

CRESSKILL BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

Cresskill, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**
of the
Cresskill Board of Education
County of Bergen, New Jersey
For The Fiscal Year Ended June 30, 2020

Prepared by
Finance Department

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INTRODUCTORY SECTION

CRESSKILL PUBLIC SCHOOLS

One Lincoln Drive

Cresskill, NJ 07626

Phone: (201) 227-7791 Ext1206, Fax :(201) 567-7976

January 28, 2021

Honorable President and
Members of the Board of Education
Cresskill School District
County of Bergen, New Jersey

Dear Board Members:

The comprehensive annual financial report of the Cresskill School District ("The 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 ("The 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 of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

Governmental Accounting Standards Board (GASB) requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. Cresskill Public School's MD&A can be found immediately following the "Independent Auditors' Report".

The comprehensive annual financial report is presented in four sections: introductory, financial, statistical and single audit. The introductory section includes this transmittal letter, the District's organizational chart and a list of principal officials. The financial section includes the independent auditors' report, management's discussion and analysis (MD&A) and the basic financial statements including the district-wide financial statements presented in conformity with Governmental Accounting Standards Board Statement No. 34. The basic financial statements also include individual fund financial statements, notes to the financial statements and required supplemental information (RSI). The statistical section includes selected financial and demographic information, generally presented on a multi-year basis.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and the U.S. Uniform Guidance and the NJ Circular OMB 15-08. Information related to this single audit, including the auditors' 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: Cresskill School District is an independent reporting entity within the criteria adopted by the Governmental Accounting Standards Board (GASB). All funds of the District are included in this report. The Cresskill Board of Education and all its schools constitute the District's reporting entity.

1. REPORTING ENTITY AND ITS SERVICES: (Continued)

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include advanced placement, regular and vocational as well as special education for handicapped youngsters. The District completed the 2019-2020 fiscal year with an enrollment of 1,844 students, which is 11 students greater than the previous year's enrollment.

The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2019-20	1844	0.49
2018-19	1835	1.78
2017-18	1803	-2.01
2016-17	1840	2.56
2015-16	1794	.61
2014-15	1783	1.94
2013-14	1749	1.16
2012-13	1729	1.37
2011-12	1753	.46
2010-11	1745	.17

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Cresskill continues to grow at a steady rate, while enrollment has plateaued. However, the recent COVID-19 pandemic has caused some changes in enrollment, as well as increased costs and unknown future repercussions.

3. MAJOR INITIATIVES: The Cresskill School District has implemented a new user-friendly website. While still a work in progress, it promises to provide a simpler interface for the district to communicate with our families, teachers, staff and the community. The Diversity and Inclusion Committee has been established and has held its first meetings. It consists of over 30 members from all aspects of the school and general community. We continue to expand our technology inventory, specifically with Chromebooks, and installed web cams in every classroom. The district is aiming for a 1:1 device to student ratio, which will be maintained in each classroom. In our elementary schools, we have continued our Writing Workshop Initiative for Year 4 and our Readers Workshop Initiative for Year 3. We are working with Words of Advice Literacy for both initiatives and seeing great success. Similar to our PARE (Personal Academic Reinforcement Enrichment) program, the programs allow the teacher to target specific students for one on one or small group instruction while the majority of the class focuses on their individual improvement. Moving forward, the district will evaluate the "Profile of a Cresskill Graduate" and focus some of our resources according to this profile. Through the \$12.4 million referendum vote in September of 2017, we have completed construction on the Early Learning Center addition at Edward H. Bryan School which included 8 classrooms and a nurse's suite, that opened in January 2020. We have consolidated all Kindergarten students at Edward H. Bryan School and have instituted the "No Place For Hate" program in the Middle School/High School.

4. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining an internal control structure 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 accounting principles generally accepted in the United States of America (GAAP). The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

As a recipient of federal and state financial assistance, the District also is responsible for ensuring that an adequate internal control structure is 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's management.

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

5. BUDGETARY CONTROLS: In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the General, Special Revenue and Debt Service Funds. Project length budgets are approved for the capital improvements accounted for in the Capital Projects Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

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

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

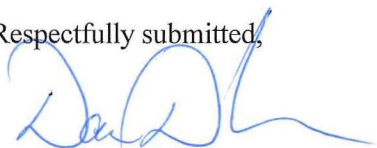
7. FINANCIAL INFORMATION AT FISCAL YEAR -END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management.

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". 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.

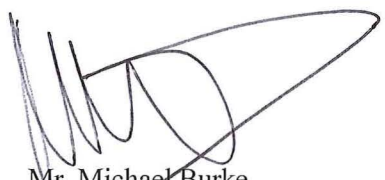
9. RISK MANAGEMENT: The Board carries various forms of insurance, including but not limited to general liability, automobile liability and comprehensive/collision, hazard and theft insurance on property and contents, and fidelity bonds.

10. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act, as amended, and the related U.S. Uniform Guidance and NJ Circular OMB 15-08. The auditor's report on the basic financial statements is included in the financial section of this report. The auditor's reports related specifically to the single audit are included in the single audit section of this report.

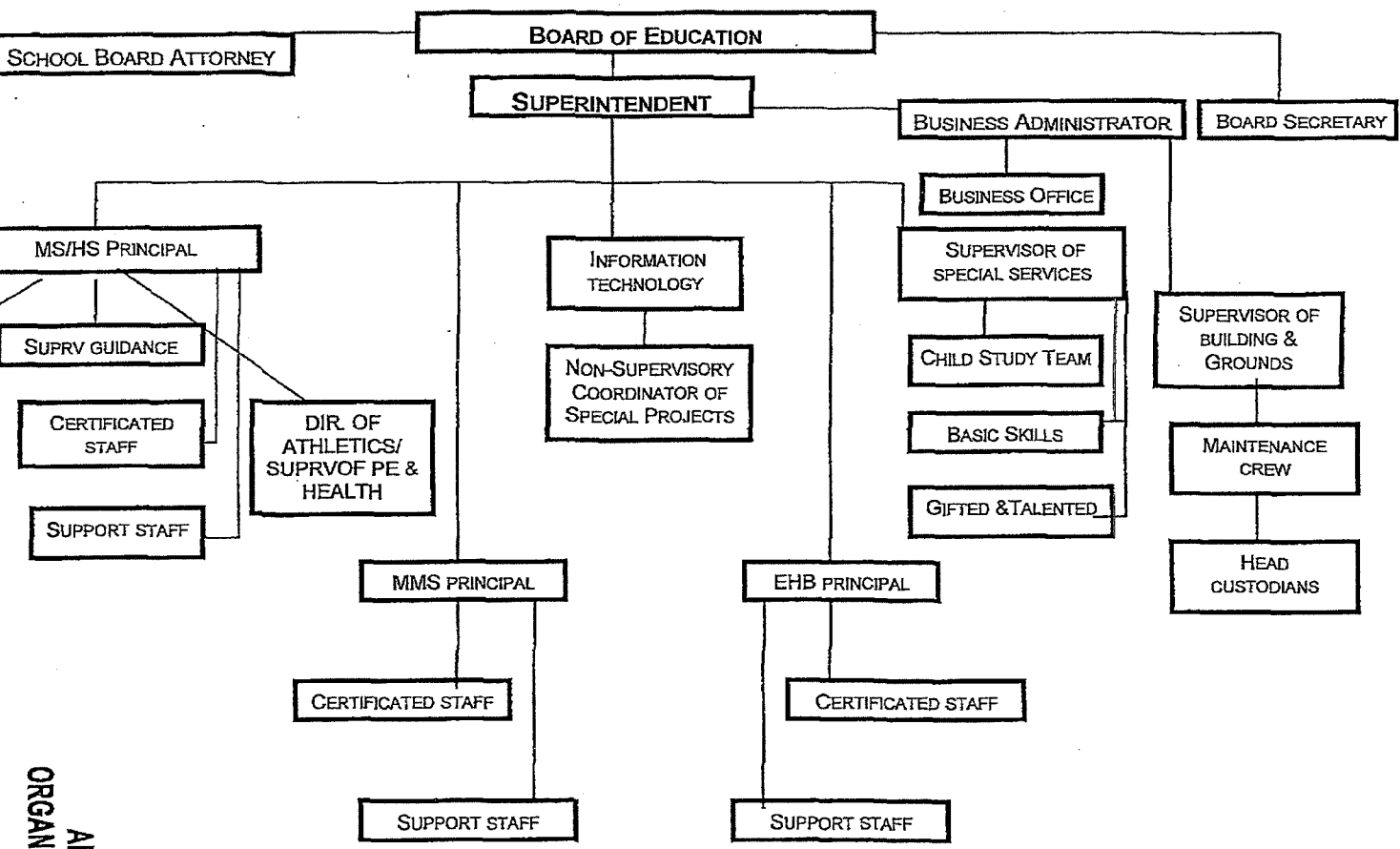
11. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Cresskill School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial 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,


Dawn Delasandro
Business Administrator/Board Secretary



Mr. Michael Burke
Superintendent



ADMINISTRATION
 ORGANIZATIONAL CHART

Date Adopted:
 09/14/09
 Revised
 10/22/14

**CRESSKILL BOARD OF EDUCATION
CRESSKILL, NEW JERSEY**

**ROSTER OF OFFICIALS
JUNE 30, 2020**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Denise Villani, President	Jan. 2021
Stephen Moldt, Vice President	Jan. 2022
Sally Cummings	Jan. 2022
Amy Cusick	Jan. 2021
Michael DePalo	Jan. 2023
Eugene Gorfin	Jan. 2022
Dionna Griffin	Jan. 2023
Mary Klein	Jan. 2021
Raffi Odabashian	Jan. 2023

Other Officials

Michael Burke, Superintendent

Dawn Delasandro, Business Administrator

**Cresskill Board of Education
Cresskill, New Jersey**

**Consultants and Advisors
June 30, 2020**

Audit Firm

Lerch, Vinci & Higgins, LLP
17-17 Route 208
Fair Lawn, NJ 07410

Attorney

Scarinci Hollenbeck, LLC.
1100 Valley Brook Ave
Lyndhurst, NJ 07071

Architect

DiCara/Rubino Architects
30 Galesi Drive, West Wing
Wayne NJ 07470

Official Depository

Capital One Bank
710 Rte. 46
Fairfield, NJ 07004

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Cresskill Board of Education
Cresskill, New Jersey

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cresskill Board of Education, as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cresskill Board of Education as of June 30, 2020, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension information and other postemployment benefits information 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 Cresskill Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Cresskill Board of Education.

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

The introductory section, financial schedules and statistical section 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 *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated January 28, 2021 on our consideration of the Cresskill Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cresskill Board of Education'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 Cresskill Board of Education's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Andrew D. Parente
Public School Accountant
PSA Number CS002246

Fair Lawn, New Jersey
January 28, 2021

REQUIRED SUPPLEMENTARY INFORMATION – PART I
MANAGEMENT'S DISCUSSION AND ANALYSIS

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

This section of Cresskill Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2020. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

The Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standard Board's (GASB) Statement No. 34 – Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments.

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Cresskill Board of Education exceeded its liabilities at the close of the fiscal year by \$10,517,356.
- The District's total net position increased \$727,571.
- Overall District revenues were \$41,567,530. General revenues accounted for \$29,985,489 or 72% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$11,582,041 or 28% of total revenues.
- Overall District expenses were \$40,839,959. Governmental activities expenses accounted for \$40,605,002 or 99% and business-type activities expenses accounted for \$234,957 or 1%.
- The school district had \$40,605,002 in expenses for governmental activities; only \$11,365,048 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$29,973,953 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$4,272,302. Of this amount, \$1,881,098 (44%) is restricted for future operating budget expenditures (excess surplus); \$1,992,339 (47%) is restricted for capital projects; \$85,630 is restricted for facility maintenance costs (2%); \$29,741 is assigned for year end encumbrances and \$283,493 is classified as unassigned fund balance.
- The General Fund unassigned budgetary fund balance at the close of the current fiscal year was \$755,683 which represented a decrease of 12,673 from the previous year balance of \$768,356.
- The District's total outstanding long-term liabilities decreased by \$2,018,292 during the current fiscal year, primarily due to the pay down of bond principal (including unamortized premium) and the change in the net pension liability.

CRESSKILL BOARD OF EDUCATION

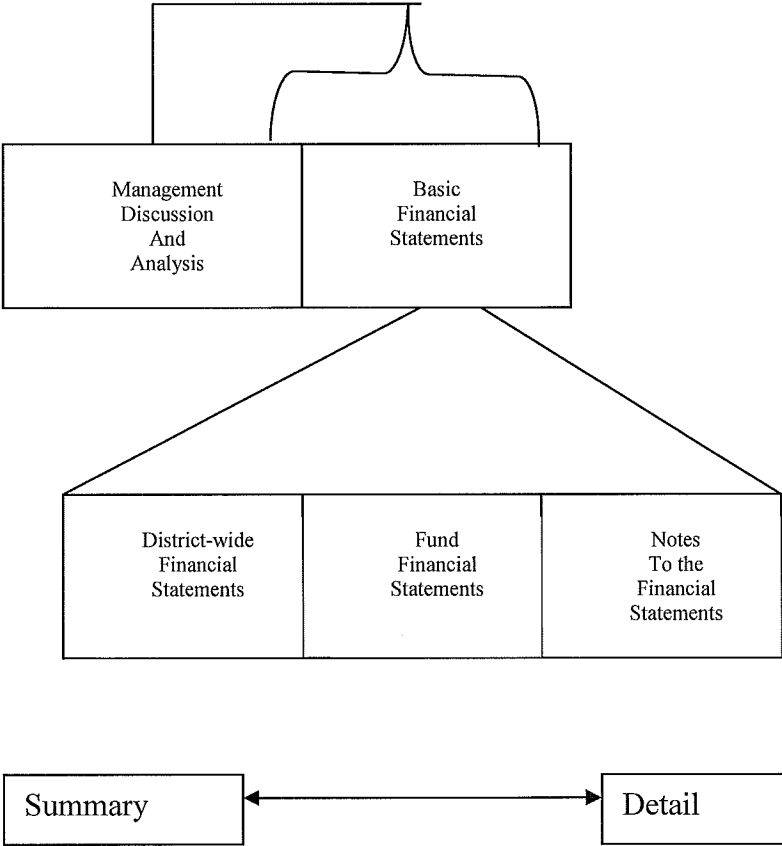
Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2020

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditor’s Report, required supplementary information which includes the management’s discussion and analysis (this section), the basic financial statements, and supplemental information. The basic financial statements include two kinds of statements that present different views of the District:

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

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The following illustration shows how the various parts of this Annual Report are arranged and related to one another.



CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

The Table below 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 the structure and contents of each of the statements.

MAJOR FEATURES OF THE DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district(except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Food Service Enterprise Fund	Instances in which the district administers resources on behalf of someone else, such as unemployment, scholarships, student activities, and payroll deduction.
Required financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows	Statements 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 assets/deferred outflows/inflows of resources liability information	All assets, deferred outflows/inflows of resources liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All asset, deferred inflows/outflows of resources 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/outflow 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.

District-wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes *all* of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources. 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.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

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

- To assess the overall health of the District you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements the District's activities are shown in two categories:

- *Governmental activities* – Most of the District's basic services are included here, such as regular and special education, transportation, administration and plant operation and maintenance. Property taxes and state aid finance most of these activities.
- *Business type activities* – These funds are used to account for operations that are financed and operated in a manner similar to private business enterprise. The District's food service program is included under this category.

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 bond covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that it is properly using certain revenues (federal and state 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 to 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, we provide additional information at the bottom of the governmental funds statements that 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.
 - *Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District has one enterprise fund for the food service (cafeteria) program.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. 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. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the district-wide and fund financial statements. The notes to the financial statements can be found following the basic financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for the general and special revenue funds as required supplementary information. The required supplementary information can be found following the notes to the financial statements.

The District also presents required supplementary information regarding the accounting and financial reporting for pensions as required under GASB Statement No. 68 and postemployment medical benefits as required under GASB Statement No.75. The required supplementary information can be found following the notes to the financial statements.

Combining statements and schedules are presented immediately following the major budgetary comparisons.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position were \$10,517,356 and \$9,789,785 on June 30, 2020 and 2019, respectively, as follows:

	Net Position					
	As of June 30, 2020 and 2019					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Current and Other Assets	\$ 5,244,711	\$ 9,969,459	\$ 6,910	\$ 5,410	\$ 5,251,621	\$ 9,974,869
Capital Assets	<u>38,122,329</u>	<u>35,195,225</u>	<u>24,675</u>	<u>25,879</u>	<u>38,147,004</u>	<u>35,221,104</u>
Total Assets	<u>43,367,040</u>	<u>45,164,684</u>	<u>31,585</u>	<u>31,289</u>	<u>43,398,625</u>	<u>45,195,973</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	423,477	522,709		-	423,477	522,709
Deferred Amounts on Net Pension Liability	<u>673,526</u>	<u>1,204,645</u>	<u>-</u>	<u>-</u>	<u>673,526</u>	<u>1,204,645</u>
Total Deferred Outflows of Resources	<u>1,097,003</u>	<u>1,727,354</u>	<u>-</u>	<u>-</u>	<u>1,097,003</u>	<u>1,727,354</u>
Total Assets and Deferred Outflow of Resources	<u>44,464,043</u>	<u>46,892,038</u>	<u>31,585</u>	<u>31,289</u>	<u>44,495,628</u>	<u>46,923,327</u>
Long-Term Liabilities	30,220,296	32,238,588			30,220,296	32,238,588
Other Liabilities	<u>1,296,749</u>	<u>2,515,408</u>	<u>18,707</u>	<u>11,983</u>	<u>1,315,456</u>	<u>2,527,391</u>
Total Liabilities	<u>31,517,045</u>	<u>34,753,996</u>	<u>18,707</u>	<u>11,983</u>	<u>31,535,752</u>	<u>34,765,979</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>2,442,520</u>	<u>2,367,563</u>	<u>-</u>	<u>-</u>	<u>2,442,520</u>	<u>2,367,563</u>
Total Deferred Inflows of Resources	<u>2,442,520</u>	<u>2,367,563</u>	<u>-</u>	<u>-</u>	<u>2,442,520</u>	<u>2,367,563</u>
Total Liabilities and Deferred Outflow of Resources	<u>33,959,565</u>	<u>37,121,559</u>	<u>18,707</u>	<u>11,983</u>	<u>33,978,272</u>	<u>37,133,542</u>
Net Investment in Capital Assets	15,551,509	15,867,265	24,675	25,879	15,576,184	15,893,144
Restricted	1,534,401	1,452,620			1,534,401	1,452,620
Unrestricted	<u>(6,581,432)</u>	<u>(7,549,406)</u>	<u>(11,797)</u>	<u>(6,573)</u>	<u>(6,593,229)</u>	<u>(7,555,979)</u>
Total Net Position	<u>\$ 10,504,478</u>	<u>\$ 9,770,479</u>	<u>\$ 12,878</u>	<u>\$ 19,306</u>	<u>\$ 10,517,356</u>	<u>\$ 9,789,785</u>

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

The District's total net position of \$10,517,356 at June 30, 2020 represents a \$727,571 or 7% increase over the prior year. By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Changes in Net Position
For The Fiscal Years Ended June 30, 2020 and 2019**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,575,202	\$ 1,502,559	\$ 216,993	\$ 341,057	\$ 1,792,195	\$ 1,843,616
Operating Grants and Contributions	9,789,846	10,579,065			9,789,846	10,579,065
Capital Grants and Contributions		12,054			-	12,054
General Revenues						
Property Taxes	29,653,319	29,200,584			29,653,319	29,200,584
State Aid	141,420	19,059			141,420	19,059
Miscellaneous	190,550	216,003	200	488	190,750	216,491
Total Revenues	<u>41,350,337</u>	<u>41,529,324</u>	<u>217,193</u>	<u>341,545</u>	<u>41,567,530</u>	<u>41,870,869</u>
Expenses						
Instruction						
Regular	\$ 16,944,911	17,225,661			16,944,911	17,225,661
Special Education	8,055,210	7,529,952			8,055,210	7,529,952
Other Instruction	1,374,351	1,399,111			1,374,351	1,399,111
School Sponsored Activities and Athletics	771,306	786,069			771,306	786,069
Support Services						
Student and Instruction Related Services	3,925,041	3,939,191			3,925,041	3,939,191
General Administration Services	824,708	782,521			824,708	782,521
School Administration Services	2,685,525	2,821,716			2,685,525	2,821,716
Central Services and Admin Info. Tech	814,213	808,375			814,213	808,375
Plant Operations and Maintenance	3,984,036	3,487,792			3,984,036	3,487,792
Pupil Transportation	393,077	454,426			393,077	454,426
Interest on Debt	832,624	870,109			832,624	870,109
Food Services	-	-	234,957	355,719	234,957	355,719
Total Expenses	<u>40,605,002</u>	<u>40,104,923</u>	<u>234,957</u>	<u>355,719</u>	<u>40,839,959</u>	<u>40,460,642</u>
Change in Net Position Before Transfers	745,335	1,424,401	(17,764)	(14,174)	727,571	1,410,227
Transfers	<u>(11,336)</u>	<u>-</u>	<u>11,336</u>	<u>-</u>	<u>-</u>	<u>-</u>
Change in Net Position	733,999	1,424,401	(6,428)	(14,174)	727,571	1,410,227
Net Position, Beginning of Year	<u>9,770,479</u>	<u>8,346,078</u>	<u>19,306</u>	<u>33,480</u>	<u>9,789,785</u>	<u>8,379,558</u>
Net Position, End of Year	<u>\$ 10,504,478</u>	<u>\$ 9,770,479</u>	<u>\$ 12,878</u>	<u>\$ 19,306</u>	<u>\$ 10,517,356</u>	<u>\$ 9,789,785</u>

CRESSKILL BOARD OF EDUCATION

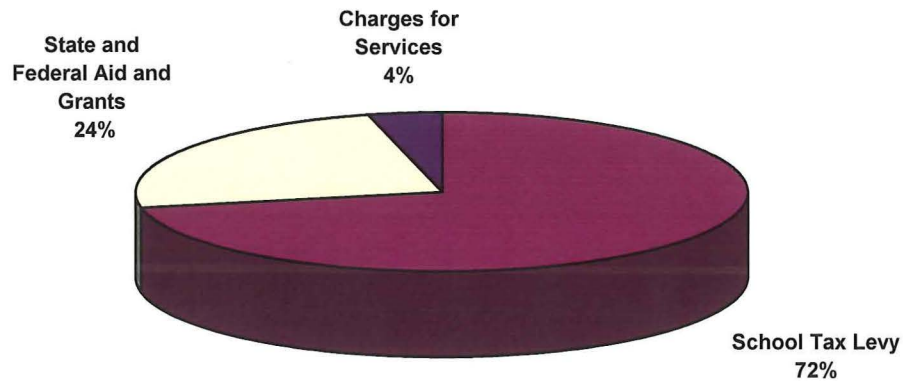
Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2020

Governmental Activities. The District’s total governmental activities’ revenues, which includes State and Federal grants, were \$41,350,337 for the year ended June 30, 2020. Property taxes of \$29,653,319 represented 72% of revenues. Another significant portion of revenues came from State and Federal aid; total State, Federal and local grants and aid was \$9,931,266 representing 24% of revenues. In addition, charges for services (tuition, related services and rentals) of \$1,575,202 comprised 4% of the total revenues. The remaining revenues are from miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

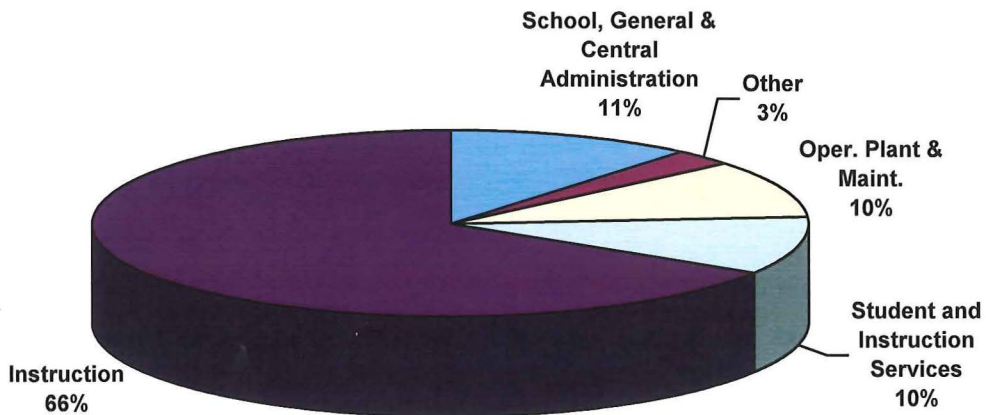
The total cost of all governmental activities programs and services was \$40,605,002. The District’s expenses are predominantly related to educating and caring for students. Instruction totaled \$27,145,778 (66%) of total expenses. Support services represent \$12,626,600 (32%) of total expenses and interest on debt represents \$832,624 (2%) of total expenses.

Total governmental activities revenues exceeded expenses, increasing net position by \$733,999 over the previous year.

Revenues by Sources – Governmental Activities
For Fiscal Year 2020



Expenses by Use – Governmental Activities
For Fiscal Year 2020



CRESSKILL BOARD OF EDUCATION

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020**

Total and Net Cost of Governmental Activities. The District's total cost of services was \$40,605,002. After applying program revenues, derived from operating grants and contributions of \$9,789,846 and charges for services of \$1,575,202 the net cost of services of the District is \$29,239,954.

**Total and Net Cost of Governmental Activities
For The Fiscal Years Ended June 30, 2020 and 2019**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Instruction				
Regular	\$ 16,944,911	\$ 17,225,661	\$ 12,294,915	\$ 11,908,822
Special Education	8,055,210	7,529,952	3,747,161	3,443,124
Other Instruction	1,374,351	1,399,111	971,251	954,708
School Sponsored Activities and Athletics	771,306	786,069	725,153	728,304
Support Services				
Student and Instruction Related Services	3,925,041	3,939,191	3,063,989	2,923,513
General Administration Services	824,708	782,521	743,600	682,099
School Administration Services	2,685,525	2,821,716	2,068,488	2,079,833
Central Services and Admin. Info. Tech.	814,213	808,375	743,565	777,357
Plant Operations and Maintenance	3,984,036	3,487,792	3,825,220	3,265,562
Pupil Transportation	393,077	454,426	310,664	377,814
Interest on Debt	832,624	870,109	745,948	870,109
Total	\$ 40,605,002	\$ 40,104,923	\$ 29,239,954	\$ 28,011,245

Business-Type Activities – The District's total business-type activities revenues were \$217,193 for the year ended June 30, 2020. Charges for services accounted for virtually 100% of total revenues. Miscellaneous revenues accounted for less than 1% of total revenues.

Total cost of all business-type activities programs and services was \$234,957. The District's expenses are related to Food Service (Cafeteria) operations.

Total business-type activities expenses exceeded revenues, decreasing net position by \$6,428.

CRESSKILL BOARD OF EDUCATION

Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2020

FINANCIAL ANALYSIS OF THE DISTRICT’S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the District’s governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District’s financial requirements. In particular, unassigned fund balance may serve as a useful measure of the District’s net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$4,272,302, a decrease of \$3,528,397 from last year’s fund balance. This decrease can be mainly attributable to the District’s expenditures for the 2017 referendum project.

Revenues for the District’s governmental funds were \$39,217,744 and total expenses were \$42,889,165 for the fiscal year ended June 30, 2020.

GENERAL FUND

The General Fund includes the primary operations of the District in providing educational services to students from kindergarten through Grade 12 including transportation and capital outlay activities.

The following schedule presents a comparison of General Fund Revenues (GAAP Basis):

	Fiscal Year Ended		Amount of Increase	Percent
	2020	2019	(Decrease)	Change
Local Sources				
Property Taxes	\$ 27,693,300	\$ 27,150,294	\$ 543,006	2%
Tuition/Related Services	1,572,102	1,496,034	76,068	5%
Other	164,460	116,804	47,656	41%
State Sources	6,875,673	6,481,985	393,688	6%
Total General Fund Revenues	\$ 36,305,535	\$ 35,245,117	\$ 1,060,418	3%

Local property taxes increased by \$543,006 or 2% over the previous year to support increased operating expenditures. State aid revenue increased \$393,688 or 6% due to predominantly an increase in on-behalf TPAF pension contributions made by the State for the District’s teaching professionals as well as the receipt of additional state aid. Tuition revenues increased \$76,068 or 5%. Other local sources of revenues increased \$47,656 or 41% due to an increase in interest earnings.

