.91
Salaries of Secretarial and Clerical Assistants	144,725.00	1,600.00	146,325.00	145,619.51	705.49
Purchased Professional - Educational Services	102,769.00	149,235.00	252,004.00	215,601.50	36,402.50
Other Purchased Professional and Technical Services	17,500.00	49,433.44	66,933.44	42,066.20	24,867.24
Miscellaneous Purchased Services	42,971.00	3,029.00	46,000.00	45,530.57	469.43
Supplies and Materials	13,838.75	(1,764.64)	12,074.11	7,348.14	4,725.97
Total Child Study Teams	1,491,391.75	28,532.80	1,519,924.55	1,434,099.01	85,825.54
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	993,217.00	(15,742.00)	977,475.00	969,041.86	8,433.14
Salaries of Other Professional Staff	40,667.00		40,667.00	36,328.06	4,338.94
Salaries of Secretarial and Clerical Assistants	107,102.00	1,900.00	109,002.00	108,996.00	6.00
Salaries of Facilitators, Math and Literacy Coaches	138,110.00	26,698.59	164,808.59	164,808.59	
Purchased Professional - Educational Services		3,000.00	3,000.00	3,000.00	
Other Purchased Services	8,295.00	(3,603.83)	4,691.17	2,898.35	1,792.82
Supplies and Materials	4,150.00	(415.00)	3,735.00	3,090.20	644.80
Other Objects	930.00	89.00	1,019.00	884.00	135.00
Total Improvement of Instructional Services	1,292,471.00	11,926.76	1,304,397.76	1,289,047.06	15,350.70
Educational Media Services/School Library:					
Salaries	396,382.00	(28,735.00)	367,647.00	348,827.37	18,819.63
Purchased Professional and Technical Services	15,738.00	(320.54)	15,417.46	15,279.53	137.93
Other Purchased Services	2,756.06	(1,420.00)	1,336.06	981.99	354.07
Supplies and Materials	50,940.76	(796.53)	50,144.23	46,194.32	3,949.91
Total Educational Media Services/School Library	465,816.82	(31,272.07)	434,544.75	411,283.21	23,261.54

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 9 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Instructional Staff Training Services:					
Other Salaries	\$ 3,000.00	\$ 1,604.33	\$ 4,604.33	\$ 4,604.33	\$
Purchased Professional - Educational Services	45,350.00	5,683.00	51,033.00	29,274.00	21,759.00
Other Purchased Services	33,180.00	(14,241.19)	18,938.81	13,565.51	5,373.30
Supplies and Materials	1,066.00	1,500.00	2,566.00	2,442.88	123.12
Other Objects	3,864.00	(2,910.00)	954.00	470.00	484.00
Total Instructional Staff Training Services	86,460.00	(8,363.86)	78,096.14	50,356.72	27,739.42
Support Services - General Administration:					
Salaries	344,105.00	2,352.24	346,457.24	346,457.24	
Legal Services	145,480.00	55,677.50	201,157.50	190,952.50	10,205.00
Audit Fees	32,208.00	39.00	32,247.00	32,247.00	
Architectural/Engineering Services	4,500.00		4,500.00	3,300.00	1,200.00
Purchased Technical Services	6,000.00	11,285.00	17,285.00	12,800.00	4,485.00
Communications/Telephone	140,994.00	720.80	141,714.80	131,975.48	9,739.32
BOE Other Purchased Services	5,850.00		5,850.00	3,057.00	2,793.00
Miscellaneous Purchased Services	81,374.00	(4,185.72)	77,188.28	68,387.99	8,800.29
General Supplies	11,306.00	(2,039.00)	9,267.00	3,974.01	5,292.99
BOE In-House Training/Meeting Supplies	3,000.00		3,000.00		3,000.00
Miscellaneous Expenditures	74,877.77		74,877.77	74,662.82	214.95
BOE Membership Dues and Fees	26,915.00		26,915.00	26,915.00	
Total Support Services - General Administration	876,609.77	63,849.82	940,459.59	894,729.04	45,730.55
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,659,834.00	(30,876.29)	1,628,957.71	1,628,957.71	
Salaries of Other Professional Staff	416,499.00	199.88	416,698.88	416,698.88	
Salaries of Secretarial and Clerical Assistants	920,144.00	16,979.20	937,123.20	937,123.20	
Unused Vacation Payment to Terminated/Retired Staff		35,971.30	35,971.30	35,971.30	
Other Purchased Services	22,004.91	(1,642.00)	20,362.91	8,768.19	11,594.72
Supplies and Materials	30,723.00	(3,669.22)	27,053.78	19,416.36	7,637.42
Other Objects	11,565.00	(3,249.93)	8,315.07	5,765.40	2,549.67
Total Support Services - School Administration	3,060,769.91	13,712.94	3,074,482.85	3,052,701.04	21,781.81

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 10 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Central Services:					
Salaries	\$ 736,645.00	\$ 1,360.97	\$ 738,005.97	\$ 737,977.21	\$ 28.76
Purchased Technical Services	124,556.00	4,300.00	128,856.00	115,663.40	13,192.60
Miscellaneous Purchased Services	30,087.00	1,201.80	31,288.80	24,263.37	7,025.43
Supplies and Materials	22,405.00	(1,039.00)	21,366.00	11,946.53	9,419.47
Miscellaneous Expenditures	4,706.00	809.00	5,515.00	3,656.78	1,858.22
Total Central Services	918,399.00	6,632.77	925,031.77	893,507.29	31,524.48
Administrative Information Technology:					
Salaries	300,904.00	5,550.57	306,454.57	305,969.69	484.88
Purchased Technical Services	59,875.00	(2,242.60)	57,632.40	52,178.40	5,454.00
Other Purchased Services	2,150.00		2,150.00	1,357.78	792.22
Supplies and Materials	1,000.00		1,000.00		1,000.00
Total Administrative Information Technology	363,929.00	3,307.97	367,236.97	359,505.87	7,731.10
Required Maintenance for School Facilities:					
Salaries	231,295.00	7,200.00	238,495.00	234,596.86	3,898.14
Cleaning, Repair, and Maintenance Services	203,670.00	328,826.42	532,496.42	465,317.59	67,178.83
General Supplies	59,500.00	18,829.39	78,329.39	72,114.93	6,214.46
Other Objects	10,800.00	(9,972.00)	828.00	828.00	
Total Required Maintenance for School Facilities	505,265.00	344,883.81	850,148.81	772,857.38	77,291.43
Custodial Services:					
Salaries	2,042,364.00	(5,466.03)	2,036,897.97	1,920,942.91	115,955.06
Salaries of Non-Instructional Aides	438,312.00	(1,320.00)	436,992.00	363,489.75	73,502.25
Unused Vacation Payment to Terminated/Retired Staff		16,487.16	16,487.16	16,487.16	
Purchased Professional & Technical Services	11,000.00		11,000.00	9,244.25	1,755.75
Cleaning, Repair, and Maintenance Services	146,452.29	5,194.14	151,646.43	144,375.00	7,271.43
Other Purchased Property Services	108,502.00		108,502.00	93,770.53	14,731.47
Insurance	415,203.00	7,855.12	423,058.12	423,058.12	
Miscellaneous Purchased Services	1,250.00		1,250.00	324.00	926.00
General Supplies	182,709.24	36,218.12	218,927.36	213,832.42	5,094.94
Energy (Natural Gas)	285,800.00	(22,558.89)	263,241.11	248,902.47	14,338.64
Energy (Electricity)	515,466.00	(65,987.14)	449,478.86	375,196.48	74,282.38
Energy (Gasoline)	10,400.00		10,400.00	8,040.92	2,359.08
Other Objects	3,292.00	525.00	3,817.00	3,816.50	0.50
Total Custodial Services	4,160,750.53	(29,052.52)	4,131,698.01	3,821,480.51	310,217.50

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 11 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
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>
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Care and Upkeep of Grounds:					
Salaries	\$ 150,406.00	\$ 26,000.00	\$ 176,406.00	\$ 144,855.92	\$ 31,550.08
Cleaning, Repair, and Maintenance Services	150,875.00	24,945.00	175,820.00	154,273.47	21,546.53
General Supplies	30,000.00	(9,091.42)	20,908.58	17,031.28	3,877.30
Total Care and Upkeep of Grounds	331,281.00	41,853.58	373,134.58	316,160.67	56,973.91
Security:					
Salaries	6,300.00	7,434.00	13,734.00	11,635.00	2,099.00
Purchased Professional & Technical Services	92,925.00	459.25	93,384.25	89,845.80	3,538.45
Cleaning, Repair, and Maintenance Services	162,480.32	(7,047.09)	155,433.23	151,097.90	4,335.33
General Supplies	11,781.64	16,207.47	27,989.11	26,115.20	1,873.91
Total Care and Upkeep of Grounds	273,486.96	17,053.63	290,540.59	278,693.90	11,846.69
Student Transportation Services:					
Salaries for Pupil Transportation (Other Than Between Home & School)	108,308.00	(2,700.00)	105,608.00	93,585.36	12,022.64
Cleaning, Repair, and Maintenance Services	10,000.00	(2,784.11)	7,215.89	2,979.11	4,236.78
Contracted Services (Between Home and School) - Vendors	178,713.00	5,285.80	183,998.80	166,406.03	17,592.77
Contracted Services (Other Than Between Home & School) - Vendors	180,726.00	(7,317.40)	173,408.60	114,139.30	59,269.30
Contracted Services (Special Education Students) - Vendors	23,670.00		23,670.00	18,751.67	4,918.33
Contracted Services (Special Education Students) - Joint Agreements	434,250.00	(104,559.96)	329,690.04	329,658.13	31.91
Contracted Services (Regular Students) - ESCs	131,360.00	10,810.80	142,170.80	142,170.80	
Contracted Services (Special Ed. Students) - ESCs	683,845.00	212,112.50	895,957.50	885,532.07	10,425.43
Contracted Services - Aid in Lieu of Payments	86,000.00	7,000.00	93,000.00	92,000.00	1,000.00
Transportation Supplies	6,500.00		6,500.00	4,021.79	2,478.21
Total Student Transportation Services	1,843,372.00	117,847.63	1,961,219.63	1,849,244.26	111,975.37

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 12 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 792,958.00	\$	\$ 792,958.00	\$ 791,255.12	\$ 1,702.88
Other Retirement Contributions - PERS	901,270.00	(12,661.00)	888,609.00	793,471.00	95,138.00
Other Retirement Contributions - Regular	48,515.65	21,380.52	69,896.17	69,896.17	
Workers' Compensation	469,696.00	(2,572.00)	467,124.00	448,211.00	18,913.00
Health Benefits	11,245,969.00	(1,000,192.36)	10,245,776.64	10,006,814.26	238,962.38
Tuition Reimbursement	100,500.00		100,500.00	96,750.00	3,750.00
Other Employee Benefits	320,097.16	23,482.15	343,579.31	338,908.49	4,670.82
Unused Sick Payment to Terminated/Retired Staff		188,582.05	188,582.05	187,582.05	1,000.00
Total Unallocated Benefits - Employee Benefits	<u>13,879,005.81</u>	<u>(781,980.64)</u>	<u>13,097,025.17</u>	<u>12,732,888.09</u>	<u>364,137.08</u>
Total Personal Services - Employee Benefits	<u>13,879,005.81</u>	<u>(781,980.64)</u>	<u>13,097,025.17</u>	<u>12,732,888.09</u>	<u>364,137.08</u>
On Behalf T.P.A.F. Pension Contributions (non-budgeted)				5,955,221.00	(5,955,221.00)
On Behalf Post Retirement Medical Contributions (non-budgeted)				2,248,877.00	(2,248,877.00)
On Behalf T.P.A.F. Non-Contributory Group Insurance Contributions (non-budgeted)				106,741.00	(106,741.00)
On Behalf T.P.A.F. Long Term Disability Insurance Contributions (non-budgeted)				5,600.00	(5,600.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,166,680.15	(2,166,680.15)
Total Undistributed Expenditures	<u>37,663,862.79</u>	<u>(146,788.29)</u>	<u>37,517,074.50</u>	<u>46,613,594.87</u>	<u>(9,096,520.37)</u>
Total Expenditures - Current Expense	<u>66,837,046.89</u>	<u>(74,783.96)</u>	<u>66,762,262.93</u>	<u>75,192,388.56</u>	<u>(8,430,125.63)</u>

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 13 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
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>
Capital Outlay:					
Equipment:					
Regular Programs - Instruction:					
Grades 9-12	\$ 4,394.00	\$ 4,600.00	\$ 8,994.00	\$ 8,994.00	\$
School Sponsored and Other Instructional Programs	1,000.00	13,288.96	14,288.96	6,689.96	7,599.00
Undistributed Expenditures:					
Custodial Services		<u>8,895.00</u>	<u>8,895.00</u>	<u>8,895.00</u>	
Total Equipment	<u>5,394.00</u>	<u>26,783.96</u>	<u>32,177.96</u>	<u>24,578.96</u>	<u>7,599.00</u>
Facilities Acquisition & Construction Services:					
Other Objects	<u>13,684.00</u>		<u>13,684.00</u>	<u>13,684.00</u>	
Total Facilities Acquisition & Construction Services	<u>13,684.00</u>		<u>13,684.00</u>	<u>13,684.00</u>	
Assets Acquired Under Capital Leases:					
Equipment:					
Maintenance Department Equipment (non-budgeted)				<u>137,322.00</u>	<u>(137,322.00)</u>
Total Assets Acquired Under Capital Leases				<u>137,322.00</u>	<u>(137,322.00)</u>
Total Capital Outlay	<u>19,078.00</u>	<u>26,783.96</u>	<u>45,861.96</u>	<u>175,584.96</u>	<u>(129,723.00)</u>
Total Expenditures	<u>66,856,124.89</u>	<u>(48,000.00)</u>	<u>66,808,124.89</u>	<u>75,367,973.52</u>	<u>(8,559,848.63)</u>

CRANFORD PUBLIC SCHOOL DISTRICT
GENERAL FUND

Exhibit C-1
Page 14 of 14

BUDGETARY COMPARISON SCHEDULE
BUDGETARY BASIS
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>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (680,914.89)	\$ 48,000.00	\$ (632,914.89)	\$ 1,539,236.47	\$ 2,172,151.36
Other Financing Sources/(Uses):					
Transfers to Cover Deficit (Enterprise Fund)		(48,000.00)	(48,000.00)	(38,439.24)	9,560.76
Capital Leases (non-budgeted)				137,322.00	137,322.00
Total Other Financing Sources/(Uses)		<u>(48,000.00)</u>	<u>(48,000.00)</u>	<u>98,882.76</u>	<u>146,882.76</u>
Excess (Deficiency) of Revenues and Other Financing Sources/(Uses) Over (Under) Expenditures and Other Financing Uses	(680,914.89)		(680,914.89)	1,638,119.23	2,319,034.12
Fund Balances, July 1	<u>1,030,234.29</u>		<u>1,030,234.29</u>	<u>1,030,234.29</u>	
Fund Balances, June 30	<u>\$ 349,319.40</u>	<u>\$</u>	<u>\$ 349,319.40</u>	<u>\$ 2,668,353.52</u>	<u>\$ 2,319,034.12</u>
Recapitulation of fund balance:					
Restricted for:					
Reserved for Excess Surplus				\$ 283,395.46	
Capital reserve				1.00	
Assigned to:					
Year - End Encumbrances				498,584.41	
Designated for Subsequent Year's Expenditures				166,556.00	
Unassigned Fund Balance				<u>1,719,816.65</u>	
				<u>2,668,353.52</u>	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payments not recognized on GAAP basis				<u>(277,131.00)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 2,391,222.52</u>	

CRANFORD PUBLIC SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
SPECIAL REVENUE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Exhibit C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
Revenues:					
Local Sources:					
Revenue from Local Sources		\$ 160,654.34	\$ 160,654.34	\$ 114,990.00	\$ (45,664.34)
Total - Local Sources		160,654.34	160,654.34	114,990.00	(45,664.34)
State Sources:					
Nonpublic Aid	\$ 134,665.00	26,654.19	161,319.19	128,627.66	(32,691.53)
Total - State Sources	134,665.00	26,654.19	161,319.19	128,627.66	(32,691.53)
Federal Sources:					
I.D.E.A., Part B (Handicapped)	864,417.00	3,186.00	867,603.00	861,027.00	(6,576.00)
ESEA - Title I, Part A	98,541.00	(6,247.00)	92,294.00	90,681.07	(1,612.93)
ESEA - Title II, Part A	58,161.00	1,054.00	59,215.00	57,040.00	(2,175.00)
CARES Emergency Relief/ESSER		74,205.00	74,205.00	32,157.51	(42,047.49)
Total - Federal Sources	1,021,119.00	72,198.00	1,093,317.00	1,040,905.58	(52,411.42)
Total Revenues	1,155,784.00	259,506.53	1,415,290.53	1,284,523.24	(130,767.29)
Expenditures					
Instruction					
Salaries of Teachers	75,200.00	938.09	76,138.09	75,388.09	750.00
Purchase Professional and Technical Services		1,000.00	1,000.00	1,000.00	
Other Purchased Services	124,089.00	22,151.00	146,240.00	109,620.38	36,619.62
Tuition	812,215.00	(7,810.00)	804,405.00	804,405.00	
General Supplies	29.00	100,233.29	100,262.29	62,430.45	37,831.84
Textbooks	10,576.00	282.00	10,858.00	10,399.59	458.41
Total Instruction	1,022,109.00	116,794.38	1,138,903.38	1,063,243.51	75,659.87
Support Services					
Other Salaries	41,550.00	(654.00)	40,896.00	40,896.00	0.00
Personal Services - Employee Benefits	36,192.00	4,772.27	40,964.27	38,383.34	2,580.93
Purchased Professional - Educational Services	55,508.00	11,017.10	66,525.10	59,844.10	6,681.00
Other Purchased Services (400-500 series)		47,515.00	47,515.00	41,016.51	6,498.49
Supplies and Materials	425.00	64,391.78	64,816.78	30,469.78	34,347.00
Total Support Services	133,675.00	127,042.15	260,717.15	210,609.73	50,107.42
Facilities Acquisition and Construction Services:					
Instructional Equipment		15,670.00	15,670.00	10,670.00	5,000.00
Total Facilities Acquisition and Construction Services		15,670.00	15,670.00	10,670.00	5,000.00
Total Expenditures	1,155,784.00	259,506.53	1,415,290.53	1,284,523.24	130,767.29
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$	\$	\$	\$	\$

CRANFORD PUBLIC 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 (C-1, C-2)	\$ 76,907,209.99	\$ 1,284,523.24
Difference - budget to GAAP:		
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	242,141.00	
Current year	(277,131.00)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	\$ <u><u>76,872,219.99</u></u>	\$ <u><u>1,284,523.24</u></u>
Uses/outflows of resources		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-1, C-2)	\$ <u><u>75,367,973.52</u></u>	\$ <u><u>1,284,523.24</u></u>
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ <u><u>75,367,973.52</u></u>	\$ <u><u>1,284,523.24</u></u>

Supplementary Information

Special Revenue Fund

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

	Total Brought Forward (Ex. E-1a)	IDEA Part B Basic Reg. FY 2020	IDEA Part B Preschool FY 2020	ESEA - Title I, Part A FY 2020	ESEA - Title II, Part A FY 2020	CARES Emergency Relief Grant	Totals 2020
<u>Revenues:</u>							
State Sources	\$ 128,627.66						\$ 128,627.66
Federal Sources		831,438.00	29,589.00	90,681.07	57,040.00	32,157.51	1,040,905.58
Local Sources	114,990.00						114,990.00
Total Revenues	243,617.66	831,438.00	29,589.00	90,681.07	57,040.00	32,157.51	1,284,523.24
<u>Expenditures:</u>							
Instruction:							
Salaries of Teachers	8,738.09			66,650.00			75,388.09
Purchased Professional and Technical Services	1,000.00						1,000.00
Other Purchased Services	109,620.38						109,620.38
Tuition		804,405.00					804,405.00
General Supplies	62,386.72			43.73			62,430.45
Textbooks	10,399.59						10,399.59
Total Instruction	192,144.78	804,405.00		66,693.73			1,063,243.51
Support Services:							
Other Salaries	896.00				40,000.00		40,896.00
Personal Services - Employee Benefits				23,987.34	14,396.00		38,383.34
Purchased Professional - Educational Services	2,327.10	27,033.00	29,589.00		895.00		59,844.10
Other Purchased Services (400-500 series)	8,859.00					32,157.51	41,016.51
Supplies and Materials	28,720.78				1,749.00		30,469.78
Total Support Services	40,802.88	27,033.00	29,589.00	23,987.34	57,040.00	32,157.51	210,609.73
Facilities Acquisition & Construction Services:							
Instructional Equipment	10,670.00						10,670.00
Total Facilities Acquisition & Construction Services	10,670.00						10,670.00
Total Expenditures	\$ 243,617.66	\$ 831,438.00	\$ 29,589.00	\$ 90,681.07	\$ 57,040.00	\$ 32,157.51	\$ 1,284,523.24

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Total Brought Forward (Ex. E-1b)	NJTSS - ER Grant	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Technology	Nonpublic Security	Total Carried Forward
<u>Revenues:</u>							
State Sources	\$ 56,662.44	\$ 10,031.19	\$ 10,399.59	\$ 17,823.63	\$ 2,810.81	\$ 30,900.00	\$ 128,627.66
Federal Sources							
Local Sources	<u>114,990.00</u>						<u>114,990.00</u>
Total Revenues	<u>171,652.44</u>	<u>10,031.19</u>	<u>10,399.59</u>	<u>17,823.63</u>	<u>2,810.81</u>	<u>30,900.00</u>	<u>243,617.66</u>
<u>Expenditures:</u>							
Instruction:							
Salaries of Teachers	896.00	7,842.09					8,738.09
Purchased Professional and Technical Services	1,000.00						1,000.00
Other Purchased Services	58,085.94			17,823.63	2,810.81	30,900.00	109,620.38
Tuition							
General Supplies	62,386.72						62,386.72
Textbooks			<u>10,399.59</u>				<u>10,399.59</u>
Total Instruction	<u>122,368.66</u>	<u>7,842.09</u>	<u>10,399.59</u>	<u>17,823.63</u>	<u>2,810.81</u>	<u>30,900.00</u>	<u>192,144.78</u>
Support Services:							
Other Salaries	896.00						896.00
Personal Services - Employee Benefits							
Purchased Professional - Educational Services	258.00	2,069.10					2,327.10
Other Purchased Services (400-500 series)	8,739.00	120.00					8,859.00
Supplies and Materials	<u>28,720.78</u>						<u>28,720.78</u>
Total Support Services	<u>38,613.78</u>	<u>2,189.10</u>					<u>40,802.88</u>
Facilities Acquisition & Construction Services:							
Instructional Equipment	<u>10,670.00</u>						<u>10,670.00</u>
Total Facilities Acquisition & Construction Services	<u>10,670.00</u>						<u>10,670.00</u>
Total Expenditures	<u>\$ 171,652.44</u>	<u>\$ 10,031.19</u>	<u>\$ 10,399.59</u>	<u>\$ 17,823.63</u>	<u>\$ 2,810.81</u>	<u>\$ 30,900.00</u>	<u>\$ 243,617.66</u>

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Total Brought Forward (Ex. E-1c)	N.J. Nonpublic Auxiliary Services Ch. 192		Supplemental Instruction	N.J. Nonpublic Handicapped Services Ch. 193		Total Carried Forward
		Trans- portation	Compensatory Education		Examination & Classification	Corrective Speech	
<u>Revenues:</u>							
State Sources	\$	\$ 5,645.00	\$ 29,365.44	\$ 5,342.70	\$ 4,461.30	\$ 11,848.00	\$ 56,662.44
Federal Sources							
Local Sources	<u>114,990.00</u>						<u>114,990.00</u>
Total Revenues	<u>114,990.00</u>	<u>5,645.00</u>	<u>29,365.44</u>	<u>5,342.70</u>	<u>4,461.30</u>	<u>11,848.00</u>	<u>171,652.44</u>
<u>Expenditures:</u>							
Instruction:							
Salaries of Teachers	896.00						896.00
Purchased Professional and Technical Services	1,000.00						1,000.00
Other Purchased Services	1,423.50	5,645.00	29,365.44	5,342.70	4,461.30	11,848.00	58,085.94
Tuition							
General Supplies	62,386.72						62,386.72
Textbooks							
Total Instruction	<u>65,706.22</u>	<u>5,645.00</u>	<u>29,365.44</u>	<u>5,342.70</u>	<u>4,461.30</u>	<u>11,848.00</u>	<u>122,368.66</u>
Support Services:							
Other Salaries	896.00						896.00
Personal Services - Employee Benefits							
Purchased Professional - Educational Services	258.00						258.00
Other Purchased Services (400-500 series)	8,739.00						8,739.00
Supplies and Materials	<u>28,720.78</u>						<u>28,720.78</u>
Total Support Services	<u>38,613.78</u>						<u>38,613.78</u>
Facilities Acquisition & Construction Services:							
Instructional Equipment	<u>10,670.00</u>						<u>10,670.00</u>
Total Facilities Acquisition & Construction Services	<u>10,670.00</u>						<u>10,670.00</u>
Total Expenditures	<u>\$ 114,990.00</u>	<u>\$ 5,645.00</u>	<u>\$ 29,365.44</u>	<u>\$ 5,342.70</u>	<u>\$ 4,461.30</u>	<u>\$ 11,848.00</u>	<u>\$ 171,652.44</u>

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Total Brought Forward (Ex. E-1d)	LAS PTA Donations	BASF Corporation Grant	Kids Dig In Grant	HAS PTA Donations	CHS Bar Foundation Grant	Memorial Field Donations	WAS PTA Donations	Total Carried Forward
<u>Revenues:</u>									
State Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources									
Local Sources	84,424.79	20,382.44	58.50	35.78	375.00	213.49	4,500.00	5,000.00	114,990.00
Total Revenues	84,424.79	20,382.44	58.50	35.78	375.00	213.49	4,500.00	5,000.00	114,990.00
<u>Expenditures:</u>									
Instruction:									
Salaries of Teachers	896.00								896.00
Purch. Professional and Technical Services	1,000.00								1,000.00
Other Purchased Services	1,423.50								1,423.50
Tuition									
General Supplies	54,917.51	1,786.44	58.50	35.78	375.00	213.49		5,000.00	62,386.72
Textbooks									
Total Instruction	58,237.01	1,786.44	58.50	35.78	375.00	213.49		5,000.00	65,706.22
Support Services:									
Other Salaries		896.00							896.00
Personal Services - Employee Benefits									
Purch. Professional - Educational Services	258.00								258.00
Other Purchased Services (400-500 series)	4,239.00						4,500.00		8,739.00
Supplies and Materials	11,020.78	17,700.00							28,720.78
Total Support Services	15,517.78	18,596.00					4,500.00		38,613.78
Facilities Acquisition & Construction Services:									
Instructional Equipment	10,670.00								10,670.00
Total Facilities Acq. & Constr. Services	10,670.00								10,670.00
Total Expenditures	\$ 84,424.79	\$ 20,382.44	\$ 58.50	\$ 35.78	\$ 375.00	\$ 213.49	\$ 4,500.00	\$ 5,000.00	\$ 114,990.00