CRESSKILL BOARD OF EDUCATION

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020**

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

GENERAL FUND (Continued)

The following schedule presents a comparison of General Fund expenditure (GAAP Basis):

	Fiscal Year Ended		Amount of Increase (Decrease)	Percent Change
	<u>2020</u>	<u>2019</u>		
Instruction	\$ 24,782,499	\$ 23,635,384	\$ 1,147,115	5%
Support Services	10,565,754	10,546,127	19,627	0%
Debt Service	92,641	75,751	16,890	22%
Capital Outlay	<u>488,520</u>	<u>95,416</u>	<u>393,104</u>	412%
 Total Expenditures	 <u>\$ 35,929,414</u>	 <u>\$ 34,352,678</u>	 <u>\$ 1,576,736</u>	 5%

Total General Fund expenditures increased \$1,576,736 or 5% over from the previous year. The majority of this increase can be attributed to increases in instruction costs for regular education and support service costs. Capital outlay expenditures increased due to costs associated with the high school track resurfacing project and the acquisition of twelve (12) copiers.

In 2019-2020 General Fund revenues and other financing sources exceeded expenditures by \$548,335. As a result, total fund balance increased to \$3,728,732 at June 30, 2020. After deducting restricted and assigned fund balances, the unassigned fund balance decreased from \$293,041 at June 30, 2019 to \$283,493 at June 30, 2020.

CAPITAL ASSET ADMINISTRATION

At the end of fiscal years 2020 and 2019, the District had \$38,122,329 and \$35,195,225, respectively, net of accumulated depreciation invested in land, land improvements, buildings and building improvements, construction in progress, furniture, equipment and vehicles for the governmental activities and \$24,675 and \$25,879, respectively for business-type activities. The following compares the June 30, 2020 and 2019 balances.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2020

CAPITAL ASSET ADMINISTRATION (Continued)

Capital Assets
at June 30, 2020 and 2019

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Land	\$ 1,286,701	\$ 1,286,701			\$ 1,286,701	\$ 1,286,701
Construction in Progress	-	6,618,669			-	6,618,669
Buildings and Building Improvements	51,649,857	41,039,616	\$ 14,800	\$ 14,800	51,664,657	41,054,416
Improvements Other Than Buildings	988,641	742,641			988,641	742,641
Machinery and Equipment	<u>2,075,608</u>	<u>1,889,886</u>	<u>159,801</u>	<u>157,198</u>	<u>2,235,409</u>	<u>2,047,084</u>
	56,000,807	51,577,513	174,601	171,998	56,175,408	51,749,511
Less Accumulated Depreciation	<u>(17,878,478)</u>	<u>(16,382,288)</u>	<u>(149,926)</u>	<u>(146,119)</u>	<u>(18,028,404)</u>	<u>(16,528,407)</u>
Total Capital Assets, Net	\$ <u>38,122,329</u>	\$ <u>35,195,225</u>	\$ <u>24,675</u>	\$ <u>25,879</u>	\$ <u>38,147,004</u>	\$ <u>35,221,104</u>

Additional information on the District's capital assets are presented in the "Notes to the Financial Statements" of this report.

LONG TERM LIABILITIES

At June 30, 2020 the District had \$30,220,296 of outstanding long-term liabilities. Of this amount, \$23,250,485 is for bonds payable; \$287,381 is for capital leases payable; \$1,214,452 is for compensated absences and \$5,467,978 is for net pension liability. This is in comparison to long-term liabilities at June 30, 2019 consisting of bonds payable of \$24,689,781; capital leases of \$218,781; compensated absences of \$1,109,290 and net pension liability of \$6,220,736 for a total of \$32,238,588.

Outstanding Long-Term Liabilities
at June 30, 2020 and 2019

	<u>2020</u>	<u>2019</u>
Bonds Payable (Including Unamortized Premium)	\$ 23,250,485	\$ 24,689,781
Capital Lease Payable	287,381	218,781
Compensated Absences	1,214,452	1,109,290
Net Pension Liability	<u>5,467,978</u>	<u>6,220,736</u>
	\$ <u>30,220,296</u>	\$ <u>32,238,588</u>

Additional information on the District's long-term liabilities is presented in the "Notes to the Financial Statements" of this report.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2020

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget several times. These budget amendments fall into two categories:

- Implementing budgets for specially funded projects, which include both federal and state aid/grants, appropriating maintenance reserve funds and reinstating prior year purchase orders being carried over as encumbrances.
- Increases in appropriations for significant unbudgeted costs.

General Fund budgetary revenues and other financing sources exceeded budgetary expenditures increasing budgetary fund balance by \$545,210 over the previous year. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance decreased by \$12,673 from \$768,356 at June 30, 2019 to \$755,683 at June 30, 2020. The District decreased its restricted fund balances for capital reserve by a net amount of \$96,651 at June 30, 2020 and decreased its maintenance reserve by net \$14,870.

FACTORS BEARING ON THE DISTRICT'S FUTURE

While many factors influence the district's future, the availability of funding for special education needs and the economy will have the most impact on educational and fiscal decisions in the future.

Currently, the District is in good financial condition. Everyone associated with the Cresskill School District is grateful for the community support of the schools. A major concern is continued enrollment growth and the need to address the District's facility needs in each of its three schools, while maintaining small class sizes and continuing to be sensitive to the increasing reliance on property taxes. This, in an environment of uncertainty regarding state aid support and increases in State mandates, means an ever-increasing utilization of the current District's resources without compromising educational programs.

These indicators were considered when adopting the budget for fiscal year 2020-2021. Budgeted expenditures in the General Fund increased 4 percent to \$32,681,389 in fiscal year 2020-2021. Increases in contractual payroll and special education costs are the primary reasons for the increase.

In conclusion, the Cresskill School District has committed itself to financial excellence for many years. Its system for financial planning, budgeting, and internal financial controls is audited annually and it plans to continue to manage its finances in order to meet the many challenges ahead.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional information contact the Business Office, Cresskill Board of Education, 129 Madison Avenue, Cresskill, NJ 07626.

BASIC FINANCIAL STATEMENTS

CRESSKILL BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2020

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 4,567,829	\$ 344	\$ 4,568,173
Receivables, net	676,882		676,882
Inventories		6,566	6,566
Capital Assets			
Capital Assets, Not Being Depreciated	1,286,701		1,286,701
Capital Assets, Being Depreciated	<u>36,835,628</u>	<u>24,675</u>	<u>36,860,303</u>
Total Assets	<u>43,367,040</u>	<u>31,585</u>	<u>43,398,625</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	423,477	-	423,477
Deferred Amounts on Net Pension Liability	<u>673,526</u>	<u>-</u>	<u>673,526</u>
Total Deferred Outflows of Resources	<u>1,097,003</u>	<u>-</u>	<u>1,097,003</u>
Total Assets and Deferred Outflows of Resources	<u>44,464,043</u>	<u>31,585</u>	<u>44,495,628</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	889,572	98	889,670
Payable to Other Governments	42,452		42,452
Accrued Interest Payable	324,340		324,340
Unearned Revenue	40,385	18,609	58,994
Noncurrent Liabilities			
Due Within One Year	1,469,531		1,469,531
Due Beyond One Year	<u>28,750,765</u>	<u>-</u>	<u>28,750,765</u>
Total Liabilities	<u>31,517,045</u>	<u>18,707</u>	<u>31,535,752</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>2,442,520</u>	<u>-</u>	<u>2,442,520</u>
Total Deferred Inflows of Resources	<u>2,442,520</u>	<u>-</u>	<u>2,442,520</u>
Total Liabilities and Deferred Inflows of Resources	<u>33,959,565</u>	<u>18,707</u>	<u>33,978,272</u>
NET POSITION			
Net Investment in Capital Assets	15,551,509	24,675	15,576,184
Restricted for			
Capital Projects	1,448,770		1,448,770
Plant Maintenance	85,630		85,630
Debt Service	1		1
Unrestricted	<u>(6,581,432)</u>	<u>(11,797)</u>	<u>(6,593,229)</u>
Total Net Position	<u>\$ 10,504,478</u>	<u>\$ 12,878</u>	<u>\$ 10,517,356</u>

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

**CRESSKILL BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL 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	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 16,944,911	\$ 215,957	\$ 4,434,039		\$ (12,294,915)		\$ (12,294,915)
Special Education	8,055,210	1,356,145	2,951,904		(3,747,161)		(3,747,161)
Other Instruction	1,374,351		403,100		(971,251)		(971,251)
School Sponsored Activities and Athletics	771,306		46,153		(725,153)		(725,153)
Support Services:							
Student & Instruction Related Services	3,925,041		861,052		(3,063,989)		(3,063,989)
General Administration Services	824,708		81,108		(743,600)		(743,600)
School Administration Services	2,685,525		617,037		(2,068,488)		(2,068,488)
Central Services and Admin Info. Tech.	814,213		70,648		(743,565)		(743,565)
Plant Operations and Maintenance	3,984,036	3,100	155,716		(3,825,220)		(3,825,220)
Pupil Transportation	393,077		82,413		(310,664)		(310,664)
Interest on Long-Term Debt	832,624	-	86,676	-	(745,948)	-	(745,948)
Total Governmental Activities	40,605,002	1,575,202	9,789,846	-	(29,239,954)	-	(29,239,954)
Business-Type Activities:							
Food Service	234,957	216,993	-	-	-	\$ (17,964)	(17,964)
Total Business-Type Activities	234,957	216,993	-	-	-	(17,964)	(17,964)
Total Primary Government	\$ 40,839,959	\$ 1,792,195	\$ 9,789,846	\$ -	(29,239,954)	(17,964)	(29,257,918)
General Revenues:							
Taxes:							
Property Taxes, levied for General Purposes					27,693,300		27,693,300
Property Taxes Levied for Debt Service					1,960,019		1,960,019
State Aid Restricted for Debt Service Principal					141,420		141,420
Investment Earnings					86,221	200	86,421
Miscellaneous Income					104,329	-	104,329
Transfers					(11,336)	11,336	-
Total General Revenues					29,973,953	11,536	29,985,489
Change in Net Position					733,999	(6,428)	727,571
Net Position, Beginning of Year					9,770,479	19,306	9,789,785
Net Position, End of Year					\$ 10,504,478	\$ 12,878	\$ 10,517,356

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

FUND FINANCIAL STATEMENTS

**CRESSKILL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 3,884,295		\$ 683,533	\$ 1	\$ 4,567,829
Receivables, Net					
Intergovernmental Receivables	165,745	\$ 425,027			590,772
Other Receivables	34,253	40,199			74,452
Due from Other Funds	<u>514,679</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>514,679</u>
 Total Assets	 <u>\$ 4,598,972</u>	 <u>\$ 465,226</u>	 <u>\$ 683,533</u>	 <u>\$ 1</u>	 <u>\$ 5,747,732</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 870,240	\$ 14,282	\$ 5,050		\$ 889,572
Due to Other Funds		368,107	134,914		503,021
Payable to Other Governments		42,452			42,452
Unearned Revenue	<u>-</u>	<u>40,385</u>	<u>-</u>	<u>-</u>	<u>40,385</u>
 Total Liabilities	 <u>870,240</u>	 <u>465,226</u>	 <u>139,964</u>	 <u>-</u>	 <u>1,475,430</u>
Fund Balances:					
Restricted Fund Balance					
Capital Reserve	1,448,770				1,448,770
Maintenance Reserve	35,630				35,630
Maintenance Reserve					
Subsequent Year's Expenditures (2020/2021 budget)	50,000				50,000
Excess Surplus	921,098				921,098
Excess Surplus- Designated for					
Subsequent Year's Expenditures (2020/2021 budget)	960,000				960,000
Capital Projects			543,569		543,569
Debt Service				\$ 1	1
Assigned Fund Balance					
Year End Encumbrances	29,741				29,741
Unassigned Fund Balance	<u>283,493</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>283,493</u>
 Total Fund Balances	 <u>3,728,732</u>	 <u>-</u>	 <u>543,569</u>	 <u>1</u>	 <u>4,272,302</u>
 Total Liabilities and Fund Balances	 <u>\$ 4,598,972</u>	 <u>\$ 465,226</u>	 <u>\$ 683,533</u>	 <u>\$ 1</u>	 <u>\$ 5,747,732</u>

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

CRESSKILL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2020

EXHIBIT B-1

Total Fund Balance (Exhibit B-1) \$ 4,272,302

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 \$56,000,807 and the accumulated depreciation is \$17,878,478.

38,122,329

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt.

423,477

Certain amounts resulting from the measurement of the net pension liability are reported as either deferred inflows of resources or deferred outflows of resources on the statement of net position and amortized over future years.

Deferred Outflows of Resources	\$	673,526
Deferred Inflow of Resources		<u>(2,442,520)</u>

(1,768,994)

The District has financed capital assets through the issuance of bonds and long-term lease obligations. The interest accrual at year end is:

(324,340)

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.

Bonds Payable (Including Unamortized Premium)	(23,250,485)
Capital Lease Payable	(287,381)
Compensated Absences Payable	(1,214,452)
Net Pension Liability	<u>(5,467,978)</u>

(30,220,296)

Net Position of Governmental Activities (Exhibit A-1) **\$ 10,504,478**

**CRESSKILL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 27,693,300			\$ 1,960,019	\$ 29,653,319
Tuition and Related Services Fees	1,572,102				1,572,102
Rentals	3,100				3,100
Interest and Investment Income	57,031		\$ 29,190		86,221
Miscellaneous	<u>104,329</u>	<u>\$ 93,204</u>	<u>-</u>	<u>-</u>	<u>197,533</u>
Total - Local Sources	29,429,862	93,204	29,190	1,960,019	31,512,275
State Sources	6,875,673	81,620	-	228,096	7,185,389
Federal Sources	<u>-</u>	<u>520,080</u>	<u>-</u>	<u>-</u>	<u>520,080</u>
Total Revenues	<u>36,305,535</u>	<u>694,904</u>	<u>29,190</u>	<u>2,188,115</u>	<u>39,217,744</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	15,414,363	275,464			15,689,827
Special Education Instruction	7,369,675	305,753			7,675,428
Other Instruction	1,228,826	38,141			1,266,967
School-Sponsored Activities and Athletics	769,635				769,635
Support Services					
Student and Instruction Related Services	3,631,031	75,546			3,706,577
General Administration Services	807,538				807,538
School Administration Services	2,502,727				2,502,727
Central Services and Admin Info. Tech.	804,034				804,034
Plant Operations and Maintenance	2,427,347		141,958		2,569,305
Pupil Transportation	393,077				393,077
Debt Service					
Principal	85,760			1,365,000	1,450,760
Interest	6,881			823,115	829,996
Capital Outlay	<u>488,520</u>	<u>-</u>	<u>3,934,774</u>	<u>-</u>	<u>4,423,294</u>
Total Expenditures	<u>35,929,414</u>	<u>694,904</u>	<u>4,076,732</u>	<u>2,188,115</u>	<u>42,889,165</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>376,121</u>	<u>-</u>	<u>(4,047,542)</u>	<u>-</u>	<u>(3,671,421)</u>
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	154,360				154,360
Transfers In	29,190	-			29,190
Transfers Out	<u>(11,336)</u>	<u>-</u>	<u>(29,190)</u>	<u>-</u>	<u>(40,526)</u>
Total Other Financing Sources and Uses	<u>172,214</u>	<u>-</u>	<u>(29,190)</u>	<u>-</u>	<u>143,024</u>
Net Change in Fund Balances	548,335	-	(4,076,732)	-	(3,528,397)
Fund Balance, Beginning of Year	<u>3,180,397</u>	<u>-</u>	<u>4,620,301</u>	<u>1</u>	<u>7,800,699</u>
Fund Balance, End of Year	<u>\$ 3,728,732</u>	<u>\$ -</u>	<u>\$ 543,569</u>	<u>\$ 1</u>	<u>\$ 4,272,302</u>

**CRESSKILL BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (3,528,397)**

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 capital outlay exceeded depreciation expense in the period.

Capital outlays	\$ 4,423,294	
Depreciation expense	<u>(1,496,190)</u>	2,927,104

The issuance of long-term debt (e.g. bonds, capital leases) provides current financial resources to governmental funds, while the repayment of principal of long term debt consumes the current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This amount represents the net effect of these activities.

Capital Lease Proceeds		(154,360)
Capital Lease Principal Repayment		85,760
Repayment of Bond Principal		<u>1,365,000</u>

Governmental Funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Deferred Amount on Refunding of Debt	(99,232)	
Amortization of Original Issuance Premium	<u>74,296</u>	(24,936)

Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.

Increase in Accrued Interest		22,308
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In the statement of activities, certain operating expenses, e.g., compensated absences, pension costs are measured by the amounts earned or incurred 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.

Net Increase in Compensated Absences	(105,162)	
Decrease in Net Pension Expense	<u>146,682</u>	41,520

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 733,999**

**CRESSKILL BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2020**

	Business-Type Activities Enterprise <u>Food Services</u>
ASSETS	
Current Assets	
Cash	\$ 344
Inventories	<u>6,566</u>
Total Current Assets	<u>6,910</u>
Capital Assets	
Building Improvements	14,800
Furniture, Machinery and Equipment	159,801
Less: Accumulated Depreciation	<u>(149,926)</u>
Total Capital Assets, Net	<u>24,675</u>
Total Assets	<u>31,585</u>
LIABILITIES	
Current Liabilities	
Accounts Payable	98
Unearned Revenue	<u>18,609</u>
Total Current Liabilities	<u>18,707</u>
NET POSITION	
Investment in Capital Assets	24,675
Unrestricted	<u>(11,797)</u>
Total Net Position	<u>\$ 12,878</u>

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

**CRESSKILL BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise <u>Food Services</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ 214,797
Sales - Milk Program	<u>2,196</u>
Total Operating Revenues	<u>216,993</u>
OPERATING EXPENSES	
Salaries and Benefits	104,193
Cost of Sales	89,723
Management Fee	16,057
Other Purchased Services	15,098
Materials and Supplies	6,079
Depreciation	<u>3,807</u>
Total Operating Expenses	<u>234,957</u>
Operating Loss	<u>(17,964)</u>
NONOPERATING REVENUES	
Interest	200
Transfer from General Fund	<u>11,336</u>
Total Nonoperating Revenues	<u>11,536</u>
Change in Net Position	(6,428)
Total Net Position - Beginning of Year	<u>19,306</u>
Total Net Position - End of Year	<u>\$ 12,878</u>

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

**CRESSKILL BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Business-Type Activities Enterprise <u>Food Services</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 225,600
Cash Payments for Salaries and Benefits	(104,193)
Cash Payments to Suppliers for Goods and Services	<u>(131,536)</u>
Net Cash Used by Operating Activities	<u>(10,129)</u>
Cash Flows from Non Capital Financing Activates	
Transfers from Other Funds	<u>11,336</u>
Net Cash Used by Capital and Related Financing Activities	<u>11,336</u>
Cash Flows from Capital and Related Financing Activates	
Purchase of Capital Assets	<u>(2,603)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(2,603)</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>200</u>
Net Cash Provided by Investing Activities	<u>200</u>
Net Decrease in Cash and Cash Equivalents	(1,196)
Cash and Cash Equivalents, Beginning of Year	<u>1,540</u>
Cash and Cash Equivalents, End of Year	<u>\$ 344</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	<u>\$ (17,964)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	3,807
Change in Assets and Liabilities	
(Increase)/Decrease in Inventories	(2,696)
Increase/(Decrease) in Accounts Payable	(1,883)
Increase/(Decrease) in Unearned Revenue	<u>8,607</u>
Total Adjustments	<u>7,835</u>
Net Cash Used by Operating Activities	<u>\$ (10,129)</u>

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

**CRESSKILL BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF FIDUCIARY NET POSITION
AS OF JUNE 30, 2020**

	Unemployment Compensation <u>Trust Fund</u>	<u>Scholarship Fund</u>	<u>Agency Fund</u>
ASSETS			
Cash and Cash Equivalents	\$ 102,374	\$ 66,470	\$ 305,675
Due from Other Funds	<u>-</u>	<u>-</u>	<u>12,080</u>
Total Assets	<u>102,374</u>	<u>66,470</u>	<u>317,755</u>
LIABILITIES			
Due to Other Funds	\$ 12,080		\$ 11,658
Payroll Deductions and Withholdings Payable			13,750
Flexible Spending Plan Deposits			23,553
Due to Student Groups	<u>-</u>	<u>-</u>	<u>268,794</u>
Total Liabilities	<u>12,080</u>	<u>-</u>	<u>\$ 317,755</u>
NET POSITION			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 90,294</u>	<u>\$ 66,470</u>	

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

**CRESSKILL BOARD OF EDUCATION
FIDUCIARY FUNDS
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Unemployment Compensation <u>Trust Fund</u>	<u>Scholarship Fund</u>
ADDITIONS		
Contributions		
Employees	\$ 62,950	
Private Donations	-	\$ 39,376
	<hr/>	<hr/>
Total Contributions	62,950	39,376
Investment Earnings		
Interest	792	786
	<hr/>	<hr/>
Total Additions	63,742	40,162
DEDUCTIONS		
Scholarship Awards		48,500
Unemployment Claims and Contributions	43,993	-
	<hr/>	<hr/>
Total Deductions	43,993	48,500
Change in Net Position	19,749	(8,338)
Net Position, Beginning of the Year	70,545	74,808
	<hr/>	<hr/>
Net Position, End of the Year	\$ 90,294	\$ 66,470
	<hr/>	<hr/>

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

NOTES TO THE FINANCIAL STATEMENTS

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Cresskill Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A Superintendent is appointed by the Board and is responsible for the administrative control of the District. A Business Administrator/Board Secretary is also appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board currently operates a Pre-Kindergarten through grade twelve (12) school district.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The Superintendent is the Chief Administrative Officer of the District who is responsible for general supervision of all schools, planning and operational functions of the District. The Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent to the Board.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Cresskill Board of Education this includes general operations, food service, and student related activities of the District.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

B. New Accounting Standards

For fiscal year 2020, there were no GASB statements required to be adopted and implemented by the District.

Accounting standards that the District is currently reviewing for applicability and potential impact on the financial statements include:

- GASB No. 84, *Fiduciary Activities*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2021. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB No. 87, *Leases*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB No. 92, *Omnibus 2020*, implementation postponed will be effective beginning with the fiscal year ending June 30, 2022 except requirements related to GASB No. 87 and Implementation Guide No. 2019-3 are effective upon issuance. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.
- GASB No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*, the section that maybe applicable to the District will be effective beginning with the fiscal year ending June 30, 2022. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

District-Wide Financial Statements

The district-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. All fiduciary activities are reported only in the fund financial statements. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by property taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. In the statement of net position, both the governmental and business-type activities columns (a) are presented on a consolidated basis by column, and (b) reflect on a full accrual economic resource basis, which incorporates long-term assets and receivables as well as long-term debt and obligations.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or other governmental entities, including other school districts, who purchase, use, or directly benefit from goods or services provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Property taxes, unrestricted state aid and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements. Exceptions to this general rule are charges between the Board's proprietary and fiduciary funds since elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Fund Financial Statements

Separate fund financial statements are provided for governmental, proprietary, and fiduciary activities, even though the latter are excluded from the district-wide financial statements. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each reported as separate columns in the fund financial statements. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. The District considers all of its governmental and enterprise funds to be major funds.

The District reports the following major governmental funds:

The *general fund* is the School District's primary operating fund. It accounts for all financial resources of the District, except those to be accounted for in another fund.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs.

The *capital projects fund* accounts for the proceeds from the sale of bonds, lease purchases and other revenues used for the acquisition or construction of capital facilities and other capital assets, other than those financed by the proprietary funds.

The *debt service fund* accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest on long-term general obligation debt of governmental funds.

The District reports the following major proprietary fund which is organized to be self-supporting through user charges:

The *food service fund* accounts for the activities of the school cafeteria, which provides food service to students as well as a la carte and catering services for administrators, teachers and special events.

Additionally, the District reports the following fund types:

The *fiduciary trust funds* are used to account for resources legally held in trust for state unemployment insurance claims and for private donations for scholarship awards. All resources of the funds, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

The *fiduciary agency funds* account for assets held by the District as an agent for student activities and for payroll deductions and withholdings. The funds for the student activities fund are solely for noninstructional student activities that are supported and controlled by student organizations and clubs for which school administration does not have management involvement. The payroll funds are held to remit employee withholdings to respective state, federal and other agencies.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as “due to/from other funds”. Any residual balances outstanding between the governmental activities and business-type activities are reported in the district-wide financial statements as “internal balances”.

Reclassifications

Certain amounts presented in the prior year data may have been reclassified in order to be consistent with the current year’s presentation.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable 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 indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements with the exception of the agency fund which does not have a measurement focus. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when susceptible to accrual (i.e. when they are both measurable and available). Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the Board considers revenues to be available if they are collected within 60 days after year-end. Expenditures are recorded when a liability is incurred, as under accrual basis of accounting, with the exception of debt service expenditures as well as expenditures related to compensated absences and claims and judgments which are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. *Cash, Cash Equivalents and Investments*

Cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments are reported at fair value and are limited by N.J.S.A. 18A:20-37.

2. *Receivables*

All receivables are reported at their gross value, and where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

3. Inventories

The cost of inventories of the governmental fund types are recorded as expenditures at the time individual inventory items are purchased.

Food Service Fund inventories, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased.

4. Capital Assets

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend its useful life are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Land and construction in progress are not depreciated. The other property, plant, and equipment of the District is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	50
Building Improvements	20
Machinery and Equipment	5-10
Computer Equipment	5

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The Board has two items which arise only under the accrual basis of accounting that qualify for reporting in this category. One item is the deferred amount on refunding of debt which results from the loss on a debt refunding reported in the district-wide statement of net position. Deferred amounts on debt refunding result from the loss on the transaction when the debt's reacquisition price is greater than the carrying value of the refunded debt. These amounts are deferred and amortized over the shorter of the life of the refunded or refunding debt. The other item that qualifies for reporting in this category is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; (4) changes in proportion and differences between employer contributions and proportionate share of contributions; and (5) contributions made subsequent to the measurement date. These amounts are deferred and amortized over future years.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

5. Deferred Outflows/Inflows of Resources (Continued)

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The Board has only one type of item that qualifies for reporting in this category which is the deferred amounts on net pension liability. Deferred amounts on net pension liability are reported in the district-wide statement of net position and result from: (1) differences between expected and actual experience; (2) changes in assumptions; (3) net difference between projected and actual investment earnings on pension plan investments; and (4) changes in proportion and differences between employer contributions and proportionate share of contributions. These amounts are deferred and amortized over future years.

6. Compensated Absences

It is the District's policy to permit employees to accumulate (with certain restrictions) earned but unused sick leave benefits. A long-term liability of accumulated sick leave and salary related payments has been recorded in the governmental activities in the district-wide financial statements, representing the Board's commitment to fund such costs from future operations. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

7. Pensions

In the district-wide financial statements and proprietary fund types in the fund financial statements, 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 retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. 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.

In the governmental fund financial statements, net pension liabilities represent amounts normally expected to be liquidated with expendable available financial resources for required pension contributions that are due and payable at year end. Pension expenditures are recognized based on contractual pension contributions that are required to be made to the pension plan during the fiscal year.

8. Long-Term Obligations

In the district-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Gains resulting from debt refundings are classified as deferred inflows of resources and losses are reported as deferred outflows of resources. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses resulting from debt refundings are also deferred and amortized over the life of the refunded bonds or new bonds whichever is less using the effective interest method. Bonds payable are reported with the unamortized bond premium or discount. Bond issuance costs (other than for prepaid insurance) are treated as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. Net Position/Fund Balance

District-Wide Statements

In the district-wide statements, there are three classes of net position:

- **Net Investment in Capital Assets** – consists of net capital assets (cost less accumulated depreciation) reduced by outstanding balances of related debt obligations from the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources attributable to the acquisition, construction or improvement of those assets or related debt also should be included.
- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

Fund balance categories are designed to make the nature and extent of the constraints placed on the District's fund balance more transparent. These categories are comprised of a hierarchy based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Restricted Fund Balance – Amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.

Capital Reserve – This restriction was created by the District in accordance with NJAC 6A:23A-14.1 to fund future capital expenditures (See Note 2D).

Maintenance Reserve – This restriction was created by the Board in accordance with NJAC 6A:23A-14.2 to accumulate funds for the required maintenance of school facilities in accordance with the EFCA (NJSA 18A:7G-9) for a thorough and efficient education. (See Note 2E).

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2020/2021 District budget certified for taxes

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2020 audited excess surplus that is required to be appropriated in the 2021/2022 original budget certified for taxes.

Excess Surplus – Designated for Subsequent Year's Expenditures - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2019 audited excess surplus that was appropriated in the 2020/2021 original budget certified for taxes.

Capital Projects – Represents fund balance restricted specifically for capital acquisitions and improvements in the Capital Projects Fund.

Debt Service – Represents fund balance restricted specifically for the repayment of long-term debt principal and interest in the Debt Service Fund.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (Continued)

9. *Net Position/Fund Balance (Continued)*

Governmental Fund Statements (Continued)

Assigned Fund Balance – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Year-End Encumbrances – Represent outstanding purchase orders for goods or services approved by management for specific purposes from available resources of the current year for which the goods and materials have not yet been received or the services have not yet been rendered at June 30.