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Total Brought Forward (Ex. E-1e)	CHS Mosaic Project Grants	BPS School Donations	BAS PTA Donations	Friends of the Performing Arts Donations	CHS Wrestling Mat Donations	CHS PTA Donations	Total Carried Forward
<u>Revenues:</u>								
State Sources	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources								
Local Sources	58,029.97	179.32	289.00	896.00	13,085.50	10,670.00	1,275.00	84,424.79
Total Revenues	58,029.97	179.32	289.00	896.00	13,085.50	10,670.00	1,275.00	84,424.79
<u>Expenditures:</u>								
Instruction:								
Salaries of Teachers				896.00				896.00
Purchased Professional and Technical Services	1,000.00							1,000.00
Other Purchased Services					1,423.50			1,423.50
Tuition								
General Supplies	43,076.19	179.32			11,662.00			54,917.51
Textbooks								
Total Instruction	44,076.19	179.32		896.00	13,085.50			58,237.01
Support Services:								
Other Salaries								
Personal Services - Employee Benefits								
Purchased Professional - Educational Services	258.00							258.00
Other Purchased Services (400-500 series)	3,950.00		289.00					4,239.00
Supplies and Materials	9,745.78						1,275.00	11,020.78
Total Support Services	13,953.78		289.00				1,275.00	15,517.78
Facilities Acquisition & Construction Services:								
Instructional Equipment						10,670.00		10,670.00
Total Facilities Acquisition & Construction Services						10,670.00		10,670.00
Total Expenditures	\$ 58,029.97	\$ 179.32	\$ 289.00	\$ 896.00	\$ 13,085.50	\$ 10,670.00	\$ 1,275.00	\$ 84,424.79

CRANFORD PUBLIC SCHOOL DISTRICT
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Culture & Climate Program Donations	CFEE Donations	CFEE Grants	OAS PTA Donations	Exxon Mobile Grant	CSC Donations	Total Carried Forward
<u>Revenues:</u>							
State Sources	\$	\$	\$	\$	\$	\$	\$
Federal Sources							
Local Sources	1,342.14	17,770.00	26,553.40	9,203.64	10.79	3,150.00	58,029.97
Total Revenues	1,342.14	17,770.00	26,553.40	9,203.64	10.79	3,150.00	58,029.97
<u>Expenditures:</u>							
Instruction:							
Salaries of Teachers							
Purchased Professional and Technical Services			1,000.00				1,000.00
Other Purchased Services							
Tuition							
General Supplies		17,770.00	25,295.40		10.79		43,076.19
Textbooks							
Total Instruction		17,770.00	26,295.40		10.79		44,076.19
Support Services:							
Other Salaries							
Personal Services - Employee Benefits							
Purchased Professional - Educational Services			258.00				258.00
Other Purchased Services (400-500 series)	800.00					3,150.00	3,950.00
Supplies and Materials	542.14			9,203.64			9,745.78
Total Support Services	1,342.14		258.00	9,203.64		3,150.00	13,953.78
Facilities Acquisition & Construction Services:							
Instructional Equipment							
Total Facilities Acquisition & Construction Services							
Total Expenditures	\$ 1,342.14	\$ 17,770.00	\$ 26,553.40	\$ 9,203.64	\$ 10.79	\$ 3,150.00	\$ 58,029.97

Capital Projects Fund

CRANFORD PUBLIC SCHOOL DISTRICT
 SUMMARY STATEMENT OF PROJECT EXPENDITURES
 CAPITAL PROJECTS FUND
FISCAL YEAR ENDED JUNE 30, 2020

<u>Project Title/Issue</u>	<u>Appropriations</u>	<u>Grant Canceled</u>		<u>GAAP Expenditures to Date</u>		<u>Operating Transfers In (Out)</u>		<u>Unexpended Balance</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	
<u>Various Capital Improvements - December 2009 Referendum:</u>								
Issuance of School Bonds	\$11,988,000.00			\$8,167,689.32		(\$2,226,259.78)		\$1,594,050.90
Additional State School Building Aid - (SDA) Grants	7,992,506.00	(\$2,834,775.18)		5,157,730.82				*
TOTALS	\$19,980,506.00	(\$2,834,775.18)		\$13,325,420.14		(\$2,226,259.78)		\$1,594,050.90

* Not recorded as revenue or receivable

CRANFORD PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
 AND PROJECT STATUS - BUDGETARY BASIS
 CRANFORD HIGH SCHOOL - DECEMBER 2009 REFERENDUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 730,060.00	\$	\$ 730,060.00	\$ 730,060.00
Bond Proceeds and Transfers	1,613,661.00		1,613,661.00	1,613,661.00
Total Revenues and Other Financing Sources	2,343,721.00		2,343,721.00	2,343,721.00
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	232,448.38		232,448.38	232,448.38
Construction Services	1,602,000.00		1,602,000.00	1,602,000.00
Transfer to Debt Service Fund	509,272.62		509,272.62	509,272.62
Total Expenditures and Other Financing Uses	2,343,721.00		2,343,721.00	2,343,721.00
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$	\$	\$	\$
Additional Project Information:				
Project Number	0980-030-09-1001			
Grant Date	1/22/2010			
Bond Authorization Date	12/8/2009			
Bonds Authorized	\$ 1,613,661.00			
Bonds Issued	\$ 1,613,661.00			
Original Authorized Cost	\$ 2,689,435.00			
Additional Authorized Cost	\$ (345,714.00)			
Final Authorized Cost	\$ 2,343,721.00			
Percentage Decrease over Original Authorized Cost	-12.85%			
Percentage Completion	100%			
Original Target Completion Date	12/31/2011			
Revised Target Completion Date	Complete			

CRANFORD PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
 AND PROJECT STATUS - BUDGETARY BASIS
 HILLSIDE AVENUE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 934,892.90	\$	\$ 934,892.90	\$ 934,892.90
Bond Proceeds and Transfers	1,939,889.00		1,939,889.00	1,939,889.00
Total Revenues and Other Financing Sources	2,874,781.90		2,874,781.90	2,874,781.90
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	292,530.36		292,530.36	292,530.36
Construction Services	2,059,767.05		2,059,767.05	2,059,767.05
Transfer to Debt Service Fund	522,484.49		522,484.49	522,484.49
Total Expenditures and Other Financing Uses	2,874,781.90		2,874,781.90	2,874,781.90
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$	\$	\$	\$

Additional Project Information:

Project Number	0980-033-09-1002
Grant Date	1/22/2010
Bond Authorization Date	12/8/2009
Bonds Authorized	\$ 1,939,889.00
Bonds Issued	\$ 1,939,889.00
Original Authorized Cost	\$ 3,233,148.00
Additional Authorized Cost	\$ (358,366.10)
Final Authorized Cost	\$ 2,874,781.90

Percentage Decrease over Original	
Authorized Cost	-11.08%
Percentage Completion	100%
Original Target Completion Date	12/31/2011
Revised Target Completion Date	Complete

CRANFORD PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
 AND PROJECT STATUS - BUDGETARY BASIS
 ORANGE AVENUE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 902,320.38	\$	\$ 902,320.38	\$ 902,320.38
Bond Proceeds and Transfers	1,939,889.00		1,939,889.00	1,939,889.00
Total Revenues and Other Financing Sources	2,842,209.38		2,842,209.38	2,842,209.38
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	293,904.84		293,904.84	293,904.84
Construction Services	1,984,185.29		1,984,185.29	1,984,185.29
Transfer to Debt Service Fund	564,119.25		564,119.25	564,119.25
Total Expenditures and Other Financing Uses	2,842,209.38		2,842,209.38	2,842,209.38
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$	\$	\$	\$
Additional Project Information:				
Project Number	0980-037-09-1003			
Grant Date	1/22/2010			
Bond Authorization Date	12/8/2009			
Bonds Authorized	\$ 1,939,889.00			
Bonds Issued	\$ 1,939,889.00			
Original Authorized Cost	\$ 3,233,148.00			
Additional Authorized Cost	\$ (390,938.62)			
Final Authorized Cost	\$ 2,842,209.38			
Percentage Increase over Original Authorized Cost	-12.09%			
Percentage Completion	100%			
Original Target Completion Date	12/31/2011			
Revised Target Completion Date	Complete			

CRANFORD PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
 AND PROJECT STATUS - BUDGETARY BASIS
 BLOOMINGDALE AVENUE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 740,276.08	\$	\$ 740,276.08	\$ 740,276.08
Bond Proceeds and Transfers	<u>1,512,482.00</u>		<u>1,512,482.00</u>	<u>1,512,482.00</u>
Total Revenues and Other Financing Sources	<u>2,252,758.08</u>		<u>2,252,758.08</u>	<u>2,252,758.08</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	208,088.36		208,088.36	208,088.36
Construction Services	1,651,317.00		1,651,317.00	1,651,317.00
Transfer to Debt Service Fund	<u>393,352.72</u>		<u>393,352.72</u>	<u>393,352.72</u>
Total Expenditures and Other Financing Uses	<u>2,252,758.08</u>		<u>2,252,758.08</u>	<u>2,252,758.08</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

Additional Project Information:

Project Number	0980-040-09-1004
Grant Date	1/22/2010
Bond Authorization Date	12/8/2009
Bonds Authorized	\$ 1,512,482.00
Bonds Issued	\$ 1,512,482.00
Original Authorized Cost	\$ 2,520,803.00
Additional Authorized Cost	\$ (268,044.92)
Revised Authorized Cost	\$ 2,252,758.08

Percentage Increase over Original

Authorized Cost	-10.63%
Percentage Completion	100%
Original Target Completion Date	12/31/2011
Revised Target Completion Date	Complete

CRANFORD PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
 AND PROJECT STATUS - BUDGETARY BASIS
 BROOKSIDE PLACE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 681,090.34	\$	\$ 681,090.34	\$ 681,090.34
Bond Proceeds and Transfers	<u>2,037,691.00</u>	<u> </u>	<u>2,037,691.00</u>	<u>2,037,691.00</u>
Total Revenues and Other Financing Sources	<u>2,718,781.34</u>	<u> </u>	<u>2,718,781.34</u>	<u>2,718,781.34</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	241,151.16	<u> </u>	241,151.16	241,151.16
Construction Services	<u>1,782,222.46</u>	<u> </u>	<u>1,782,222.46</u>	<u>1,782,222.46</u>
Total Expenditures and Other Financing Uses	<u>2,023,373.62</u>	<u> </u>	<u>2,023,373.62</u>	<u>2,023,373.62</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 695,407.72</u>	<u>\$</u>	<u>\$ 695,407.72</u>	<u>\$ 695,407.72</u>

Additional Project Information:

Project Number	0980-040-09-1005
Grant Date	1/22/2010
Bond Authorization Date	12/8/2009
Bonds Authorized	\$ 2,037,691.00
Bonds Issued	\$ 2,037,691.00
Original Authorized Cost	\$ 3,396,151.00
Additional Authorized Cost	\$ (677,369.66)
Revised Authorized Cost	\$ 2,718,781.34

Percentage Increase over Original Authorized Cost	-19.95%
Percentage Completion	74%
Original Target Completion Date	12/31/2011
Revised Target Completion Date	6/30/2021

CRANFORD PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
 AND PROJECT STATUS - BUDGETARY BASIS
 LIVINGSTON AVENUE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 196,560.00	\$	\$ 196,560.00	\$ 196,560.00
Bond Proceeds and Transfers	532,027.14		532,027.14	532,027.14
Total Revenues and Other Financing Sources	728,587.14		728,587.14	728,587.14
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	78,745.30		78,745.30	78,745.30
Construction Services	415,800.00		415,800.00	415,800.00
Transfer to Debt Service Fund	234,041.84		234,041.84	234,041.84
Total Expenditures and Other Financing Uses	728,587.14		728,587.14	728,587.14
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$	\$	\$	\$

Additional Project Information:

Project Number	0980-080-09-1007
Grant Date	1/22/2010
Bond Authorization Date	12/8/2009
Bonds Authorized	\$ 545,842.00
Bonds Issued	\$ 545,079.00
Original Authorized Cost	\$ 909,736.00
Additional Authorized Cost	\$ (181,148.86)
Final Authorized Cost	\$ 728,587.14
Percentage Increase over Original	
Authorized Cost	-19.91%
Percentage Completion	100%
Original Target Completion Date	12/31/2011
Revised Target Completion Date	Complete

CRANFORD PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
 AND PROJECT STATUS - BUDGETARY BASIS
 WALNUT AVENUE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 571,141.12	\$	\$ 571,141.12	\$ 571,141.12
Bond Proceeds and Transfers	<u>1,797,224.00</u>		<u>1,797,224.00</u>	<u>1,797,224.00</u>
Total Revenues and Other Financing Sources	<u>2,368,365.12</u>		<u>2,368,365.12</u>	<u>2,368,365.12</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	222,252.23		222,252.23	222,252.23
Construction Services	<u>1,247,469.71</u>		<u>1,247,469.71</u>	<u>1,247,469.71</u>
Total Expenditures and Other Financing Uses	<u>1,469,721.94</u>		<u>1,469,721.94</u>	<u>1,469,721.94</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 898,643.18</u>	<u>\$</u>	<u>\$ 898,643.18</u>	<u>\$ 898,643.18</u>
Additional Project Information:				
Project Number	0980-110-09-1008			
Grant Date	1/22/2010			
Bond Authorization Date	12/8/2009			
Bonds Authorized	\$ 1,797,224.00			
Bonds Issued	\$ 1,797,224.00			
Original Authorized Cost	\$ 2,995,373.00			
Additional Authorized Cost	\$ (627,007.88)			
Revised Authorized Cost	\$ 2,368,365.12			
Percentage Increase over Original Authorized Cost	-20.93%			
Percentage Completion	62%			
Original Target Completion Date	12/31/2011			
Revised Target Completion Date	6/30/2021			