Unassigned Fund Balance – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund and other governmental funds (capital projects and debt service fund types), it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

10. *Fund Balance Policies*

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The government itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the government that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the government for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

F. Revenues and Expenditures/Expenses

1. *Program Revenues*

Amounts reported as program revenues in the district-wide statement of activities include 1) charges to customers or applicants for goods or services, provided, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all property taxes, investment earnings and miscellaneous revenues.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. *Property Taxes*

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenues are recognized in the year they are levied and become available. Property taxes collected in advance of the year-end for which they are levied and transferred to the District are reported as deferred inflows of resources. The tax bills are mailed annually in June by the municipal tax collector and are levied and due in four quarterly installments on August 1, November 1, February 1 and May 1 of the fiscal year. When unpaid, taxes or any other municipal lien, or part thereof, on real property, remains in arrears on April 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual “in rem” tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. *Tuition Revenues and Expenditures*

Tuition Revenues - Tuition charges were established by the Board of Education based on estimated costs. The charges are subject to adjustment when the final costs are determined and certified by the State Department of Education.

Tuition Expenditures - 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 certified by the State Department of Education.

4. *Proprietary Funds, 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 producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the food service enterprise fund are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district’s annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. The Board adopted a resolution to move its annual election to the date of the general elections in accordance with the law; therefore voter approval of the annual budget is not required.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

A. Budgetary Information (Continued)

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account 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. The Board approved several budget transfers during 2019/2020. Also, during 2019/2020 the Board increased the original budget by \$555,708. The increase was funded by grant awards and the reappropriation of prior year general fund encumbrances. In addition the Board authorized and approved an additional \$15,120 from the maintenance reserve on August 26, 2019 and \$161,984 of prior year extraordinary aid on October 14, 2019.

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 accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

B. Deficit Fund Equity

The Food Service Enterprise Fund has a cumulative deficit in unrestricted net position of \$11,797 as of June 30, 2020. The District expects to eliminate this deficit through normal operations in the 2020/2021 fiscal year.

C. Capital Reserve

A capital reserve account was established by the District. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). 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 of any unanticipated revenue or unexpended line-item appropriation amounts or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of the four special elections authorized pursuant to N.J.S.A. 19:60-2. Pursuant to N.J.A.C. 6:23A-14.1(g), the balance in the reserve cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

C. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 1,352,119
Increased by		
Interest earnings	\$ 8,651	
Deposits Approved by Board Resolution	<u>300,000</u>	
Total Increases		<u>308,651</u>
		1,660,770
Decreased by:		
Withdrawals Approved in District Budget		<u>212,000</u>
Balance, June 30, 2020		<u>\$ 1,448,770</u>

The withdrawals from the capital reserve were approved in the District’s budget.

D. Maintenance Reserve

A maintenance reserve account was established by the District. The accumulation of funds will be used for required maintenance of school facilities expenditures in subsequent fiscal years. The maintenance reserve is maintained in the General Fund and its activity is included in the General Fund annual budget.

Funds placed in the maintenance reserve are restricted to required maintenance activities for a school facility as reported in the comprehensive maintenance plan. A District may appropriate funds into the maintenance reserve in the annual General Fund budget certified for taxes or by transfer by board resolution at year end of any unanticipated revenue or unexpended line item appropriation amounts or both. Pursuant to N.J.A.C. 6A:23A-14.2(g), the balance in the reserve cannot at any time exceed four percent of the replacement cost of the school district’s school facilities for the current year.

The activity of the maintenance reserve for the fiscal year ended June 30, 2020 is as follows:

Balance, July 1, 2019		\$ 100,500
Increased by:		
Interest Earned	<u>\$ 250</u>	
		<u>250</u>
		100,750
Decreased by:		
Withdrawals Approved by Board Resolution		<u>15,120</u>
Balance, June 30, 2020		<u>\$ 85,630</u>

The June 30, 2020 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,323,888. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2020 is \$1,881,098. Of this amount, \$960,000 was designated and appropriated in the 2020/2021 original budget certified for taxes and the remaining amount of \$921,098 will be appropriated in the 2021/2022 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and NCUSIF.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2020, the book value of the Board's deposits were \$5,042,692 and bank and brokerage firm balances of the Board's deposits amounted to \$6,018,136. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ <u>6,018,136</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2020 none of the Board's bank balances were exposed to custodial credit risk.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law,” (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investment in the Department of the Treasury for investment by school districts; Local Government investment pools; deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2020, the Board had no outstanding investments.

Interest Rate Risk – The Board does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

B. Receivables

Receivables as of June 30, 2020 for the district’s individual major funds are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Accounts	\$ 34,253		\$ 34,253
Intergovernmental			
Federal		\$ 425,027	425,027
State	55,740		55,740
Local	110,005	40,199	150,204
 Total Receivables	 <u>\$ 199,998</u>	 <u>\$ 465,226</u>	 <u>\$ 665,224</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

Governmental funds report unearned revenue in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unearned revenue reported in the governmental funds were as follows:

	<u>Total</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 24,631
Grant Draw Downs Reserved for Encumbrances	<u>15,754</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 40,385</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	<u>Balance, July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance, June 30, 2020</u>
Governmental Activities:					
Capital Assets, Not Being Depreciated:					
Land	\$ 1,286,701				\$ 1,286,701
Construction in Progress	<u>6,618,669</u>	<u>-</u>	<u>-</u>	<u>\$ (6,618,669)</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>7,905,370</u>	<u>-</u>	<u>-</u>	<u>(6,618,669)</u>	<u>1,286,701</u>
Capital Assets, Being Depreciated:					
Buildings and Building Improvements	41,039,616	\$ 3,991,572		6,618,669	51,649,857
Improvements Other Than Buildings	742,641	246,000			988,641
Machinery and Equipment	<u>1,889,886</u>	<u>185,722</u>	<u>-</u>	<u>-</u>	<u>2,075,608</u>
Total Capital Assets Being Depreciated	<u>43,672,143</u>	<u>4,423,294</u>	<u>-</u>	<u>6,618,669</u>	<u>54,714,106</u>
Less Accumulated Depreciation for:					
Buildings and Building Improvements	(14,069,099)	(1,408,499)			(15,477,598)
Improvements Other Than Buildings	(595,482)	(24,947)			(620,429)
Machinery and Equipment	<u>(1,717,707)</u>	<u>(62,744)</u>	<u>-</u>	<u>-</u>	<u>(1,780,451)</u>
Total Accumulated Depreciation	<u>(16,382,288)</u>	<u>(1,496,190)</u>	<u>-</u>	<u>-</u>	<u>(17,878,478)</u>
Total Capital Assets, Being Depreciated, Net	<u>27,289,855</u>	<u>2,927,104</u>	<u>-</u>	<u>-</u>	<u>36,835,628</u>
Governmental Activities Capital Assets, Net	<u>\$ 35,195,225</u>	<u>\$ 2,927,104</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 38,122,329</u>

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2020</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Building Improvements	\$ 14,800			\$ 14,800
Machinery and Equipment	157,198	\$ 2,603	-	159,801
Total Capital Assets Being Depreciated	<u>171,998</u>	<u>2,603</u>	<u>-</u>	<u>174,601</u>
Less Accumulated Depreciation for:				
Building Improvements	(1,950)	(470)		(2,420)
Machinery and Equipment	(144,169)	(3,337)	-	(147,506)
Total Accumulated Depreciation	<u>(146,119)</u>	<u>(3,807)</u>	<u>-</u>	<u>(149,926)</u>
Total Capital Assets, Being Depreciated, Net	<u>25,879</u>	<u>(1,204)</u>	<u>-</u>	<u>24,675</u>
Business-Type Activities Capital Assets, Net	<u>\$ 25,879</u>	<u>\$ (1,204)</u>	<u>\$ -</u>	<u>\$ 24,675</u>

Depreciation expense was charged to functions/programs of the District as follows:

Governmental activities:	
Instruction	
Regular	\$ 31,338
Total Instruction	<u>31,338</u>
Support Services	
Student and Instruction Related Services	143
School Administration Services	10,900
Plant Operations and Maintenance	1,453,809
Total Support Services	<u>1,464,852</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,496,190</u>
Business-Type Activities:	
Food Service Fund	\$ 3,807
Total Depreciation Expense-Business-Type Activities	<u>\$ 3,807</u>

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2020, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 368,107
General Fund	Capital Project Fund	134,914
General Fund	Payroll Agency Fund	11,658
Payroll Agency Fund	Unemployment Compensation Fund	<u>12,080</u>
Total		<u>\$ 526,759</u>

The above balances are the result of revenues earned or other financing sources received in one fund which are due to another fund and/or expenditures paid by one fund on behalf of another fund and/or to cover cash balances which were in an overdraft position.

The District expects all interfund balances to be liquidated within one year.

Interfund Transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Enterprise Food Service</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 11,336	\$ 11,336
Capital Projects Fund	<u>\$ 29,190</u>	<u>-</u>	<u>29,190</u>
	<u>\$ 29,190</u>	<u>\$ 11,336</u>	<u>\$ 40,526</u>

The above transfers are the result of revenues earned in one fund to finance expenditures in another fund.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases two properties for school purposes from the Borough of Cresskill under noncancelable operating leases. The lease term is for 30 years. Lease payments for the fiscal year ended June 30, 2020 were \$55,714. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2021	\$ 55,714
2022	55,714
2023	55,714
2024	55,714
2025	55,714
2026-2030	278,572
2031-2035	278,572
2036-2040	278,572
2041-2045	278,572
2046-2047	<u>111,428</u>
Total	<u>\$ 1,504,286</u>

Capital Leases

The District is leasing LED Lighting project and copiers totaling \$546,789 under capital leases. The leases are for terms of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building Improvements	\$ 392,429
Copiers	<u>154,360</u>
	<u>\$ 546,789</u>

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2020 were as follows:

Fiscal Year Ending June 30	Governmental Activities
2021	\$ 109,530
2022	109,530
2023	33,780
2024	33,780
2025	<u>16,890</u>
Total minimum lease payments	303,510
Less: amount representing interest	<u>(16,129)</u>
Present value of minimum lease payments	<u>\$ 287,381</u>

G. Long-Term Debt

General Obligation Bonds

The Board issued general obligation bonds to provide funds for the acquisition and construction of major capital facilities and other capital assets or other purposes permitted by statute. The full faith and credit of the Board are irrevocably pledged for the payment of the principal of the bonds and the interest thereon.

Bonds payable at June 30, 2020 are comprised of the following issues:

\$8,960,000, 2012 Refunding Bonds, due in annual installments of \$720,000 to \$965,000 through February 1, 2025, interest at 3.0% - 4.0%	\$4,575,000
\$6,700,000, 2013 Refunding Bonds, due in annual installments of \$45,000 to \$1,040,000 through February 1, 2031, interest at 2.0% - 3.0%	6,395,000
\$12,446,000, 2018 Bonds, due in annual installments of \$350,000 to \$700,000 through February 1, 2043, interest at 3.0% - 3.5%	<u>12,096,000</u>
Total	<u>\$23,066,000</u>

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

The Board's schedule of principal and interest for long-term debt issued and outstanding is as follows:

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2021	\$ 1,360,000	\$ 772,466	\$ 2,132,466
2022	1,360,000	721,578	2,081,578
2023	1,365,000	670,691	2,035,691
2024	1,360,000	619,903	1,979,903
2025	1,355,000	568,878	1,923,878
2026-2030	6,780,000	2,221,018	9,001,018
2031-2035	3,940,000	1,338,915	5,278,915
2036-2040	3,475,000	729,050	4,204,050
2041-2043	<u>2,071,000</u>	<u>143,956</u>	<u>2,214,956</u>
Total	<u>\$ 23,066,000</u>	<u>\$ 7,786,455</u>	<u>\$ 30,852,455</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2020 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 92,744,024
Less: Net Debt Issued and Authorized But Not Issued	<u>23,066,000</u>
Remaining Borrowing Power	<u>\$ 69,678,024</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Balance July 1, 2019	Additions	Reductions	Balance June 30, 2020	Due Within One Year
Governmental Activities:					
Bonds Payable	\$ 24,431,000		\$ 1,365,000	\$ 23,066,000	\$ 1,360,000
Add:					
Unamortized Premiums	258,781	-	74,296	184,485	-
Bonds Payable, Net	24,689,781	-	1,439,296	23,250,485	1,360,000
Capital Lease Payable	218,781	\$ 154,360	85,760	287,381	109,531
Compensated Absences	1,109,290	105,162		1,214,452	
Net Pension Liability	6,220,736	-	752,758	5,467,978	-
Governmental Activities Long-Term Liabilities	<u>\$ 32,238,588</u>	<u>\$ 259,522</u>	<u>\$ 2,277,814</u>	<u>\$ 30,220,296</u>	<u>\$ 1,469,531</u>

For the governmental activities, the liabilities for compensated absences, capital leases and net pension liability are generally liquidated by the general fund.

NOTE 4 OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to property, general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; student accident; termination of employees and natural disasters. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Comprehensive Annual Financial Report.

The District is a member of the Northeast Bergen County School Board Insurance Group (NESBIG or Group). The Group is a risk sharing public entity pool, established for the purpose of insuring against worker's compensation claims.

The relationship between the Board and the Group is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Board is contractually obligated to make all annual and supplementary contributions to the Group, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the Group. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

NESBIG provides its members with risk management services, including the defense of and settlement of claims and to establish reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the respective Group is on file with the School's Business Administrator.

There has been no significant reduction in insurance coverage from the previous year nor have there been any settlements in excess of insurance coverage's in any of the prior three years.

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

Fiscal Year Ended June 30,	District Contributions	Employee Contributions	Amount Reimbursed	Ending Balance
2020	NONE	\$ 62,950	\$ 43,993	\$ 90,294
2019	NONE	40,431	35,147	70,545
2018	NONE	35,920	29,032	64,419

B. Contingent Liabilities

The District is a party defendant in some lawsuits, none of a kind unusual for a school district of its size and scope of operation. In the opinion of the Board's Attorney the potential claims against the District not covered by insurance policies would not materially affect the financial condition of the District.

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2020, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2020, the District has not estimated its arbitrage earnings due to the IRS, if any.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all Board employees who are eligible for pension coverage:

Public Employees’ Retirement System (PERS) – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees. PERS is a cost sharing multiple employer defined benefit pension plan. For additional information about PERS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

The following represents the membership tiers for PERS:

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

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

Teachers’ Pension and Annuity Fund (TPAF) – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

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

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Teachers' Pension and Annuity Fund (TPAF) (Continued)

The following represent the membership tiers for TPAF:

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

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

The State of New Jersey sponsors and administers the following defined contribution public employee retirement program covering certain state and local government employees which include those Board employees who are eligible for pension coverage.

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS and do not earn the minimum salary required or do not work the minimum required hours but earn a base salary of at least \$5,000 are eligible for participation in the DCRP. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership. DCRP is a defined contribution pension plan.

Other Pension Funds

The State established and administers a Supplemental Annuity Collective Trust Fund (SACT) which is available to active members of the State-administered retirement systems to purchase annuities to supplement the guaranteed benefits provided by their retirement system. The state or local government employers do not appropriate funds to SACT.

The cost of living increase for PERS and TPAF, are funded directly by each of the respective systems but are currently suspended as a result of reform legislation.

According to state law, all obligations of each retirement system will be assumed by the State of New Jersey should any retirement system be terminated.

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits (“Division”), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

The authority to amend the provisions of the above plans rests with new legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF and PERS, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

Measurement Focus and Basis of Accounting

The financial statements of the retirement systems are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the pension trust funds. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

The Division of Investment, Department of the Treasury, State of New Jersey (Division of Investment) manages and invests certain assets of the retirement systems. Prudential retirement is the third-party administrator for the DCRP and provides record keeping, administrative services and investment options. Investment transactions are accounted for on a trade or investment date basis. Interest and dividend income is recorded on the accrual basis, with dividends accruing on the ex-dividend date. The net increase or decrease in the fair value of investments includes the net realized and unrealized gains or losses on investments.

The State of New Jersey, Department of the Treasury, Division of Investment issues publicly available financial reports that include the financial statements of the State of New Jersey Cash Management Fund. The financial reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at www.state.nj.us/treasury/doinvest.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2019 is \$18.1 billion and the plan fiduciary net position as a percentage of the total pension liability is 56.27%. The collective net pension liability of the State funded TPAF at June 30, 2019 is \$61.5 billion and the plan fiduciary net position as a percentage of total pension liability is 26.95%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2018 which were rolled forward to June 30, 2019.

Actuarial Methods and Assumptions

In the July 1, 2018 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary’s report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee’s annual compensation for fiscal year 2020.

PERS employers’ and TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2020 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. For PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2020, 2019 and 2018 were equal to the required contributions.

During the fiscal years ended June 30, 2020, 2019 and 2018 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2020	\$ 295,184	\$ 3,063,891	\$ 6,489
2019	314,260	2,760,009	12,281
2018	293,011	2,077,523	20,671

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2020, 2019 and 2018 the District contributed \$1,192, \$1,424 and \$3,807, respectively for PERS and the State contributed \$2,628, \$3,003 and \$3,896, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

The PERS contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure. The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85). The DCRP contributions are recognized in the governmental fund financial statements (modified accrual basis) as an expenditure, as well as, the district-wide financial statements (accrual basis) as an expense.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,139,698 during the fiscal year ended June 30, 2020 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2018 through June 30, 2019. Employer allocation percentages have been rounded for presentation purposes.

Although the NJ Division of Pensions and Benefits ("Division") administers one cost-sharing multiple employer defined benefit pension plan, separate (sub) actuarial valuations are prepared to determine the actuarial determined contribution rate by group. Following this method, the measurement of the collective net pension liability, deferred outflows of resources, deferred inflows of resources and pension expense are determined separately for each individual employer of the State and local groups of the plan.

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2019 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2019.

At June 30, 2020, the District reported in the statement of net position (accrual basis) a liability of \$5,467,978 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2019 and was determined by an actuarial valuation as of July 1, 2018. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2019. At June 30, 2019, the District's proportionate share was 0.03035 percent, which was a decrease of 0.00124 percent from its proportionate share measured as of June 30, 2018 of 0.03159 percent.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$148,502 for PERS. The pension contribution made by the District during the current 2019/2020 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2020 with a measurement date of the prior fiscal year end of June 30, 2019. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2020 for contributions made subsequent to the measurement date. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 98,143	\$ 24,155
Changes of Assumptions	545,998	1,897,918
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		86,314
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>29,385</u>	<u>434,133</u>
Total	<u>\$ 673,526</u>	<u>\$ 2,442,520</u>

At June 30, 2020, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2021	\$ (234,543)
2022	(659,952)
2023	(568,739)
2024	(274,321)
2025	(31,439)
Thereafter	<u>-</u>
	<u>\$ (1,768,994)</u>

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

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

	<u>PERS</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-2019.

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

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans 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 the 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%
US Equity	28.00%	8.26%
Non-US Developed Markets Equity	12.50%	9.00%
Emerging Markets Equity	6.50%	11.37%
High Yield	2.00%	5.37%
Real Assets	2.50%	9.31%
Private Credit	6.00%	7.92%
Real Estate	7.50%	8.33%
Private Equity	12.00%	10.85%

Discount Rate

The discount rate used to measure the total pension liabilities of the PERS plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	6.28%
2019	June 30, 2018	5.66%

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

The following table represents the crossover period, if applicable, for the PERS defined benefit plan:

Period of Projected Benefit

Payments for which the Following

Rates were Applied:

Long-Term Expected Rate of Return Through June 30, 2057

Municipal Bond Rate * From July 1, 2057
and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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.

Sensitivity of Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 6.28%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.28 percent) or 1-percentage-point higher (7.28 percent) than the current rate:

	1% Decrease <u>5.28%</u>	Current Discount Rate <u>6.28%</u>	1% Increase <u>7.28%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>6,906,945</u>	\$ <u>5,467,978</u>	\$ <u>4,255,445</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2019. A sensitivity analysis specific to the District's net pension liability at June 30, 2019 was not provided by the pension system.

Pension Plan Fiduciary Net Position

Detailed information about the PERS pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2018 through June 30, 2019. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2019, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$4,975,649 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the net pension liability attributable to the District is \$84,357,804. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2019. At June 30, 2019, the State's share of the net pension liability attributable to the District was .13746 percent, which was a decrease of .00027 percent from its proportionate share measured as of June 30, 2018 of .13773 percent.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources
 Related to Pensions (Continued)**

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

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

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55% Based on Years of Service
Thereafter	2.75%-5.65% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries 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.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans 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 the TPAF's target asset allocation as of June 30, 2019 are summarized in the following table:

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

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 5 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

The discount rate used to measure the total pension liabilities of the TPAF plan was as follows:

Fiscal Year	Measurement Date	Discount Rate
2020	June 30, 2019	5.60%
2019	June 30, 2018	4.86%

The following table represents the crossover period, if applicable, for the TPAF defined benefit plan:

Period of Projected Benefit

Payments for which the Following
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2054
Municipal Bond Rate *	From July 1, 2054 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. 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.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.60%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.60 percent) or 1-percentage-point higher (6.60 percent) than the current rate:

	1% Decrease (4.60%)	Current Discount Rate (5.60%)	1% Increase (6.60%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 99,476,522</u>	<u>\$ 84,357,804</u>	<u>\$ 71,814,042</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2019. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2019 was not provided by the pension system.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial report may be accessed via the New Jersey, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

E. Post-Retirement Medical Benefits

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2019. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a single employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

State Health Benefit Program Fund – Local Education Retired Employees Plan (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

Pursuant to Chapter 78, P.L. 2011, future retirees eligible for postretirement medical coverage who have less than 20 years of creditable service on June 28, 2011 will be required to pay a percentage of the cost of their health care coverage in retirement provided they retire with 25 or more years of pension service credit. The percentage of the premium for which the retiree will be responsible will be determined based on the retiree's annual retirement benefit and level of coverage.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

The State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, issues publicly available financial reports that include the financial statements and required supplementary information of the above Fund. The financial reports may be accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at www.state.nj.us/treasury/pensions.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2018:

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	<u> -</u>
Total	<u>364,943</u>

Measurement Focus and Basis of Accounting

The financial statements of the post-employment health benefit plans are prepared in accordance with U.S. generally accepted accounting principles as applicable to governmental organizations. In doing so, the Division adheres to reporting requirements established by the Governmental Accounting Standards Board (GASB).

The accrual basis of accounting is used for measuring financial position and changes in net position of the post-employment health benefit plans. Under this method, contributions are recorded in the accounting period in which they are legally due from the employer or plan member, and deductions are recorded at the time the liabilities are due and payable in accordance with the terms of each plan. The accounts of the Division are organized and operated on the basis of funds. All funds are accounted for using an economic resources measurement focus.

Investment Valuation

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2019 is \$41.7 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2018 which were rolled forward to June 30, 2019.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2018 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.28 billion to the OPEB plan in fiscal year 2019.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. over a period not to exceed thirty years. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2020, 2019 and 2018 were \$1,136,647, \$1,251,935 and \$1,341,828, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2018 through June 30, 2019. Nonemployer allocation percentages have been rounded for presentation purposes.

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 75 is zero percent and the State's proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2020, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$1,357,482. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2020 the State's proportionate share of the OPEB liability attributable to the District is \$40,909,038. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2019. At June 30, 2019, the state's share of the OPEB liability attributable to the District was .09803 percent, which was an increase of .00217 percent from its proportionate share measured as of June 30, 2018 of .09586 percent.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 3.05%
Rate Thereafter	1.55% to 3.05%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2019.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2019.
Long-Term Rate of Return	2.00%

*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

For the June 30, 2019 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend 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 rates 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%.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Actuarial Assumptions (Continued)

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

100% of active members are considered to participate in the plan upon retirement.

Long-Term Expected Rate of Return

As the OPEB plan only invests in the State of New Jersey Cash Management Fund, the long-term expected rate of return on OPEB investments was based off the best-estimate ranges of future real rates of return (expected returns, net of OPEB plan investment expense and inflation) for cash equivalents, which is 2.00% as of June 30, 2019.

Discount Rate

The discount rate used to measure the total OPEB liabilities of the plan was as follows:

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2019	3.50%
2019	June 30, 2018	3.87%

The discount rate 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. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2020 (measurement date June 30, 2019) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2018 Measurement Date	\$ <u>44,199,851</u>
Changes Recognized for the Fiscal Year:	
Service Cost	\$ 1,922,770
Interest on the Total OPEB Liability	1,761,590
Differences Between Expected and Actual Experience	(6,366,570)
Changes of Assumptions	609,957
Gross Benefit Payments	(1,255,785)
Contributions from the Member	<u>37,225</u>
Net Changes	\$ <u>(3,290,813)</u>
Balance, June 30, 2019 Measurement Date	\$ <u><u>40,909,038</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.87% percent in 2018 to 3.50% percent in 2019.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2019.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.50%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.50 percent) or 1-percentage-point higher (4.50 percent) than the current rate:

	1% Decrease <u>(2.50%)</u>	Current Discount Rate <u>(3.50%)</u>	1% Increase <u>(4.50%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ 48,329,740	\$ 40,909,038	\$ 35,014,439

Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ 33,707,224	\$ 40,909,038	\$ 50,442,761

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2019 were not provided by the pension system.

F. Tax Abatements

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

For Cresskill Board of Education, the District's share of abated taxes resulting from the municipality having entered into a tax abatement agreement is indeterminate.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The outbreak of 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 Health and Human Services Department 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.

New Jersey Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of all schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. The Board expects ongoing actions will be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. 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. These negative impacts may reduce or negatively affect property values within the School District. The declaration of a public health emergency remains in effect as of the date of audit. As part of a planned multi-stage approach to restart the State’s economy, Governor Murphy has signed a series of Executive Orders permitting the resumption of certain activities.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict 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 incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 27,693,300		\$ 27,693,300	\$ 27,693,300	
Tuition- Individuals (Regular)	272,309		272,309	215,957	\$ (56,352)
Tuition- Other LEAs (Spec. Ed.)	1,117,102		1,117,102	1,356,145	239,043
Interest				48,130	48,130
Interest on Capital Reserve Funds	250		250	8,651	8,401
Interest on Maintenance Reserve Funds	250		250	250	-
Rentals	10,000		10,000	3,100	(6,900)
Miscellaneous	42,030	-	42,030	104,329	62,299
Total Local Sources	<u>29,135,241</u>	<u>-</u>	<u>29,135,241</u>	<u>29,429,862</u>	<u>294,621</u>
State Sources					
Special Education Aid	938,195	-	938,195	938,195	
Transportation Aid	82,508		82,508	82,508	
Security Aid	143,116	-	143,116	143,116	
Extraordinary Special Education Costs Aid - FY 2020	218,826		218,826	365,865	147,039
On-behalf TPAF Contributions (Non-budgeted)				53,950	53,950
Pension - Non-Contributory Group Life Insurance				3,009,941	3,009,941
Pension - Normal Cost & Accrued Liab. Contribution				2,628	2,628
Long Term Disability Insurance				1,136,647	1,136,647
Post Retirement Medical Benefit Contribution				-	-
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,139,698	1,139,698
Total State Sources	<u>1,382,645</u>	<u>-</u>	<u>1,382,645</u>	<u>6,872,548</u>	<u>5,489,903</u>
Total Revenues	<u>30,517,886</u>	<u>-</u>	<u>30,517,886</u>	<u>36,302,410</u>	<u>5,784,524</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	458,742	\$ 21,193	479,935	479,403	532
Grades 1-5	3,508,847	2,190	3,511,037	3,509,751	1,286
Grades 6-8	2,221,187	(214,673)	2,006,514	2,003,134	3,380
Grades 9-12	3,035,508	264,201	3,299,709	3,297,582	2,127
Regular Programs - Home Instruction					
Salaries of Teachers	10,500	(651)	9,849	8,167	1,682
Purchased Professional-Educational Services	2,000	137	2,137	783	1,354
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	140,357	143,405	283,762	280,736	3,026
Other Purchased Services	173,864	(1,474)	172,390	134,616	37,774
General Supplies	534,372	3,181	537,553	415,086	122,467
Textbooks	15,501	877	16,378	8,751	7,627
Total Regular Programs	<u>10,100,878</u>	<u>218,386</u>	<u>10,319,264</u>	<u>10,138,009</u>	<u>181,255</u>
Special Education					
Cognitive-Mild					
Salaries of Teachers	176,778	5,255	182,033	181,061	972
Other Salaries for Instruction	83,868	1	83,869	83,869	-
Purchased Professional- Educational Services	20,000	-	20,000	16,818	3,182
Other Purchased Services	1,500	-	1,500	300	1,200
General Supplies	18,100	(6,000)	12,100	9,204	2,896
Total Cognitive Mild	<u>300,246</u>	<u>(744)</u>	<u>299,502</u>	<u>291,252</u>	<u>8,250</u>