CRANFORD PUBLIC SCHOOL DISTRICT
 CAPITAL PROJECTS FUND
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,
 AND PROJECT STATUS - BUDGETARY BASIS
 LINCOLN AVENUE SCHOOL - DECEMBER 2009 REFERENDUM
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2020

	Prior Periods	Current Year	Totals	Revised Authorized Cost
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 401,390.00	\$	\$ 401,390.00	\$ 401,390.00
Bond Proceeds and Transfers	615,136.86		615,136.86	615,136.86
Total Revenues and Other Financing Sources	1,016,526.86		1,016,526.86	1,016,526.86
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	98,383.59		98,383.59	98,383.59
Construction Services	915,154.41		915,154.41	915,154.41
Transfer to Debt Service Fund	2,988.86		2,988.86	2,988.86
Total Expenditures and Other Financing Uses	1,016,526.86		1,016,526.86	1,016,526.86
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$	\$	\$	\$
Additional Project Information:				
Project Number	0980-X02-09-1006			
Grant Date	1/22/2010			
Bond Authorization Date	12/8/2009			
Bonds Authorized	\$602,085.00			
Bonds Issued	\$602,085.00			
Original Authorized Cost	\$1,003,475.00			
Additional Authorized Cost	\$13,051.86			
Final Authorized Cost	\$1,016,526.86			
Percentage Increase over Original Authorized Cost	1.30%			
Percentage Completion	100%			
Original Target Completion Date	12/31/2011			
Revised Target Completion Date	Complete			

Fiduciary Funds

CRANFORD PUBLIC SCHOOL DISTRICT
 COMBINING STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUND
FOR THE YEAR ENDED JUNE 30, 2020

	Trust Fund		Agency Fund		Total Agency
	Unemployment Compensation Trust		Student Activity	Payroll	
Assets					
Cash and Cash Equivalents	\$ 99,301.06		\$ 348,734.94	\$ 1,561,234.33	\$ 1,909,969.27
Accounts Receivable	56,611.23				
Total Assets	<u>155,912.29</u>		<u>348,734.94</u>	<u>1,561,234.33</u>	<u>1,909,969.27</u>
Liabilities					
Accounts Payable	65,102.46				
Interfund Payable			8,660.00		8,660.00
Payroll Deductions and Withholdings				316,607.62	316,607.62
Accrued Salaries and Wages				1,244,626.71	1,244,626.71
Due to Student Groups			340,074.94		340,074.94
Total Liabilities	<u>65,102.46</u>	\$	<u>348,734.94</u>	\$ <u>1,561,234.33</u>	\$ <u>1,909,969.27</u>
Net Position					
Held in Trust for Unemployment Claims and Other Purposes	90,809.83				
Total Net Position	<u>\$ 90,809.83</u>				

CRANFORD PUBLIC SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2020

	<u>Unemployment Compensation Trust</u>
Additions:	
Contributions:	
Employee	\$ 65,560.98
CARES Act Federal Contribution	<u>35,253.47</u>
Total Contributions	<u>100,814.45</u>
Investment Earnings:	
Interest	<u>852.02</u>
Total investment earnings	<u>852.02</u>
Total Additions	<u>101,666.47</u>
Deductions:	
Quarterly Contributions Reports	<u>108,653.03</u>
Total Deductions	<u>108,653.03</u>
Change in Net Position	(6,986.56)
Net Position - Beginning of the Year	<u>97,796.39</u>
Net Position - End of the Year	<u><u>\$ 90,809.83</u></u>

CRANFORD PUBLIC SCHOOL DISTRICT
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 STUDENT ACTIVITY AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance</u> <u>June 30, 2019</u>	<u>Receipts/</u> <u>Increases</u>	<u>Disbursements/</u> <u>Decreases</u>	<u>Balance</u> <u>June 30, 2020</u>
<u>Elementary Schools</u>				
Orange Avenue	\$ 69,861.35	\$ 165,314.90	\$ 178,914.89	\$ 56,261.36
Hillside Avenue	77,488.90	113,271.32	110,913.05	79,847.17
Bloomington Avenue	<u>724.24</u>	<u>3,497.48</u>	<u>3,480.60</u>	<u>741.12</u>
Total Elementary Schools	<u>\$ 148,074.49</u>	<u>\$ 282,083.70</u>	<u>\$ 293,308.54</u>	<u>\$ 136,849.65</u>
<u>Senior High Schools</u>				
Activities	\$ 127,471.91	\$ 253,692.21	\$ 178,735.19	\$ 202,428.93
Athletics		60,624.00	51,964.00	8,660.00
Alternative Program	<u>1,131.73</u>	<u>7,003.10</u>	<u>7,338.47</u>	<u>796.36</u>
Total Senior High Schools	<u>\$ 128,603.64</u>	<u>\$ 321,319.31</u>	<u>\$ 238,037.66</u>	<u>\$ 211,885.29</u>
Total All Schools	<u>\$ 276,678.13</u>	<u>\$ 603,403.01</u>	<u>\$ 531,346.20</u>	<u>\$ 348,734.94</u>

CRANFORD PUBLIC SCHOOL DISTRICT
 SCHEDULE OF RECEIPTS AND DISBURSEMENTS
 PAYROLL AGENCY FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	<u>Balance June 30, 2019</u>	<u>Receipts/ Increases</u>	<u>Disbursements/ Decreases</u>	<u>Balance June 30, 2020</u>
<u>Assets</u>				
Cash and Cash Equivalents	\$ 1,504,137.49	\$ 47,537,928.26	\$ 47,480,831.42	\$ 1,561,234.33
Accounts Receivable	<u>1,038.30</u>		<u>1,038.30</u>	
Total Assets	<u>\$ 1,505,175.79</u>	<u>\$ 47,537,928.26</u>	<u>\$ 47,481,869.72</u>	<u>\$ 1,561,234.33</u>
<u>Liabilities</u>				
Payroll Deductions and Withholdings	\$ 369,289.79	\$ 21,354,671.99	\$ 21,407,354.16	\$ 316,607.62
Net Payroll		24,844,487.59	24,844,487.59	
Interfunds Payable		94,141.97	94,141.97	
Accrued Salaries and Wages	<u>1,135,886.00</u>	<u>1,244,626.71</u>	<u>1,135,886.00</u>	<u>1,244,626.71</u>
Total Liabilities	<u>\$ 1,505,175.79</u>	<u>\$ 47,537,928.26</u>	<u>\$ 47,481,869.72</u>	<u>\$ 1,561,234.33</u>

Long-Term Debt

CRANFORD PUBLIC SCHOOL DISTRICT
 SCHEDULE OF SERIAL BONDS
 LONG-TERM DEBT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30,2019</u>	<u>Deletions</u>	<u>Balance June 30,2020</u>
			<u>Date</u>	<u>Amount</u>				
2010 School Bonds	11/1/2010	\$ 11,988,000.00	2020	\$ 580,000.00	2.750%	\$ 8,628,000.00	\$ 560,000.00	\$ 8,068,000.00
			2021	610,000.00	3.000%			
			2022	630,000.00	3.000%			
			2023	670,000.00	3.125%			
			2024	710,000.00	3.250%			
			2025	740,000.00	4.000%			
			2026	780,000.00	4.000%			
			2027	830,000.00	4.000%			
			2028	840,000.00	4.000%			
			2029	840,000.00	4.000%			
				2030	838,000.00			
Totals						\$ 8,628,000.00	\$ 560,000.00	\$ 8,068,000.00

CRANFORD PUBLIC SCHOOL DISTRICT
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES
 LONG-TERM DEBT
JUNE 30, 2020

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2019	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2020
Equipment - Copiers (District Wide)	Various	\$ Various	\$ 268,267.12	\$	\$ 77,704.80	\$ 190,562.32 *
Equipment - Technology Infrastructure	2.326%	332,200.00	134,580.06		66,516.44	68,063.62
Equipment - District Wide Security Systems	3.100%	413,200.00	326,475.60		77,920.15	248,555.45
Equipment - District Wide Security Systems	3.500%	190,000.00	149,777.16		35,534.80	114,242.36
Equipment - Maintenance Equipment	2.970%	137,322.00		<u>137,322.00</u>	<u>28,809.36</u>	<u>108,512.64</u>
			<u>\$ 879,099.94</u>	<u>\$ 137,322.00</u>	<u>\$ 286,485.55</u>	<u>\$ 729,936.39</u>

* Includes principal and interest requirements on monthly lease payments.

CRANFORD PUBLIC SCHOOL DISTRICT
 BUDGETARY COMPARISON SCHEDULE
 DEBT SERVICE FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
<u>Revenues:</u>					
Local Sources:					
Local Tax Levy	\$ 859,233.00	\$ _____	\$ 859,233.00	\$ 859,233.00	\$ _____
Total Revenues	<u>859,233.00</u>	<u>_____</u>	<u>859,233.00</u>	<u>859,233.00</u>	<u>_____</u>
<u>Expenditures:</u>					
Regular Debt Service:					
Interest	299,235.00	_____	299,235.00	299,232.50	2.50
Redemption of Principal	560,000.00	_____	560,000.00	560,000.00	-
Total Regular Debt Service	<u>859,235.00</u>	<u>_____</u>	<u>859,235.00</u>	<u>859,232.50</u>	<u>2.50</u>
Total Expenditures	<u>859,235.00</u>	<u>_____</u>	<u>859,235.00</u>	<u>859,232.50</u>	<u>2.50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2.00)</u>	<u>_____</u>	<u>(2.00)</u>	<u>0.50</u>	<u>2.50</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(2.00)</u>	<u>-</u>	<u>(2.00)</u>	<u>0.50</u>	<u>2.50</u>
Fund Balance - July 1	<u>4.93</u>	<u>_____</u>	<u>4.93</u>	<u>4.93</u>	<u>_____</u>
Fund Balance - June 30	<u>\$ 2.93</u>	<u>\$ -</u>	<u>\$ 2.93</u>	<u>\$ 5.43</u>	<u>\$ 2.50</u>

Statistical Section

Cranford Public School District
 Net Position by Component
 Last Ten Fiscal Years

Unaudited

Ending June 30,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Invested in capital assets, net of related debt	\$42,078,828.71	\$46,755,972.97	\$47,580,771.63	\$48,363,766.97	\$48,323,433.92	\$47,740,561.97	\$47,684,306.96	\$47,719,096.13	\$47,285,630.44	\$46,832,587.63
Restricted	8,542,657.40	6,069,457.75	5,249,697.49	4,033,464.70	4,057,374.66	3,717,548.84	2,995,874.17	2,429,708.22	2,060,209.72	1,877,447.36
Unrestricted (deficit)	(1,850,179.65)	(1,671,432.79)	(1,839,398.87)	(17,719,846.34)	(17,933,121.17)	(17,778,712.46)	(19,339,205.50)	(20,610,149.72)	(20,639,917.70)	(18,844,246.82)
Total governmental activities net position	\$48,771,306.46	\$51,153,997.93	\$50,991,070.25	\$34,677,385.33	\$34,447,687.41	\$33,679,398.35	\$31,340,975.63	\$29,538,654.63	\$28,705,922.46	\$29,865,788.17
Business-type activities										
Investment in capital assets	\$ 66,666.91	\$ 61,980.69	\$ 46,084.87	\$ 33,177.53	\$ 21,561.11	\$ 13,030.89	\$ 9,362.86	\$ 6,055.53	\$ 3,386.20	\$ 1,274.46
Unrestricted (deficit)	55,873.00	6,892.33	(6,272.11)	(3,442.38)	(9,417.37)	(16,881.01)	(9,236.28)	(7,921.78)	(13,578.67)	1,061.56
Total business-type activities net position	\$ 122,539.91	\$ 68,873.02	\$ 39,812.76	\$ 29,735.15	\$ 12,143.74	\$ (3,850.12)	\$ 126.58	\$ (1,866.25)	\$ (10,192.47)	\$ 2,336.02
District-wide										
Invested in capital assets, net of related debt	\$42,145,495.62	\$46,817,953.66	\$47,626,856.50	\$48,396,944.50	\$48,344,995.03	\$47,753,592.86	\$47,693,669.82	\$47,725,151.66	\$47,289,016.64	\$46,833,862.09
Restricted	8,542,657.40	6,069,457.75	5,249,697.49	4,033,464.70	4,057,374.66	3,717,548.84	2,995,874.17	2,429,708.22	2,060,209.72	1,877,447.36
Unrestricted (deficit)	(1,794,306.65)	(1,664,540.46)	(1,845,670.98)	(17,723,288.72)	(17,942,538.54)	(17,795,593.47)	(19,348,441.78)	(20,618,071.50)	(20,653,496.37)	(18,843,185.26)
Total district-wide net position	\$48,893,846.37	\$51,222,870.95	\$51,030,883.01	\$34,707,120.48	\$34,459,831.15	\$33,675,548.23	\$31,341,102.21	\$29,536,788.38	\$28,695,729.99	\$29,868,124.19

Source: CAFR Exhibit (A-1)