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 552,342	\$ (134,143)	\$ 418,199	\$ 416,098	\$ 2,101
Other Salaries for Instruction	61,205	(27,521)	33,684	33,637	47
Purchased Professional- Educational Services		89,047	89,047	89,046	1
General Supplies	6,900	(4,407)	2,493	2,476	17
Textbooks	2,500	(1,595)	905	889	16
Total Learning and/or Language Disabilities	<u>622,947</u>	<u>(78,619)</u>	<u>544,328</u>	<u>542,146</u>	<u>2,182</u>
Multiple Disabilities					
Salaries of Teachers	407,866	(73,513)	334,353	333,118	1,235
Other Salaries for Instruction	122,171	(31,437)	90,734	90,733	1
Purchased Professional- Educational Services	217,092	35,203	252,295	247,924	4,371
General Supplies	11,150	-	11,150	9,099	2,051
Total Multiple Disabilities	<u>758,279</u>	<u>(69,747)</u>	<u>688,532</u>	<u>680,874</u>	<u>7,658</u>
Resource Room/Resource Center					
Salaries of Teachers	1,493,599	(5,747)	1,487,852	1,482,835	5,017
Purchased Professional- Educational Services		29,931	29,931	18,415	11,516
General Supplies	8,120	(3,700)	4,420	2,508	1,912
Total Resource Room/Resource Center	<u>1,501,719</u>	<u>20,484</u>	<u>1,522,203</u>	<u>1,503,758</u>	<u>18,445</u>
Autism					
Salaries of Teachers	420,346	3,222	423,568	423,392	176
Other Salaries for Instruction	30,846	136,726	167,572	164,923	2,649
Purchased Professional-Educational Services	418,149	168,596	586,745	586,745	-
General Supplies	12,609	-	12,609	11,450	1,159
Total Autism	<u>881,950</u>	<u>308,544</u>	<u>1,190,494</u>	<u>1,186,510</u>	<u>3,984</u>
Preschool Disabled- Part Time					
Salaries of Teachers	188,865	(19,723)	169,142	167,065	2,077
Other Salaries for Instruction	3,076	(2,214)	862	862	-
Purchased Professional-Educational Services	47,564	(2,044)	45,520	41,870	3,650
General Supplies	5,300	(3,700)	1,600	460	1,140
Total Preschool Disabled-Part Time	<u>244,805</u>	<u>(27,681)</u>	<u>217,124</u>	<u>210,257</u>	<u>6,867</u>
Total Special Education	<u>4,309,946</u>	<u>152,237</u>	<u>4,462,183</u>	<u>4,414,797</u>	<u>47,386</u>
Basic Skills/Remedial					
Salaries of Teachers	490,995	(39,179)	451,816	451,776	40
General Supplies	1,300	7,400	8,700	8,184	516
Total Basic Skills/Remedial	<u>492,295</u>	<u>(31,779)</u>	<u>460,516</u>	<u>459,960</u>	<u>556</u>
Bilingual Education					
Salaries of Teachers	354,288	(3,555)	350,733	340,526	10,207
General Supplies	4,600	-	4,600	1,173	3,427
Total Bilingual Education	<u>358,888</u>	<u>(3,555)</u>	<u>355,333</u>	<u>341,699</u>	<u>13,634</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	94,126	12,698	106,824	95,955	10,869
Supplies and Materials	30,055	4,321	34,376	29,699	4,677
Other Objects	11,285	-	11,285	1,655	9,630
Total School Sponsored Co/Extra Curricular Activ.	<u>135,466</u>	<u>17,019</u>	<u>152,485</u>	<u>127,309</u>	<u>25,176</u>

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School Sponsored Athletics					
Salaries	\$ 350,200	\$ (50)	\$ 350,150	\$ 315,580	\$ 34,570
Purchased Services	56,250	6,594	62,844	62,598	246
Supplies and Materials	30,260	9,811	40,071	25,599	14,472
Other Objects	40,568	1,429	41,997	27,436	14,561
Transfer to Cover Deficit (Agency Funds)	50,000	(14,584)	35,416	35,000	416
	<u>527,278</u>	<u>3,200</u>	<u>530,478</u>	<u>466,213</u>	<u>64,265</u>
Total School Sponsored Athletics					
	<u>527,278</u>	<u>3,200</u>	<u>530,478</u>	<u>466,213</u>	<u>64,265</u>
Total - Instruction	<u>15,924,751</u>	<u>355,508</u>	<u>16,280,259</u>	<u>15,947,987</u>	<u>332,272</u>
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	207,819	101,071	308,890	308,866	24
Tuition to County Voc. School Districts - Regular	445,482	(58,706)	386,776	386,775	1
Tuition to CSSD & Regional Day Schools		-			-
Tuition to APSSD Within State	728,865	193,305	922,170	921,962	208
Tuition to APSSD and Other LEAs-Special - Outside of State	13,000	(190)	12,810	12,452	358
	<u>1,395,166</u>	<u>235,480</u>	<u>1,630,646</u>	<u>1,630,055</u>	<u>591</u>
Total Undistributed Expenditures - Instruction					
	<u>1,395,166</u>	<u>235,480</u>	<u>1,630,646</u>	<u>1,630,055</u>	<u>591</u>
Attendance & Social Work					
Purchased Professional & Technical Services	21,275	(3,800)	17,475	10,372	7,103
	<u>21,275</u>	<u>(3,800)</u>	<u>17,475</u>	<u>10,372</u>	<u>7,103</u>
Total Attendance & Social Work					
	<u>21,275</u>	<u>(3,800)</u>	<u>17,475</u>	<u>10,372</u>	<u>7,103</u>
Health Services					
Salaries	237,498	3,000	240,498	234,424	6,074
Purchased Professional & Technical Services	11,000	-	11,000	8,000	3,000
Supplies and Materials	6,250	-	6,250	2,419	3,831
	<u>254,748</u>	<u>3,000</u>	<u>257,748</u>	<u>244,843</u>	<u>12,905</u>
Total Health Services					
	<u>254,748</u>	<u>3,000</u>	<u>257,748</u>	<u>244,843</u>	<u>12,905</u>
Speech, OT, PT & Related Services					
Salaries	245,828	(6,609)	239,219	237,468	1,751
Purchased Professional-Educational Services	99,150	(10,000)	89,150	72,154	16,996
Supplies and Materials	12,539	-	12,539	3,648	8,891
	<u>357,517</u>	<u>(16,609)</u>	<u>340,908</u>	<u>313,270</u>	<u>27,638</u>
Total Speech, OT, PT & Related Services					
	<u>357,517</u>	<u>(16,609)</u>	<u>340,908</u>	<u>313,270</u>	<u>27,638</u>
Other Support Services - Students - Extra Services					
Salaries	320,959	(87,798)	233,161	233,157	4
Purchased Professional-Educational Services	238,588	36,634	275,222	265,745	9,477
Supplies and Material	2,170	-	2,170	1,961	209
	<u>561,717</u>	<u>(51,164)</u>	<u>510,553</u>	<u>500,863</u>	<u>9,690</u>
Total Other Support Services-Students-Extra Svcs					
	<u>561,717</u>	<u>(51,164)</u>	<u>510,553</u>	<u>500,863</u>	<u>9,690</u>
Guidance					
Salaries of Other Professional Staff	595,171	2,995	598,166	597,165	1,001
Salaries of Secretarial and Clerical Assistants	46,406	1,326	47,732	44,348	3,384
Purchased Professional-Educational Services	9,810	-	9,810	6,047	3,763
Other Purchased Services	12,500	-	12,500	947	11,553
Supplies and Materials	4,900	-	4,900	1,554	3,346
	<u>668,787</u>	<u>4,321</u>	<u>673,108</u>	<u>650,061</u>	<u>23,047</u>
Total Guidance					
	<u>668,787</u>	<u>4,321</u>	<u>673,108</u>	<u>650,061</u>	<u>23,047</u>

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Child Study Team					
Salaries of Other Professional Staff	\$ 551,762	\$ 8,043	\$ 559,805	\$ 559,302	\$ 503
Salaries of Secretarial and Clerical Assistants	57,542	424	57,966	57,965	1
Purchased Professional-Educational Services	60,275	(5,804)	54,471	49,883	4,588
Misc Purchased Services	1,200	-	1,200	85	1,115
Supplies and Materials	1,600	20	1,620	1,508	112
Total Child Study Team	<u>672,379</u>	<u>2,683</u>	<u>675,062</u>	<u>668,743</u>	<u>6,319</u>
Improvement of Instructional Services					
Salaries of Other Professional Staff	21,880	(4,691)	17,189	15,971	1,218
Purchased Professional-Educational Services	63,675	(4,300)	59,375	50,254	9,121
Other Purchased Services	1,110	1,410	2,520	1,302	1,218
Supplies and Materials	1,000	622	1,622	746	876
Other Objects	150	550	700	550	150
Total Improvement of Inst. Serv.	<u>87,815</u>	<u>(6,409)</u>	<u>81,406</u>	<u>68,823</u>	<u>12,583</u>
Educational Media Services/School Library					
Salaries	117,268	-	117,268	114,352	2,916
Supplies and Materials	12,850	(18)	12,832	9,124	3,708
Total Educational Media Services/School Library	<u>130,118</u>	<u>(18)</u>	<u>130,100</u>	<u>123,476</u>	<u>6,624</u>
Instructional Staff Training Services					
Purchased Professional- Educational Services	18,200	(3,194)	15,006	1,394	13,612
Other Purchased Professional & Technical Services	-	-	-	-	-
Total Instructional Staff Training Services	<u>18,200</u>	<u>(3,194)</u>	<u>15,006</u>	<u>1,394</u>	<u>13,612</u>
Support Services General Administration					
Salaries	338,820	16,771	355,591	355,589	2
Legal Services	70,000	(5,000)	65,000	54,915	10,085
Audit Fees	26,000	4,000	30,000	28,457	1,543
Other Purchased Professional Services	8,000	-	8,000	7,686	314
Misc. Purchased Services	51,140	(4,000)	47,140	46,227	913
Communications/Telephone	25,400	1,942	27,342	23,338	4,004
BOE Other Purchased Services	2,000	2,000	4,000	2,994	1,006
General Supplies	1,000	-	1,000	764	236
BOE In-House Training/Meeting Supplies	2,000	(2,000)	-	-	-
Judgements Against the School District	-	16,448	16,448	16,448	-
Miscellaneous Expenditures	3,950	-	3,950	2,613	1,337
BOE Membership Dues and Fees	12,350	-	12,350	11,969	381
Total Support Services General Administration	<u>540,660</u>	<u>30,161</u>	<u>570,821</u>	<u>551,000</u>	<u>19,821</u>

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	\$ 901,605	\$ (14,500)	\$ 887,105	\$ 887,104	\$ 1
Salaries of Other Prof. Staff	481,155	14,999	496,154	496,154	-
Salaries of Secretarial and Clerical Assistants	262,379	(3,695)	258,684	255,865	2,819
Other Purchased Services	2,002	2,002	2,002	1,912	90
Supplies and Materials	35,950	(1,398)	34,552	30,661	3,891
Other Objects	10,230	-	10,230	9,829	401
Total Support Services School Administration	1,691,319	(2,592)	1,688,727	1,681,525	7,202
Central Services					
Salaries	261,221	(10,640)	250,581	242,760	7,821
Purchased Technical Services	74,075	12,796	86,871	82,975	3,896
Misc. Purchased Services	4,500	(1,188)	3,312	2,647	665
Supplies and Materials	6,500	7,985	14,485	14,458	27
Miscellaneous Expenditures	2,000	(481)	1,519	1,299	220
Total Central Services	348,296	8,472	356,768	344,139	12,629
Admin. Info. Tech					
Salaries	127,340	63,001	190,341	190,340	1
Purchased Technical Services	122,972	(46,903)	76,069	75,716	353
Other Purchased Services	500	-	500	185	315
Supplies and Materials	12,000	(8,639)	3,361	2,209	1,152
Total Admin. Info. Tech	262,812	7,459	270,271	268,450	1,821
Required Maintenance for School Facilities					
Salaries	109,906	1,054	110,960	110,960	-
Cleaning, Repair and Maintenance Services	167,821	1,319	169,140	160,642	8,498
General Supplies	19,000	(8,564)	10,436	4,800	5,636
Total Required Maintenance for School Facilities	296,727	(6,191)	290,536	276,402	14,134
Custodial Services					
Salaries	907,401	(17,586)	889,815	888,208	1,607
Salaries of Non-Instructional Aides	37,966	13,027	50,993	50,105	888
Purchased Professional and Technical Services	5,750	-	5,750	-	5,750
Cleaning, Repair and Maintenance Services	17,500	(1,442)	16,058	9,565	6,493
Rental of Land & Bldg Oth. Than Lease Pur Agrmt	10,000	55,000	65,000	65,000	-
Lease Purchase Payments- Energy Savings	75,751	-	75,751	75,751	-
Other Purchased Property Services	34,160	2,300	36,460	29,533	6,927
Insurance	148,217	3,072	151,289	151,289	-
General Supplies	88,750	(1,905)	86,845	79,884	6,961
Energy (Natural Gas)	96,800	(4,272)	92,528	87,102	5,426
Energy (Electricity)	313,885	(7,405)	306,480	288,691	17,789
Energy (Gasoline)	3,000	-	3,000	2,035	965
Other Objects	1,875	(550)	1,325	125	1,200
Total Custodial Services	1,741,055	40,239	1,781,294	1,727,288	54,006
Care and Upkeep of Grounds					
Salaries	85,010	738	85,748	85,747	1
Purchased Professional and Technical Services	2,000	(15)	1,985	1,984	1
Cleaning, Repair, and Maintenance Svc.	39,000	(17,652)	21,348	13,113	8,235
General Supplies	8,000	2,836	10,836	10,726	110
Total Care and Upkeep of Grounds	134,010	(14,093)	119,917	111,570	8,347