Cranford Public School District
Changes in Net Position
Last Ten Fiscal Years

Unaudited

	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
Instruction										
Regular	\$ 17,652,317.09	\$ 18,082,518.97	\$ 17,718,659.46	\$ 18,098,670.81	\$ 18,090,667.80	\$ 18,543,400.80	\$ 18,565,855.80	\$ 18,814,158.13	\$ 32,387,554.88	\$ 32,208,119.75
Special education	5,799,060.31	6,130,645.84	6,425,432.37	6,826,194.51	7,066,476.29	7,276,759.81	7,506,295.84	7,292,599.73	13,020,106.04	12,518,016.14
Other special instruction	557,189.82	586,876.34	594,031.25	649,676.04	550,785.70	613,849.23	602,629.53	658,954.22	1,182,398.92	1,155,522.36
Other instruction	1,113,855.45	1,151,697.34	1,217,554.83	1,288,014.35	1,251,106.96	1,307,969.30	1,284,118.38	1,318,967.29	2,007,170.69	1,899,371.52
Support Services:										
Tuition	2,241,385.31	2,400,150.61	2,406,520.59	2,367,775.92	2,496,327.70	2,500,476.95	3,110,579.22	4,079,169.11	4,811,936.46	4,793,730.96
Student & instruction related services	5,852,037.18	6,029,088.86	6,969,451.82	6,729,074.88	6,707,037.37	6,849,663.73	7,122,028.49	7,247,410.74	12,280,765.57	11,912,167.54
General administration	851,659.67	765,879.18	719,833.51	807,249.52	834,483.57	794,006.63	771,353.93	835,517.48	2,363,773.68	1,151,102.54
School administrative services	2,593,571.71	2,731,754.26	2,761,069.92	2,793,847.00	2,718,688.49	2,769,743.60	2,878,915.32	2,898,156.49	5,131,190.78	5,142,062.76
Central Services	762,285.74	803,924.81	760,040.23	734,881.85	750,114.01	758,988.75	856,191.78	902,248.59		
Administrative information technology	136,151.07	192,856.88	265,381.67	269,263.87	283,069.98	289,703.58	308,088.53	311,382.89		
Plant operations and maintenance	4,480,573.94	4,599,055.82	4,863,863.73	5,730,929.57	5,514,704.81	5,550,161.59	5,687,367.86	5,733,119.69	8,405,681.63	8,965,251.89
Pupil transportation	1,113,284.21	1,090,840.52	1,325,804.65	1,330,059.43	1,286,174.57	1,337,024.11	1,485,522.75	1,542,601.66	1,994,141.82	1,959,233.32
Unallocated benefits	12,249,170.95	13,633,867.04	15,977,093.50	15,730,745.24	17,432,392.44	19,000,752.54	34,443,135.15	36,584,783.80		
Special schools										
Interest on long-term debt	150,887.61	634,066.92	438,847.50	419,078.33	397,982.92	375,593.75	351,437.50	325,599.16	310,632.50	296,782.50
Unallocated depreciation and amortization	27,048.34	26,816.15	26,816.15	23,818.43	38,663.37	40,561.61	59,042.26	31,920.19		
Total governmental activities expenses	55,580,478.40	58,860,039.54	62,470,401.18	63,799,279.75	65,418,675.98	68,008,655.98	85,032,562.34	88,576,589.17	83,895,352.97	82,001,361.28
Business-type activities:										
Food service	776,666.29	757,730.85	682,680.65	668,532.58	699,127.20	776,270.26	863,681.75	905,142.73	925,004.60	673,800.97
Cranford School District Academy (CSDA)	26,971.72	12,825.00								
Total business-type activities expense	803,638.01	770,555.85	682,680.65	668,532.58	699,127.20	776,270.26	863,681.75	905,142.73	925,004.60	673,800.97
Total district expenses	\$ 56,384,116.41	\$ 59,630,595.39	\$ 63,153,081.83	\$ 64,467,812.33	\$ 66,117,803.18	\$ 68,784,926.24	\$ 85,896,244.09	\$ 89,481,731.90	\$ 84,820,357.57	\$ 82,675,162.25
Program Revenues										
Governmental activities:										
Charges for services									\$ 3,595,061.26	\$ 3,646,805.28
Operating grants and contributions	\$ 6,465,934.57	\$ 7,534,791.97	\$ 9,805,667.73	\$ 9,053,578.20	\$ 10,246,099.69	\$ 10,807,575.05	\$ 24,544,381.26	\$ 26,890,249.08	1,219,457.44	1,284,523.24
Total governmental activities program revenues	6,465,934.57	7,534,791.97	9,805,667.73	9,053,578.20	10,246,099.69	10,807,575.05	24,544,381.26	26,890,249.08	4,814,518.70	4,931,328.52
Business-type activities:										
Charges for services										
Food service	599,883.06	590,482.68	541,295.89	533,885.21	681,423.36	760,043.35	867,311.93	902,410.15	915,680.94	647,137.16
Operating grants and contributions	156,491.55	126,406.28	112,324.50	124,339.82						
Total business type activities program revenues	756,374.61	716,888.96	653,620.39	658,225.03	681,423.36	760,043.35	867,311.93	902,410.15	915,680.94	647,137.16
Total district program revenues	\$ 7,222,309.18	\$ 8,251,680.93	\$ 10,459,288.12	\$ 9,711,803.23	\$ 10,927,523.05	\$ 11,567,618.40	\$ 25,411,693.19	\$ 27,792,659.23	\$ 5,730,199.64	\$ 5,578,465.68

Cranford Public School District
Changes in Net Position
Last Ten Fiscal Years

Unaudited

	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense)/Revenue										
Governmental activities	\$ (49,114,543.83)	\$ (51,325,247.57)	\$ (52,664,733.45)	\$ (54,745,701.55)	\$ (55,172,576.29)	\$ (57,201,080.93)	\$ (60,488,181.08)	\$ (61,686,340.09)	\$ (79,080,834.27)	\$ (77,070,032.76)
Business-type activities	(47,263.40)	(53,666.89)	(29,060.26)	(10,307.55)	(17,703.84)	(16,226.91)	3,630.18	(2,732.58)	(9,323.66)	(26,663.81)
Total district-wide net expense	\$ (49,161,807.23)	\$ (51,378,914.46)	\$ (52,693,793.71)	\$ (54,756,009.10)	\$ (55,190,280.13)	\$ (57,217,307.84)	\$ (60,484,550.90)	\$ (61,689,072.67)	\$ (79,090,157.93)	\$ (77,096,696.57)
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 46,233,915.00	\$ 46,806,452.00	\$ 47,509,629.00	\$ 48,459,822.00	\$ 49,976,507.00	\$ 51,962,474.00	\$ 53,971,870.00	\$ 55,279,312.00	\$ 57,690,562.00	\$ 58,844,363.00
Taxes levied for debt service	360,914.00	921,875.00	1,163,224.00	1,178,852.00	1,193,078.00	462,703.00	132,770.00	840,545.00	852,647.00	859,233.00
Federal and State aid not restricted	8,914.00	847.09	73,422.80	36,696.00	111.82		10,157.51	6,922.69	18,633,284.53	18,210,652.23
Federal and State aid restricted	2,930,244.30	2,597,112.94	171,260.13	127,560.15						
Tuition Received	3,374,520.69	3,289,193.81	3,368,207.44	3,318,725.17	3,626,219.24	3,860,792.91	3,876,090.78	3,564,901.64		
Investment earnings	9,492.85	2,949.10	1,303.11	70.25	30.91	21,803.70	31,420.52	29,827.75		
Miscellaneous income	142,671.03	126,831.06	160,759.29	163,571.57	219,834.97	152,825.11	134,350.18	282,728.21	1,071,608.57	216,767.48
Transfers										98,882.76
Special Item(s)-Insurance Reimbursement		16,678.04								
Special Item(s)- Closeout of SDA Grants								(110,500.42)		
Special Item(s)-Disposal of assets					(72,903.57)	(27,806.85)	(6,900.63)	(9,717.78)		
Total governmental activities	53,060,671.87	53,761,939.04	52,447,805.77	53,285,297.14	54,942,878.37	56,432,791.87	58,149,758.36	59,884,019.09	78,248,102.10	78,229,898.47
Business-type activities:										
Transfers										38,439.24
Investment earnings	149.13			229.94	112.43	233.05	346.52	739.75	997.44	753.06
Total business-type activities	149.13			229.94	112.43	233.05	346.52	739.75	997.44	39,192.30
Total district-wide	\$ 53,060,821.00	\$ 53,761,939.04	\$ 52,447,805.77	\$ 53,285,527.08	\$ 54,942,990.80	\$ 56,433,024.92	\$ 58,150,104.88	\$ 59,884,758.84	\$ 78,249,099.54	\$ 78,269,090.77
Change in Net Position/Assets										
Governmental activities	\$ 3,946,128.04	\$ 2,436,691.47	\$ (216,927.68)	\$ (1,460,404.41)	\$ (229,697.92)	\$ (768,289.06)	\$ (2,338,422.72)	\$ (1,802,321.00)	\$ (832,732.17)	\$ 1,159,865.71
Business-type activities	(47,114.27)	(53,666.89)	(29,060.26)	(10,077.61)	(17,591.41)	(15,993.86)	3,976.70	(1,992.83)	(8,326.22)	12,528.49
Total district	\$ 3,899,013.77	\$ 2,383,024.58	\$ (245,987.94)	\$ (1,470,482.02)	\$ (247,289.33)	\$ (784,282.92)	\$ (2,334,446.02)	\$ (1,804,313.83)	\$ (841,058.39)	\$ 1,172,394.20

Source: CAFR Schedule (A-2)

Cranford Public School District
Fund Balances - Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting)
Unaudited

	June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Funds:										
Restricted For:										
Excess Surplus - Current Year	\$ 1,204,341.84	\$ 441,522.60	\$ -	\$ -	\$ -	\$ 50,454.96	\$ 20,863.58	\$ -	\$ -	\$ 283,395.46
Excess Surplus - Prior Year - Designated										
For Subsequent Year Expenditures	70,184.96	1,204,341.84	441,522.60				50,454.96	20,863.58	-	-
Capital Reserve Account	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Capital Projects Fund	2,306,826.26	4,101,762.60	4,173,082.10	4,003,615.63	2,142,058.57	1,740,069.32	1,740,069.32	1,594,050.90	1,594,050.90	1,594,050.90
Debt Service Fund	1.04	3.65	5.15	4.65	1,089,595.21	393,355.43	2.93	2.43	2.93	3.43
Assigned To:										
Year-End Encumbrances										
General Fund	422,175.89	408,916.98	587,169.36	29,843.42	82,402.88	112,308.13	179,573.34	173,483.89	133,532.89	498,584.41
Capital Projects Fund	4,961,303.30	321,827.06	47,917.28							
General Fund -Designated										
For Subsequent Year Expenditures	341,463.04	813,627.16	1,032,759.40	736,000.00	743,317.00	1,421,360.00	1,004,909.04	641,306.42	332,622.00	166,556.00
Debt Service Fund -Designated										
For Subsequent Year Expenditures										2.00
Unassigned:										
General Fund	519,862.70	449,039.49	(254,138.86)	(493,406.29)	296,979.22	520,959.39	563,413.36	55,263.94	321,939.40	1,442,685.65
Total Fund Balances	\$9,826,160.03	\$7,741,042.38	\$6,028,318.03	\$4,276,058.41	\$4,354,353.88	\$4,238,508.23	\$3,559,287.53	\$2,484,972.16	\$2,382,149.12	\$3,985,278.85

Source: CAFR Schedule B-1 and District records

Cranford Public School District
 Changes in Fund Balances - Governmental Funds
 Last Ten Fiscal Years

(modified accrual basis of accounting)
 Unaudited

	Year Ended June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax levy	\$46,594,829.00	\$47,728,327.00	\$48,672,853.00	\$49,638,674.00	\$51,169,585.00	\$52,425,177.00	\$54,104,640.00	\$56,119,857.00	\$58,543,209.00	\$59,703,596.00
Tuition charges	3,374,520.69	3,289,193.81	3,368,207.44	3,318,725.17	3,626,219.24	3,860,792.91	3,876,090.78	3,564,901.64	3,595,061.26	3,646,805.28
Miscellaneous	152,163.88	129,780.16	162,062.40	163,641.49	219,865.88	174,628.81	165,770.70	312,555.96	249,408.57	216,767.48
Local sources	32,370.09	45,269.46	36,859.98	13,133.71	12,054.30	52,943.78	106,732.26	60,924.38	51,626.34	114,990.00
State sources	7,919,723.26	8,848,004.82	8,783,905.00	8,205,259.79	8,836,416.53	9,685,201.59	10,488,255.78	12,067,782.64	14,025,716.50	14,282,058.81
Federal sources	1,452,999.52	1,239,477.72	1,229,585.68	999,441.18	1,041,207.68	1,069,429.68	1,058,689.73	1,026,393.75	1,034,635.13	1,051,758.66
Total revenue	59,526,606.44	61,280,052.97	62,253,473.50	62,338,875.34	64,905,348.63	67,268,173.77	69,800,179.25	73,152,415.37	77,499,656.80	79,015,976.23
Expenditures										
Instruction										
Regular Instruction	17,421,802.61	17,856,645.04	17,743,056.11	17,999,945.34	18,133,809.04	18,510,143.80	18,693,429.72	18,851,218.11	19,218,925.24	19,508,253.61
Special education instruction	5,787,533.81	6,105,820.17	6,388,921.11	6,835,188.61	7,020,006.64	7,323,228.16	7,430,588.10	7,264,012.82	7,550,311.82	7,417,524.40
Other special instruction	531,426.78	586,876.34	594,031.25	649,676.04	550,785.70	613,849.23	602,629.53	658,954.22	681,451.01	680,762.04
Other instruction	1,110,420.45	1,121,443.92	1,182,189.09	1,247,316.48	1,214,319.47	1,273,233.86	1,266,312.32	1,278,676.47	1,293,833.38	1,231,092.15
Support Services:										
Tuition	2,241,395.31	2,400,150.61	2,406,520.59	2,367,775.92	2,496,327.70	2,500,476.95	3,110,579.22	4,079,169.11	4,689,921.46	4,675,253.96
Student & inst. related services	5,848,567.18	6,013,083.86	6,971,990.82	6,731,910.88	6,716,773.29	6,851,377.10	7,182,971.18	7,228,084.77	7,571,640.60	7,460,085.10
General administration	851,659.67	702,933.45	719,833.51	730,190.44	805,105.40	818,167.60	756,809.82	785,880.54	859,175.17	894,729.04
School administrative services	2,664,712.37	2,698,257.14	2,766,153.88	2,777,090.23	2,765,974.13	2,779,113.76	2,899,575.56	2,902,947.53	2,975,677.02	3,052,701.04
Central services	751,723.76	803,924.81	765,014.58	734,881.85	750,114.01	758,988.75	856,191.78	902,248.59	890,266.24	893,507.29
Admin. information technology	136,151.07	192,856.88	265,381.67	269,263.87	283,069.98	289,703.58	308,088.53	311,382.89	317,376.36	359,505.87
Plant operations and maintenance	4,287,348.70	4,337,711.17	5,133,156.17	4,757,216.89	4,563,850.42	4,597,663.19	4,682,211.37	4,751,826.64	5,047,367.36	5,189,192.46
Pupil transportation	1,181,660.96	1,134,938.56	1,322,037.50	1,328,330.44	1,275,632.94	1,328,477.07	1,474,315.48	1,538,903.90	1,872,278.55	1,849,244.26
Employee benefits	12,249,170.95	13,633,967.04	15,977,093.50	15,730,745.24	16,815,371.44	18,483,078.54	19,870,026.15	22,180,886.80	23,650,395.14	23,254,390.58
Special Schools										
Capital outlay	7,938,365.10	4,931,223.84	1,112,208.20	877,381.78	487,225.50	143,056.33	485,332.29	195,964.03	953,402.99	186,254.96
Debt service:										
Principal	270,000.00	285,000.00	720,000.00	755,000.00	790,000.00	825,000.00	865,000.00	902,000.00	540,000.00	560,000.00
Interest and other charges	90,915.01	636,872.39	443,222.50	423,852.50	403,077.50	381,017.50	357,362.50	331,897.50	312,657.50	299,232.50
Total expenditures	63,362,853.73	63,441,705.22	64,510,810.48	64,215,766.51	65,071,443.16	67,476,575.42	70,841,423.55	74,164,053.92	78,424,679.84	77,511,729.26
Excess (Deficiency) of revenues over (under) expenditures	(3,836,247.29)	(2,161,652.25)	(2,257,336.98)	(1,876,891.17)	(166,094.53)	(208,401.65)	(1,041,244.30)	(1,011,638.55)	(925,023.04)	1,504,246.97
Other Financing sources (uses)										
Proceeds from bond sale	11,988,000.00									
Insurance Recovery Related to Other Costs:										
Super Storm Sandy			144,803.00							
Hurricane Irene			333,010.86							
Capital leases (non-budgeted)	471,094.32	76,434.60	66,798.77	124,631.51	244,390.00	92,556.00	362,023.60	47,823.60	822,200.00	137,322.00
Transfer Out - Food Service Fund										(38,439.24)
Closeout of 2009 SDA Grants								(110,500.42)		
Total other financing sources (uses)	12,459,094.32	76,434.60	544,612.63	124,631.51	244,390.00	92,556.00	362,023.60	(62,676.82)	822,200.00	98,882.76
Net change in fund balances	\$ 8,622,847.03	\$ (2,085,217.65)	\$ (1,712,724.35)	\$ (1,752,259.66)	\$ 78,295.47	\$ (115,845.65)	\$ (679,220.70)	\$ (1,074,315.37)	\$ (102,823.04)	\$ 1,603,129.73
Debt service as a percentage of noncapital expenditures	0.65%	1.58%	1.83%	1.86%	1.85%	1.79%	1.74%	1.67%	1.10%	1.11%

Source: CAFR Schedule B-2

Cranford Public School District
 General Fund - Other Local Revenue by Source
 Last Ten Fiscal Years
 Unaudited
(modified accrual basis of accounting)

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Admissions	Rentals	Misc.	Annual Totals
2011	\$3,374,520.69	\$9,492.85	\$11,697.00	\$34,892.25	\$96,081.78	\$3,526,684.57
2012	3,289,193.81	2,949.10	21,658.00	33,265.00	71,908.06	3,418,973.97
2013	3,368,207.44	1,303.11	21,200.00	22,510.00	117,049.29	3,530,269.84
2014	3,318,725.17	70.25	16,410.00	63,935.88	83,225.36	3,482,366.66
2015	3,626,129.24	30.91	18,457.00	31,940.12	169,437.85	3,845,995.12
2016	3,860,792.91	21,803.70	17,526.00	36,559.75	98,739.36	4,035,421.72
2017	3,876,090.78	31,420.52	21,287.00	38,416.50	74,646.68	4,041,861.48
2018	3,564,901.64	79,165.87	15,997.00	42,587.75	174,805.34	3,877,457.60
2019	3,595,061.26	109,573.74	19,094.00	27,777.00	92,963.83	3,844,469.83
2020	3,646,805.28	87,984.84	18,643.00	24,687.50	85,452.14	3,863,572.76

Source: District records

Cranford Public School District
Assessed Value and Actual Value of Taxable Property,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Business Personal Property ^a	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^b
2011	\$7,186,500	\$1,359,946,100	\$105,200	\$220,479,400	\$48,867,200	\$6,556,800	\$1,643,141,200	\$3,450,208	\$1,646,591,408	\$4,133,780,302	\$2.881
2012	8,777,300	1,359,211,800	105,200	207,036,500	48,467,200	6,371,500	1,629,969,500	3,411,227	1,633,380,727	4,067,973,887	2.959
2013	8,165,300	1,356,874,600	105,200	212,569,900	46,354,200	6,166,500	1,630,235,700	2,982,603	1,633,218,303	3,982,200,942	3.010
2014	6,158,700	1,366,160,400	4,600	208,837,900	45,506,700	6,140,700	1,632,809,000	2,775,905	1,635,584,905	3,781,700,160	3.083
2015	6,710,000	1,358,821,400	202,100	221,903,700	45,728,000	6,140,700	1,639,505,900	2,570,536	1,642,076,436	3,855,098,315	3.132
2016	3,982,700	1,363,423,500	202,100	220,678,000	46,192,400	21,732,500	1,656,211,200	2,613,267	1,658,824,467	4,058,688,905	3.202
2017	7,050,000	1,367,533,800	207,100	210,576,300	44,730,700	22,383,700	1,652,481,600	2,540,191	1,655,021,791	4,240,302,912	3.352
2018	6,920,200	1,373,673,600	207,100	205,640,500	44,224,400	22,383,700	1,653,049,500	2,367,905	1,655,417,405	4,559,643,354	3.464
2019	11,464,100	1,378,740,900	207,100	205,914,200	43,224,400	21,183,700	1,660,734,400	2,372,411	1,663,106,811	4,678,218,878	3.556
2020	11,974,400	1,380,494,800	207,100	204,978,100	43,136,100	22,404,700	1,663,195,200	2,364,517	1,665,559,717	4,747,889,729	3.621

Source: Municipal Tax Assessor and Union County Abstract of Ratables

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 the County Board of Taxation requests Treasury to order a reassessment

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

b Tax rates are per \$100

Cranford Public School District
 Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 Unaudited
 (rate per \$100 of assessed value)

Calendar Year	Cranford School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate ^a	General Obligation Debt Service ^b	(From J-6) Total Direct School Tax Rate	Township of Cranford	Union County	
2011	\$2.825	\$0.056	\$2.881	\$1.317	\$1.065	\$5.263
2012	2.888	0.071	2.959	1.363	1.135	5.457
2013	2.938	0.072	3.010	1.390	1.212	5.612
2014	3.010	0.073	3.083	1.394	1.205	5.682
2015	3.104	0.028	3.132	1.413	1.256	5.801
2016	3.193	0.009	3.202	1.435	1.320	5.957
2017	3.301	0.051	3.352	1.459	1.371	6.182
2018	3.413	0.051	3.464	1.484	1.454	6.402
2019	3.505	0.051	3.556	1.501	1.463	6.520
2020	3.570	0.051	3.621	1.503	1.438	6.562

Source: Municipal Tax Collector and Union County Abstract of Ratables

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 calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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.

Cranford Public School District
Principal Property Tax Payers
Current Year and Ten Years Ago

Taxpayer	2020			2010		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Riverfront Developers LLC	\$16,155,600	1	0.97%			
WP Cranford LLC	14,630,000	2	0.88%			
Commerce Drive LLC	10,242,800	3	0.61%	\$ 12,421,300	2	0.75%
Cranford Development LLC	7,200,000	4	0.43%	9,747,800	4	0.59%
Birchwood Developers	6,576,800	5	0.39%			
US Real Estate Holdings LLC	6,393,100	6	0.38%			
Cranford Business Park	5,871,000	7	0.35%			
H-Cranford Credit Ltd. Partnership	5,862,000	8	0.35%	16,287,600	1	0.98%
JRS Properties LLC	5,800,000	9	0.35%			
The Cranford Property LLC	4,500,000	10	0.27%			
Cranford Crossing				11,171,000	3	0.67%
H-Cranford Credit Ltd. Partnership				8,263,800	5	0.50%
LB 745 LLC				7,393,100	6	0.44%
Ashley Business Park LLC				6,595,300	7	0.40%
Bell Atlantic - New Jersey, Inc.				6,000,000	8	0.36%
Excel-Care, Inc.				5,700,000	9	0.34%
11 Commerce Drive Assoc.				5,700,000	10	0.34%
Total	\$83,231,300		5.00%	\$ 89,279,900		5.37%

Source: Municipal Tax Assessor

Cranford Public School District
Property Tax Levies and Collections,
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy ^a		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$46,594,829.00	\$46,594,829.00	100.00%	-
2012	47,728,327.00	47,728,327.00	100.00%	-
2013	48,672,853.00	48,672,853.00	100.00%	-
2014	49,638,674.00	49,638,674.00	100.00%	-
2015	51,169,585.00	51,169,585.00	100.00%	-
2016	52,425,177.00	52,425,177.00	100.00%	-
2017	54,104,640.00	54,104,640.00	100.00%	-
2018	56,119,857.00	56,119,857.00	100.00%	-
2019	58,543,209.00	58,543,209.00	100.00%	-
2020	59,703,596.00	59,703,596.00	100.00%	-

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

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.

Cranford Public School District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June	Governmental Activities			Percentage of Personal Income ^a	Per Capita ^a
	General Obligation Bonds	Capital Leases	Total District		
2011	\$14,310,000.00	\$730,809.84	\$15,040,809.84	0.35%	\$187.65
2012	14,025,000.00	585,122.73	14,610,122.73	0.38%	208.19
2013	13,305,000.00	437,921.79	13,742,921.79	0.41%	229.24
2014	12,550,000.00	338,204.30	12,888,204.30	0.46%	272.20
2015	11,760,000.00	375,517.17	12,135,517.17	0.50%	309.34
2016	10,935,000.00	323,742.85	11,258,742.85	0.56%	347.24
2017	10,070,000.00	501,631.10	10,571,631.10	0.62%	400.10
2018	9,168,000.00	375,634.42	9,543,634.42	0.72%	488.25
2019	8,628,000.00	879,099.94	9,507,099.94	0.74%	526.79
2020	8,068,000.00	729,936.39	8,797,936.39	N/A	N/A

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

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

N/A At the time of CAFR completion, this data was not yet available

Cranford Public School District
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years
Unaudited

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value ^a of Property	Per Capita ^b
	General Obligation Bonds	Deductions			
2011	\$14,310,000.00		\$14,310,000.00	0.87%	\$461.71
2012	14,025,000.00		14,025,000.00	0.86%	473.55
2013	13,305,000.00		13,305,000.00	0.81%	453.60
2014	12,550,000.00		12,550,000.00	0.77%	454.48
2015	11,760,000.00		11,760,000.00	0.72%	438.80
2016	10,935,000.00		10,935,000.00	0.66%	412.17
2017	10,070,000.00		10,070,000.00	0.61%	395.71
2018	9,168,000.00		9,168,000.00	0.55%	378.05
2019	8,628,000.00		8,628,000.00	0.52%	367.14
2020	8,068,000.00		8,068,000.00	0.48%	N/A

Notes: 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.

b Population data can be found in Exhibit J-14.

N/A At the time of CAFR completion, this data was not yet available

Cranford Public School District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2020
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			
Township of Cranford	\$49,982,653.35	100.00%	\$49,982,653.35
County of Union	587,410,875.64	6.34%	<u>37,241,849.52</u>
Subtotal, overlapping debt			87,224,502.87
Cranford School District Direct Debt			<u>8,068,000.00</u>
Total direct and overlapping debt			<u><u>\$95,292,502.87</u></u>

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

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 Cranford. This process recognizes that, when considering the District's ability to issue and repay long-term debt, 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 payment.

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

Cranford Public School District
 Legal Debt Margin Information,
 Last Ten Fiscal Years
 Unaudited

Legal Debt Margin Calculation for Fiscal Year 2020:

	Equalized valuation basis	
	2019	\$4,734,134,550.00
	2018	4,649,928,270.00
	2017	<u>4,539,784,615.00</u>
	[A]	<u>\$13,923,847,435.00</u>
Average equalized valuation of taxable property	[A/3]	\$4,641,282,478.33
Debt limit (4% of average equalized value)	[B]	185,651,299.13 a
Total Debt Applicable to Limit	[C]	<u>8,068,000.00</u>
Legal Debt Margin	[B-C]	<u>\$177,583,299.13</u>

	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$168,939,538.71	\$166,043,202.04	\$162,221,775.88	\$157,261,608.63	\$153,847,615.49	\$154,363,971.36	\$160,699,996.81	\$170,280,805.49	\$178,949,576.67	\$185,651,299.13
Total net debt applicable to limit	<u>14,310,763.00</u>	<u>14,025,763.00</u>	<u>13,305,763.00</u>	<u>12,550,763.00</u>	<u>11,760,000.00</u>	<u>10,935,000.00</u>	<u>10,070,000.00</u>	<u>9,168,000.00</u>	<u>8,628,000.00</u>	<u>8,068,000.00</u>
Legal debt margin	<u>\$154,628,775.71</u>	<u>\$152,017,439.04</u>	<u>\$148,916,012.88</u>	<u>\$144,710,845.63</u>	<u>\$142,087,615.49</u>	<u>\$143,428,971.36</u>	<u>\$150,629,996.81</u>	<u>\$161,112,805.49</u>	<u>\$170,321,576.67</u>	<u>\$177,583,299.13</u>
Total net debt applicable to the limit as a percentage of debt limit	8.47%	8.45%	8.20%	7.98%	7.64%	7.08%	6.27%	5.38%	4.82%	4.35%

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

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

Cranford Public School District
Demographic and Economic Statistics
Last Ten Fiscal Years
Unaudited

Year	Population ^a	Personal Income ^b	Per Capita Personal Income ^c	Unemployment Rate ^d
2011	22,769	\$1,209,648,663	\$ 53,127	5.50%
2012	22,864	1,260,972,464	55,151	5.50%
2013	23,136	1,298,600,544	56,129	4.60%
2014	23,331	1,381,895,130	59,230	4.70%
2015	23,899	1,464,291,730	61,270	3.80%
2016	23,983	1,499,561,058	62,526	3.50%
2017	24,051	1,564,180,836	65,036	3.20%
2018	24,100	1,645,114,200	68,262	2.90%
2019	24,054	1,702,283,858	70,769	2.40%
2020	N/A	N/A	N/A	N/A

Source: ^a Population information provided by the US Bureau of the Census,
Population Division - Estimates.

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

^c Per capita personal income represents County of Union provided by the Regional
Economic Information System, Bureau of Economic Analysis through 2018
and estimated for 2019.

^d Unemployment data provided by the NJ Department of Labor and
Workforce Development.

N/A At the time of CAFR completion, this data was not yet available

Cranford Public School District
Principal Employers,
Current Year and Ten Years Ago
Unaudited

Employer	2020			2010		
	Employees *	Rank [Optional]	Percentage of Total Municipal Employment	Employees *	Rank [Optional]	Percentage of Total Municipal Employment
Cranford Public School District	913 **	1	7.41%	593	2	4.84%
Union County College	750	2	6.09%	1,150	1	9.38%
All-State Legal Supply	350	3	2.84%	200	6	1.63%
Ascend Hospice	350	4	2.84%	400	3	3.26%
Township of Cranford	350	5	2.84%	350	4	2.85%
Cranford Health & Extended Care	250	6	2.03%	200	7	1.63%
EII Inc.	250	7	2.03%	300	5	2.45%
Weeks Marine Inc.	250	8	2.03%	100	13	0.82%
All State International, Inc	150	9	1.22%			
Atria Cranford	150	10	1.22%			
Centennial Avenue Pool	150	11	1.22%			
Emes Professional Associates	150	12	1.22%			
Proaccess LLC	150	13	1.22%			
Madan Plastics, Inc.				100	10	0.82%
Registrar & Transfer Company				200	8	1.63%
Damon G. Douglass Co.				100	9	0.82%
Moore Stephens, P.C.				100	11	0.82%
Paragon Computer Professionals				100	12	0.82%
	<u>4,213</u>		<u>34.21%</u>	<u>3,893</u>		<u>31.75%</u>

* Number of employees are estimated.

** Number of Active Employees

Source: Union County Economic Development Corporation and other sources.

Cranford Public 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	247	252	250	248	243	247	245	246	248	247
Special education	109	113	122	130	134	137	130	125	127	125
Other instruction	9	10	11	11	9	10	10	10	10	10
Support Services:										
Student & instruction related services	77	79	91	91	91	93	94	103	104	107
General administration	5	4	3	3	3	3	3	3	3	3
School administrative services	36	36	38	38	38	38	38	38	38	38
Central services	8	8	8	8	8	8	8	8	8	8
Administrative Information Technology	2	3	4	4	4	4	4	4	4	4
Plant operations and maintenance	66	66	66	66	66	65	63	64	64	65
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Total	<u>560</u>	<u>572</u>	<u>594</u>	<u>600</u>	<u>597</u>	<u>606</u>	<u>596</u>	<u>602</u>	<u>607</u>	<u>608</u>

Source: District Personnel Records

Cranford Public School District
Operating Statistics
Last Ten Fiscal Years
Unaudited

Fiscal Year	Enrollment	Operating Expenditures ^a	Cost Per Pupil	Percentage Change	Teaching Staff ^b	Pupil/Teacher Ratio			Daily Enrollment (ADE) ^c	Daily Attendance (ADA) ^c	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2011	3,919.10	\$53,449,824.59	\$13,638.29	-3.94%	319.00	12.8	9.9	9.8	3,919.10	3,769.50	0.82%	96.18%
2012	3,906.40	56,277,733.35	14,406.55	5.63%	322.00	13.1	10.7	9.9	3,906.40	3,778.80	-0.32%	96.73%
2013	3,898.00	60,897,638.45	15,622.79	8.44%	332.00	13.2	10.6	10.5	3,898.00	3,740.30	-0.22%	95.95%
2014	3,875.30	61,037,842.65	15,750.48	0.82%	332.00	15.5	11.5	11.0	3,875.30	3,725.41	-0.58%	96.13%
2015	3,793.20	62,210,417.11	16,400.51	4.13%	330.00	14.5	11.0	11.0	3,793.20	3,655.60	-2.12%	96.37%
2016	3,851.80	64,866,848.48	16,840.66	2.68%	340.00	14.0	11.5	11.0	3,851.80	3,676.41	1.54%	95.45%
2017	3,825.06	67,901,980.31	17,751.87	5.41%	332.00	11.9	10.1	10.1	3,825.06	3,644.93	-0.69%	95.29%
2018	3,806.80	71,536,764.17	18,791.84	5.86%	333.00	11.9	10.1	12.1	3,806.80	3,664.00	-0.48%	96.25%
2019	3,868.00	75,401,226.91	19,493.60	3.73%	336.00	11.6	10.1	12.1	3,868.00	3,700.20	1.61%	95.66%
2020	3,799.93	76,466,241.80	20,123.07	3.23%	335.00	12.6	9.6	11.1	3,799.93	3,689.41	-1.76%	97.09%

Sources: District records

Note: Enrollment based on Average Daily Enrollment.

- a Operating expenditures equal total expenditures less debt service and capital outlay (includes "on-behalf" payments by State of New Jersey for T.P.A.F. pension and social security).
- b Teaching staff includes only full-time equivalents of certificated staff.
- c Average daily enrollment and average daily attendance are obtained from the School Register Summary (SRS).

Cranford Public School District
School Building Information
Last Ten Fiscal Years
Unaudited

<u>District Buildings</u>	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>Elementary</u>										
Bloomington Avenue (1957)										
Square Feet	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Capacity (students)	225	225	225	225	225	225	225	225	225	225
Enrollment	242	249	247	225	224	222	253	250	253	253
Brookside Place School (1953)										
Square Feet	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080
Capacity (students)	377	377	377	377	377	377	377	377	377	377
Enrollment	433	427	407	397	363	363	348	340	365	358
Livingston Avenue School (1957)										
Square Feet	29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915
Capacity (students)	274	274	274	274	274	274	274	274	274	274
Enrollment	229	262	261	263	239	238	250	258	250	259
Walnut Avenue School (1954)										
Square Feet	36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595
Capacity (students)	304	304	304	304	304	304	304	304	304	304
Enrollment	320	312	305	300	340	332	325	315	326	318
<u>Middle Schools</u>										
Hillside Avenue School (1960)										
Square Feet	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070
Capacity (students)	863	863	863	863	863	863	863	863	863	863
Enrollment	726	701	718	682	729	738	718	678	663	665
Orange Avenue School (1963)										
Square Feet	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070
Capacity (students)	859	859	859	859	859	859	859	859	859	859
Enrollment	776	739	762	795	800	766	766	760	743	704
<u>High School</u>										
Cranford Senior High School (1937)										
Square Feet	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000
Capacity (students)	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751
Enrollment	1,109	1,133	1,117	1,139	1,127	1,159	1,170	1,178	1,189	1,162
<u>Other</u>										
Lincoln School (1913)										
Square Feet	59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185
Capacity (students)	120	120	120	120	120	120	120	120	120	120
Enrollment	93	88	79	88	81	83	75	81	74	63
<u>Number of Schools at June 30, 2020:</u>										
Elementary = 4										
Middle School = 2										
Senior High School = 1										
Other = 1										

Source: District records

Notes: Year of original construction is shown in parentheses. Increases in square footage and capacity are the result of additions.
Enrollment is based on year end district count and includes half-day students.

Cranford Public School District
 Schedule of Required Maintenance Expenditures by School Facility
 Last Ten Fiscal Years
 Unaudited

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

*School Facilities Project # (s)	Cranford Senior High School	Hillside Avenue School	Orange Avenue School	Bloomington Avenue School	Brookside Place School	Lincoln School	Livingston Avenue School	Walnut Avenue School	Total
2011	\$ 127,026	\$ 65,003	\$ 66,477	\$ 21,652	\$ 20,073	\$ 33,531	\$ 13,773	\$ 19,880	\$ 367,415
2012	226,997	58,009	54,382	17,601	17,703	93,642	21,916	21,703	511,953
2013	384,581	115,224	132,264	31,882	270,382	115,431	62,826	73,311	1,185,901
2014	340,676	65,037	73,422	30,156	20,074	62,391	17,438	85,067	694,261
2015	169,428	65,138	57,666	16,041	38,661	65,836	35,807	33,757	482,334
2016	256,631	80,632	69,924	43,787	24,392	41,174	46,705	27,864	591,109
2017	208,835	58,100	56,880	44,329	21,588	38,355	49,785	58,490	536,362
2018	170,678	68,784	85,019	20,899	20,706	56,984	140,288	33,217	596,575
2019	189,608	70,875	122,678	20,427	23,032	41,920	21,128	30,959	520,627
2020	376,386	112,468	77,910	25,964	28,624	85,539	29,410	36,556	772,857
Total School Facilities	\$2,450,846	\$ 759,270	\$ 796,622	\$ 272,738	\$ 485,235	\$ 634,803	\$ 439,076	\$ 420,804	\$ 6,259,394

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

Source: District records

Cranford Public School District
Insurance Schedule
June 30, 2020
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Blanket Building & Contents including		
Personal Property of Others	\$128,067,612.00	\$5,000.00
Program Blanket Limit	500,000,000.00	
Excess Liability Policy CAP (shared)	50,000,000.00	
Excess Liability Policy CAP (unshared)	30,000,000.00	
Food Spoilage (within Blanket Limit)		
Electronic Data Processing (within Blanket Limit)		
Automobile and General Liability Each Occurrence*	10,000,000.00	
Employee Benefits Liability*	10,000,000.00	1,000.00
Automobile Liability*	10,000,000.00	
Uninsured Motorist Liability	15,000.00/30,000.00/5,000.00	
Boiler and Machinery (within Blanket Limit)	100,000,000 per occurrence	5,000.00
Crime:		
Blanket Employee Dishonesty - Per Loss	500,000.00	1,000.00
Forgery and Alteration	50,000.00	1,000.00
Theft, Disappearance & Destruction	2,500,000.00	1,000.00
Workers Compensation:		
Limit per Accident	5,000,000.00	
Disease per Policy Limit	5,000,000.00	
Disease Each Employee Limit	5,000,000.00	
School Professional Legal Liability*	10,000,000.00	10,000.00
Public Officials Bond:		
Treasurer of School Monies/ Business Administrator/Board Secretary	350,000.00	

* \$5,000,000.00 primary insurance plus \$5,000,000.00 excess coverage.

Source: District Records

Single Audit Section

**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
Cranford Public School District
Cranford, New Jersey**

We have audited, 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, the financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Cranford Public School District ("District"), in the County of Union, State of New Jersey, as of and for the 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 February 5, 2021.

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 opinion 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 entity'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 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.

PKF O'CONNOR DAVIES, LLP
20 Commerce Drive, Suite 301, Cranford, NJ 07016 | Tel: 908.272.6200 | Fax: 908.272.2416 | www.pkfod.com

PKF O'Connor Davies, LLP is a member firm of the PKF International Limited network of legally independent firms and does not accept any responsibility or liability for the actions or inactions on the part of any other individual member firm or firms.

**The Honorable President and Members
of the Board of Education
Cranford Public 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 grants 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* and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

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 results 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.

PKF O'Connor Davies, LLP

February 5, 2021
Cranford, New Jersey

David J. Gannon

David J. Gannon
Licensed Public School Accountant, No. 2305

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM AND
ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE
UNIFORM GUIDANCE AND NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITORS' REPORT

**The Honorable President and Members
of the Board of Education
Cranford Public School District
Cranford, New Jersey**

Report on Compliance for Each Major Federal and State Program

We have audited the Cranford Public School District ("District"), County of Union, New Jersey compliance with the types of compliance requirements described in the OMB Compliance Supplement and the New Jersey Compliance Manual "State Grant Compliance Supplement" that could have a direct and material effect on each of the District's major federal and state programs for the 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 the requirement of laws, regulations, contracts and grants applicable to its federal and state programs.

Auditor's 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; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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*, and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants and State Aid*. Those standards, the OMB Uniform Guidance and New Jersey OMB's 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.

**The Honorable President and Members
of the Board of Education
Cranford Public School District**

Page 2

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 on 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 year ended June 30, 2020.

Report on Internal Control Over Compliance

Management of the Cranford Public School 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 OMB Uniform Guidance and NJ OMB Circular 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 the 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 a 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 the 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 Honorable President and Members
of the Board of Education
Cranford Public School District**

Page 3

Purpose of this Report

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

PKF O'Connor Davies, LLP

February 5, 2021
Cranford, New Jersey

David J. Gannon

David J. Gannon
Licensed Public School Accountant, No. 2305

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Federal Grantor/Pass-Through Grantor/Program Title	Federal C.F.D.A Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020	Adjustments	Cash Received	Budgetary Expenditures	Repayment Prior Years Balances	Balance at June 30, 2020		
											Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Education:													
Passed-through State Department of Education:													
General Fund:													
Medical Assistance Program (SEMI)	93.778	2005NJ5MAP	N/A	7/1/19-6/30/20	\$ 10,853.08	\$	\$	10,853.08	(10,853.08)	\$	\$ -	\$	
Medical Assistance Program (SEMI)	93.778	1905NJ5MAP	N/A	7/1/18-6/30/19	7,840.13	(746.85)		746.85			-		
Total General Fund						(746.85)	-	11,599.93	(10,853.08)	-	-		
U.S. Department of Education:													
Passed-through State Department of Education:													
Special Revenue Fund:													
Special Education Cluster (IDEA)													
I.D.E.A. Part B, Basic Regular	84.027	H027A200100	IDEA-xxxx-20	7/1/19-9/30/20	838,014.00			829,578.00	(831,438.00)		(1,860.00)		
I.D.E.A. Part B, Preschool	84.173	H173A200114	IDEA-xxxx-20	7/1/19-9/30/20	29,589.00			24,186.00	(29,589.00)		(5,403.00)		
I.D.E.A. Part B, Basic Regular	84.027	H027A190100	IDEA-xxxx-19	7/1/18-6/30/19	835,226.00	(44,876.00)		44,876.00			-		
Total Special Education Cluster (IDEA)						(44,876.00)	-	898,640.00	(861,027.00)	-	(7,263.00)	-	
Title I, Part A Cluster													
ESEA - Title I, Part A	84.010	S010A200030	ESEA-xxxx-20	7/1/19-9/30/20	92,294.00			61,464.02	(90,681.07)		(29,217.05)		
ESEA - Title I, Part A	84.010	S010A190030	ESEA-xxxx-19	7/1/18-6/30/19	98,721.00	(31,040.98)		31,040.98			-		
Total Title I, Part A Cluster						(31,040.98)	-	92,505.00	(90,681.07)	-	(29,217.05)		
Title II, Part A													
ESEA - Title II, Part A	84.367A	S367A200029	ESEA-xxxx-20	7/1/19-9/30/20	59,215.00			39,044.43	(57,040.00)		(17,995.57)		
ESEA - Title II, Part A	84.367A	S367A190029	ESEA-xxxx-19	7/1/18-6/30/19	57,827.00	(20,432.57)		20,432.57			-		
Total Title II, Part A						(20,432.57)	-	59,477.00	(57,040.00)	-	(17,995.57)	-	
CARES Emergency Relief/ESSER	84.425D	S425D200027	N/A	4/1/19-12/31/20	74,205.00				(32,157.51)		(32,157.51)		
Total CARES Emergency Relief/ESSER						-	-	-	(32,157.51)	-	(32,157.51)	-	
Total Special Revenue Fund						(96,349.55)	-	1,050,622.00	(1,040,905.58)	-	(86,633.13)	-	
Subtotal Department of Education Pass-through						(97,096.40)		1,062,221.93	(1,051,758.66)		(86,633.13)		
U.S. Department of Labor:													
Passed-through State Department of Labor:													
Trust Fund:													
CARES Act DOL Unemployment Grant	17.000	Not available	Not available	7/1/19-6/30/20	35,253.47				(35,253.47)		(35,253.47)		
Total Trust Fund									(35,253.47)		(35,253.47)		
Total Federal Awards						<u>\$ (97,096.40)</u>	<u>\$ -</u>	<u>\$1,062,221.93</u>	<u>\$(1,087,012.13)</u>	<u>\$ -</u>	<u>\$(121,886.60)</u>	<u>\$ -</u>	

The accompanying Notes to Schedules of Expenditures of Awards and Financial Assistance are an integral part of this schedule.
N/A - Not available/applicable.

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
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				Budgetary Expenditures	Adjustments/Repayment Prior Years Balances	Balance at June 30, 2020		Memo	
				Unearned Revenue/(Accounts Receivable)	Due to Grantor	Adjustments	Cash Received			Unearned Revenue/(Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 2,304,623.00	\$	\$		\$ 2,079,814.20	\$ (2,304,623.00)	\$	\$	\$ (224,808.80)	\$ (2,304,623.00)	
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	2,088,464.00	(192,660.11)			192,660.11						
Categorical Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	354,868.00				320,251.73	(354,868.00)			(34,616.27)	(354,868.00)	
Categorical Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	354,868.00	(32,736.46)			32,736.46						
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	88,682.00				80,031.35	(88,682.00)			(8,650.65)	(88,682.00)	
Equalization Aid	19-495-034-5120-078	7/1/18-6/30/19	88,682.00	(8,180.89)			8,180.89						
Categorical Security Aid	20-495-034-5120-084	7/1/19-6/30/20	92,830.00				83,774.72	(92,830.00)			(9,055.28)	(92,830.00)	
Categorical Security Aid	19-495-034-5120-084	7/1/18-6/30/19	92,830.00	(8,563.54)			8,563.54						
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	861,714.00					(861,714.00)		(861,714.00)		(861,714.00)	
Extraordinary Aid	19-495-034-5120-044	7/1/18-6/30/19	654,195.00	(654,195.00)			654,195.00					-	
Nonpublic Transportation Cost Reimb.	20-495-034-5120-014	7/1/19-6/30/20	2,585.00					(2,585.00)		(2,585.00)		(2,585.00)	
Nonpublic Transportation Cost Reimb.	19-495-034-5120-014	7/1/18-6/30/19	29,346.00	(29,346.00)			29,346.00					-	
On Behalf T.P.A.F. Pension Contributions	20-495-034-5095-002	7/1/19-6/30/20	5,955,221.00					(5,955,221.00)				(5,955,221.00)	
On Behalf Post Retirement Medical Contrib.	20-495-034-5095-001	7/1/19-6/30/20	2,248,877.00					(2,248,877.00)				(2,248,877.00)	
On Behalf T.P.A.F. Non-Contributory Group Insurance	20-495-034-5095-004	7/1/19-6/30/20	106,741.00					(106,741.00)				(106,741.00)	
On Behalf T.P.A.F. Long Term Disability Insurance	20-495-034-5095-004	7/1/19-6/30/20	5,600.00					(5,600.00)				(5,600.00)	
Reimb. T.P.A.F. Social Security Contrib.	20-495-034-5095-003	7/1/19-6/30/20	2,166,680.15				2,060,112.67	(2,166,680.15)		(106,567.48)		(2,166,680.15)	
Reimb. T.P.A.F. Social Security Contrib.	19-495-034-5095-003	7/1/18-6/30/19	2,152,977.40	(226,960.68)			226,960.68					-	
Total General Fund				(1,152,642.68)			5,776,627.35	(14,188,421.15)		(970,866.48)		(277,131.00)	(14,188,421.15)
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	10,858.00				10,858.00	(10,399.59)			458.41		(10,399.59)
Auxiliary Services:													
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	29,690.00				26,391.00	(29,365.44)			324.56	(3,299.00)	(29,365.44)
Transportation	20-100-034-5120-067	7/1/19-6/30/20	5,645.00				5,081.00	(5,645.00)				(564.00)	(5,645.00)
Handicapped Services:													
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	25,094.00				22,580.00	(5,342.70)			19,751.30	(2,514.00)	(5,342.70)
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	7,930.00		1,268.80				(1,268.80)		-	-	-
Examination & Classification	20-100-034-5120-066	7/1/19-6/30/20	9,105.00				8,199.00	(4,461.30)			4,643.70	(906.00)	(4,461.30)
Examination & Classification	19-100-034-5120-066	7/1/18-6/30/19	12,739.00		1,638.29				(1,638.29)		-	-	-
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	11,848.00				10,664.00	(11,848.00)			(1,184.00)	(11,848.00)	
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	18,749.00		10,713.80				(10,713.80)		-	-	-
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	19,982.00				19,982.00	(17,823.63)			2,158.37	(17,823.63)	
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	22,601.00		2,856.07				(2,856.07)		-	-	-
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	30,900.00				30,900.00	(30,900.00)			-	(30,900.00)	
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	34,950.00		1,582.50				(1,582.50)		-	-	-
Technology Initiative	20-100-034-5120-373	7/1/19-6/30/20	7,416.00				7,416.00	(2,810.81)			4,605.19	(2,810.81)	
Technology Initiative	19-100-034-5120-373	7/1/18-6/30/19	8,388.00		600.44				(600.44)				
New Jersey Tiered System of Supports - Early Reading (NJTSS- ER)	N/A	7/1/19-6/30/20	10,781.19				10,781.19	(10,031.19)		750.00			(10,031.19)
Total Special Revenue Fund					18,659.90		152,852.19	(128,627.66)		(18,659.90)	750.00	31,941.53	(128,627.66)
Total State Financial Assistance				\$ (1,152,642.68)	\$ 18,659.90	\$ -	\$ 5,929,479.54	\$ (14,317,048.81)	\$ (18,659.90)	\$ (970,116.48)	\$ 31,941.53	\$ (285,598.00)	\$ (14,317,048.81)
Less:													
T.P.A.F. Pension Contributions							\$ (5,955,221.00)						
T.P.A.F. Post Retirement Medical Contrib.							(2,248,877.00)						
T.P.A.F. Non-Contributory Group Insurance							(106,741.00)						
T.P.A.F. Long Term Disability Insurance							(5,600.00)						
							\$ (8,316,439.00)						

Note: See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance.
N/A - Not available/applicable.

**CRANFORD PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

YEAR ENDED JUNE 30, 2020

NOTE 1. GENERAL

The accompanying schedules of expenditures of federal awards and state financial assistance include federal and state award activity of the Board of Education of the Township of Cranford Public School District. The District is defined in Note 1(A) to the Board's general-purpose financial statements (GASB 34 Model – basic financial statements). All federal and state awards received directly from federal and state agencies, as well as federal awards and state assistance passed through other government agencies are included on the schedule of expenditures of federal awards and schedule of state financial assistance.

NOTE 2. BASIS OF ACCOUNTING

The accompanying schedules of expenditures of federal awards and state financial assistance are presented on the budgetary basis of accounting, with the exception of programs recorded in the Food Service Fund, which are presented using the accrual basis of accounting. These bases of accounting are described in Note 1 to the Board's basic financial statements. The information in this schedule is presented in accordance with the requirements of NJOMB Circular 15-08, which requires compliance with the requirements of Title 2, US Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) for state financial assistance programs. Therefore, some amounts presented in this schedule may differ from amounts present in, or used in the preparation of, the basic financial statements. The District does not charge any indirect costs to any state financial assistance program.

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal 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 of accounting with the exception of the revenue recognition of the last two state aid payments in the current 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

**CRANFORD PUBLIC SCHOOL DISTRICT
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE**

YEAR ENDED JUNE 30, 2020

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS
(CONT'D.)

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 revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

Additionally, on the budgetary basis, the special revenue fund will recognize an accounts receivable balance and an amount due back to state for non-public entitlement amounts not received at year-end. However, on the GAAP basis, the accounts receivable and the amount due back to state is impacted strictly by the amount of non-public entitlement funds received and expended, respectively at year-end. As a result, the state accounts receivable and the state payable balances in the special revenue fund on the budgetary basis differs from the GAAP basis as follows:

Accounts Receivable	Budgetary Basis	Less: State Aid Not Received At June 30, 2020	GAAP Basis
State	\$ 8,467.00	\$ 8,467.00	\$ -
Due to Grantor	Budgetary Basis	Less: State Aid Not Received At June 30, 2020	GAAP Basis
State	\$ 31,941.53	\$ 8,467.00	\$ 23,474.53

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(34,990) for the general fund and \$0 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3).

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Part 1 - Summary of Auditors' Results

Financial Statements Section

Type of report the auditors issued on whether the financial statements were prepared in accordance with GAAP:

Unmodified

Internal control over financial reporting:

Are any material weaknesses identified?

_____ Yes X No

Are any significant deficiencies identified?

_____ Yes X No

Is any noncompliance material to financial statements noted?

_____ Yes X No

Federal Awards

Internal control over major federal programs:

Are any material weaknesses identified?

_____ Yes X No

Are any significant deficiencies identified?

_____ Yes X No

Type of auditors' report issued on compliance for major federal programs:

Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?

_____ Yes X No

Identification of major programs:

CFDA Number(s)	FAIN Number	Name of Federal Program or Cluster
		<u>Special Education Cluster:</u>
84.027	H027A0100	IDEA Part B Basic Regular
84.173	H173A0114	IDEA Part B Preschool

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

\$750,000.00

Auditee qualified as low-risk auditee?

 X Yes _____ No

CRANFORD PUBLIC SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Part 1 - Summary of Auditors' Results

State Financial Assistance

Internal control over major state programs:

Are any material weaknesses identified? _____ Yes X No

Are any significant deficiencies identified? _____ Yes X No

Type of auditors' report issued on compliance for major state programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with NJOMB Circular 15-08? _____ Yes X No

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
<u>495-034-5120-044</u>	<u>Extraordinary Aid</u>
<u>495-034-5120-089</u>	<u>State Aid - Public Cluster:</u>
<u>495-034-5120-078</u>	<u>Special Education Categorical Aid</u>
<u>495-034-5120-084</u>	<u>Equalization Aid</u>
	<u>Security Aid</u>

Dollar threshold used to distinguish between Type A and B programs: \$750,000.00

Auditee qualified as low-risk auditee? X Yes _____ No

Part II - Financial Statement Findings

No compliance or internal control over financial reporting findings noted that are required to be reported under Government Auditing Standards.

Part III - Federal Awards and State Financial Assistance Findings and Questioned Costs

No federal award or state financial assistance program compliance findings or questioned costs were noted that are required to be reported in accordance with 2 CFR 200 section .516(a) or NJ OMB Circular Letter 15-08.

CRANFORD PUBLIC SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2020

No prior year findings were noted.