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Security					
Cleaning, Repair and Maintenance Services	\$ 2,500	\$ 67,136	\$ 69,636	\$ 67,636	\$ 2,000
General Supplies	10,000	(236)	9,764	2,158	7,606
Total Security	<u>12,500</u>	<u>66,900</u>	<u>79,400</u>	<u>69,794</u>	<u>9,606</u>
Student Transportation Services					
Contracted Services (Other Than Between Home and School) - Vendors	114,500	(10,791)	103,709	68,978	34,731
Contracted Services (Between Home and School) - Joint Agreements	34,050	(6,595)	27,455	27,452	3
Contracted Services (Sp Ed Stds)-Joint Agreements	245,000	51,648	296,648	296,647	1
Total Student Transportation Services	<u>393,550</u>	<u>34,262</u>	<u>427,812</u>	<u>393,077</u>	<u>34,735</u>
Unallocated Benefits					
Social Security Contributions	327,500	112,210	439,710	269,573	170,137
Other Retirement Contributions- PERS	331,950	(34,891)	297,059	296,376	683
Other Retirement Contributions - Regular (DCRP)	36,000	(25,980)	10,020	6,489	3,531
Workmens Compensation	79,630	6,980	86,610	86,610	-
Health Benefits	4,281,942	(417,233)	3,864,709	3,732,857	131,852
Tuition Reimbursement	4,500	-	4,500	1,000	3,500
Other Employee Benefits	109,600	23,650	133,250	125,987	7,263
Unused Sick Payment to Terminated/Retired Staff	-	-	-	-	-
Total Employee Benefits	<u>5,171,122</u>	<u>(335,264)</u>	<u>4,835,858</u>	<u>4,518,892</u>	<u>316,966</u>
On-behalf Contributions					
On-behalf TPAF Contributions (Non-Budgeted)					
Pension - Non-Contributory Group Life Insurance				53,950	(53,950)
Pension - Normal Cost & Accrued Liab.				3,009,941	(3,009,941)
Post Retirement Medical Benefit Contribution				1,136,647	(1,136,647)
Long Term Disability Insurance				2,628	(2,628)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,139,698	(1,139,698)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,342,864</u>	<u>(5,342,864)</u>
Total Undistributed Expenditures	<u>14,759,773</u>	<u>(6,357)</u>	<u>14,753,416</u>	<u>19,496,901</u>	<u>(4,743,485)</u>
Interest Earned on Maintenance Reserve	250	-	250	-	250
Total Expenditures - Current Expenditures	<u>30,684,774</u>	<u>349,151</u>	<u>31,033,925</u>	<u>35,444,888</u>	<u>(4,410,963)</u>
CAPITAL OUTLAY					
Equipment					
Undistributed					
Required Maintenance for School Facilities	-	2,949	2,949	2,949	-
Total Equipment	<u>-</u>	<u>2,949</u>	<u>2,949</u>	<u>2,949</u>	<u>-</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services		6,050	6,050		6,050
Construction Services	212,000	80	212,080	212,080	-
Assessment for Debt Service on SDA Funding	92,970	-	92,970	92,970	-
Total Facilities Acquisition and Construction Services	<u>304,970</u>	<u>6,130</u>	<u>311,100</u>	<u>305,050</u>	<u>6,050</u>
Interest Deposit to Capital Reserve	250	-	250	-	250
Assets Acquired Under Capital Leases (Nonbudgeted)					
Equipment					
School Administration	-	-	-	154,360	(154,360)
Total Assets Acquired Under Capital Leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>154,360</u>	<u>(154,360)</u>
Total Capital Outlay	<u>305,220</u>	<u>9,079</u>	<u>314,299</u>	<u>462,359</u>	<u>(148,060)</u>
Transfer of Funds to Charter Schools	22,167	-	22,167	22,167	-
Total Expenditures	<u>31,012,161</u>	<u>358,230</u>	<u>31,370,391</u>	<u>35,929,414</u>	<u>(4,559,023)</u>

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (494,275)	\$ (358,230)	\$ (852,505)	\$ 372,996	\$ 1,225,501
Other Financing Sources (Uses)					
Lease Proceeds	-	-	-	154,360	154,360
Transfer In - Capital Projects Fund	-	-	-	29,190	29,190
Transfer Out-Food Service Enterprise Fund	-	(11,336)	(11,336)	(11,336)	-
Total Other Financing Sources	-	(11,336)	(11,336)	172,214	183,550
Net Change in Fund Balances	(494,275)	(369,566)	(863,841)	545,210	1,409,051
Fund Balances, Beginning of Year	<u>3,655,712</u>	<u>-</u>	<u>3,655,712</u>	<u>3,655,712</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 3,161,437</u>	<u>\$ (369,566)</u>	<u>\$ 2,791,871</u>	<u>\$ 4,200,922</u>	<u>\$ 1,409,051</u>
Recapitulation					
Restricted Fund Balance					
Capital Reserve				\$ 1,448,770	
Maintenance Reserve				35,630	
Maintenance Reserve - Designated for Subsequent Year's Expenditures (2020/2021 Budget)				50,000	
Excess Surplus - (2021/2022 Budget)				921,098	
Excess Surplus - Designated for Subsequent Year's Expenditures (2020/2021 Budget)				960,000	
Assigned Fund Balance					
Year End Encumbrances				29,741	
Unassigned Fund Balance				<u>755,683</u>	
				4,200,922	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Revenue Not Recognized on GAAP Basis				<u>(472,190)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 3,728,732</u>	

**CRESSKILL BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 105,000	\$ 15,544	\$ 120,544	\$ 78,672	\$ (41,872)
Federal	580,974	142,949	723,923	535,834	(188,089)
Local Sources					
Miscellaneous	<u>93,900</u>	<u>27,649</u>	<u>121,549</u>	<u>86,858</u>	<u>(34,691)</u>
Total Revenues	<u>779,874</u>	<u>186,142</u>	<u>966,016</u>	<u>701,364</u>	<u>(264,652)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	98,318	55,791	154,109	97,926	56,183
Purchased Professional and Technical Services	156,144	(21,902)	134,242	107,811	26,431
Other Purchased Services - Tuition	277,000	28,753	305,753	305,753	-
General Supplies	145,117	48,770	193,887	101,225	92,662
Textbooks	<u>4,900</u>	<u>687</u>	<u>5,587</u>	<u>508</u>	<u>5,079</u>
Total Instruction	<u>681,479</u>	<u>112,099</u>	<u>793,578</u>	<u>613,223</u>	<u>180,355</u>
Support Services					
Salaries	3,000	(1,000)	2,000	2,000	-
Purchased Professional and Technical Services	27,000	75,448	102,448	58,590	43,858
Other Purchased Services	1,000	7,153	8,153	-	8,153
Supplies and Materials	<u>40,441</u>	<u>2,000</u>	<u>42,441</u>	<u>14,956</u>	<u>27,485</u>
Total Support Services	<u>71,441</u>	<u>83,601</u>	<u>155,042</u>	<u>75,546</u>	<u>79,496</u>
Unallocated Benefits					
Employee Benefits	<u>26,954</u>	<u>(9,558)</u>	<u>17,396</u>	<u>12,595</u>	<u>4,801</u>
Total Expenditures	<u>779,874</u>	<u>186,142</u>	<u>966,016</u>	<u>701,364</u>	<u>264,652</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CRESSKILL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described below. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

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

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund and Special Revenue Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 36,302,410	\$ 701,364
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2019		9,294
Encumbrances, June 30, 2020		(15,754)
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2018-2019)	475,315	
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2019-2020)	<u>(472,190)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 36,305,535</u>	<u>\$ 694,904</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total expenditures from the budgetary comparison schedule	\$ 35,929,414	\$ 701,364
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes		
Encumbrances, June 30, 2019	-	9,294
Encumbrances, June 30, 2020	<u>-</u>	<u>(15,754)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 35,929,414</u>	<u>\$ 694,904</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION

AND

OTHER POST-EMPLOYMENT BENEFITS INFORMATION

**CRESSKILL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Public Employees Retirement System

Last Seven Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03035%	0.03159%	0.03163%	0.03366%	0.03335%	0.03304%	0.03270%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 5,467,978	\$ 6,220,736	\$ 7,362,778	\$ 9,970,006	\$ 7,486,627	\$ 6,186,083	\$ 6,250,411
District's Covered Payroll	\$ 2,198,080	\$ 2,167,338	\$ 2,195,403	\$ 2,270,291	\$ 2,359,577	\$ 2,229,278	\$ 2,251,432
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	249%	287%	335%	439%	317%	277%	278%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

* 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 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**CRESSKILL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT CONTRIBUTIONS**

Public Employees Retirement System

Last Seven Fiscal Years

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 295,184	\$ 314,260	\$ 293,011	\$ 299,057	\$ 286,729	\$ 272,381	\$ 246,419
Contributions in Relation to the Contractually Required Contribution	<u>295,184</u>	<u>314,260</u>	<u>293,011</u>	<u>299,057</u>	<u>286,729</u>	<u>272,381</u>	<u>246,419</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,243,622	\$ 2,198,080	\$ 2,167,338	\$ 2,195,405	\$ 2,270,291	\$ 2,359,577	\$ 2,229,278
Contributions as a Percentage of Covered Payroll	13.16%	14.30%	13.52%	13.62%	12.63%	11.54%	10.94%

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**CRESSKILL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

Teachers Pension and Annuity Fund

Last Seven Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 84,357,804</u>	<u>\$ 87,621,932</u>	<u>\$ 90,170,838</u>	<u>\$ 101,475,040</u>	<u>\$ 81,650,274</u>	<u>\$ 66,031,518</u>	<u>\$ 65,387,289</u>
Total	<u>\$ 84,357,804</u>	<u>\$ 87,621,932</u>	<u>\$ 90,170,838</u>	<u>\$ 101,475,040</u>	<u>\$ 81,650,274</u>	<u>\$ 66,031,518</u>	<u>\$ 65,387,289</u>
District's Covered Payroll	\$ 15,319,050	\$ 14,818,859	\$ 14,443,153	\$ 14,107,227	\$ 13,695,726	\$ 12,962,278	\$ 12,584,942
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

* 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 10 years in accordance with GASB Statement No. 68. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**CRESSKILL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Change of Benefit Terms: None.

Change of Assumptions: Assumptions used in calculating the net pension liability and statutorily required employer contribution are presented in Note 4D.

**CRESSKILL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF
TOTAL OPEB LIABILITY**

Postemployment Health Benefit Plan

Last Three Fiscal Years*

	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability			
Service Cost	\$ 1,922,770	\$ 2,182,791	\$ 2,648,039
Interest on Total OPEB Liability	1,761,590	1,900,990	1,629,774
Differences between Expected and Actual Experiences	(6,366,570)	(5,153,729)	
Changes of Assumptions	609,957	(5,072,154)	(6,801,648)
Gross Benefit Payments	(1,255,785)	(1,181,888)	(1,509,756)
Contribution from the Member	<u>37,225</u>	<u>40,848</u>	<u>55,593</u>
Net Change in Total OPEB Liability	(3,290,813)	(7,283,142)	(3,977,998)
Total OPEB Liability - Beginning	<u>44,199,851</u>	<u>51,482,993</u>	<u>55,460,991</u>
Total OPEB Liability - Ending	<u>\$ 40,909,038</u>	<u>\$ 44,199,851</u>	<u>\$ 51,482,993</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>40,909,038</u>	<u>44,199,851</u>	<u>51,482,993</u>
Total OPEB Liability - Ending	<u>\$ 40,909,038</u>	<u>\$ 44,199,851</u>	<u>\$ 51,482,993</u>
District's Covered Payroll	<u>\$ 17,517,130</u>	<u>\$ 16,986,197</u>	<u>\$ 16,638,556</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

*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 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**CRESSKILL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Changes in Benefit Terms:

None.

Changes of Assumptions

Assumptions used in calculating the OPEB liability are presented in Note 4E.

SCHOOL LEVEL SCHEDULES

EXHIBITS D-1, D-2 AND D-3

NOT APPLICABLE

SPECIAL REVENUE FUND

CRESSKILL BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Every Student Succeeds Act (ESEA)					Cares Act	IDEA Part B- Basic	IDEA Part B- Preschool	Total Page 2	Grand Total
	Title I	Title II-A	Title III Immigrant	Title III	Title IV					
REVENUES										
Intergovernmental										
State									\$ 78,672	\$ 78,672
Federal	\$ 101,876	\$ 25,236	\$ 13,259	\$ 25,152	\$ 3,788	\$ 22,950	\$ 328,883	\$ 14,690	-	535,834
Local	-	-	-	-	-	-	-	-	86,858	86,858
Total Revenues	<u>\$ 101,876</u>	<u>\$ 25,236</u>	<u>\$ 13,259</u>	<u>\$ 25,152</u>	<u>\$ 3,788</u>	<u>\$ 22,950</u>	<u>\$ 328,883</u>	<u>\$ 14,690</u>	<u>\$ 165,530</u>	<u>\$ 701,364</u>
EXPENDITURES										
Instruction										
Salaries of Teachers	\$ 65,350		\$ 10,000	\$ 19,688	\$ 2,888				\$ -	\$ 97,926
Purchased Professional and Technical Services	8,874	\$ 25,236		585	900				72,216	107,811
Other Purchased Services							\$ 305,753		-	305,753
General Supplies	-	-	425	-	-	\$ 7,994	-	-	92,806	101,225
Textbooks	-	-	-	-	-	-	-	-	508	508
Total Instruction	<u>74,224</u>	<u>25,236</u>	<u>10,425</u>	<u>20,273</u>	<u>3,788</u>	<u>7,994</u>	<u>305,753</u>	<u>-</u>	<u>165,530</u>	<u>613,223</u>
Support Services										
Salaries	2,000									2,000
Employee Benefits	5,152		2,834	4,609					-	12,595
Purchased Professional and Technical Services	20,500	-	-	270	-	-	23,130	\$ 14,690	-	58,590
Supplies and Materials	-	-	-	-	-	14,956	-	-	-	14,956
Total Support Services	<u>27,652</u>	<u>-</u>	<u>2,834</u>	<u>4,879</u>	<u>-</u>	<u>14,956</u>	<u>23,130</u>	<u>14,690</u>	<u>-</u>	<u>88,141</u>
Total Expenditures	<u>\$ 101,876</u>	<u>\$ 25,236</u>	<u>\$ 13,259</u>	<u>\$ 25,152</u>	<u>\$ 3,788</u>	<u>\$ 22,950</u>	<u>\$ 328,883</u>	<u>\$ 14,690</u>	<u>\$ 165,530</u>	<u>\$ 701,364</u>

CRESSKILL BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

	Nonpublic <u>Textbooks</u>	Nonpublic <u>Technology</u>	Nonpublic <u>Nursing</u>	Nonpublic <u>Security</u>	Ch. 193			Ch. 192	Local <u>Revenue</u>	Total (Carried <u>Forward</u>)
					<u>Supplemental Instruction</u>	<u>Exam & Classification</u>	<u>Corrective Speech</u>	<u>Compensatory Education</u>		
REVENUES										
Intergovernmental										
State	\$ 508	\$ 2,259	\$ 8,987	\$ 7,523	\$ 6,557	\$ 7,805	\$ 14,856	\$ 30,177		\$ 78,672
Federal	-	-	-	-	-	-	-	-		-
Local	-	-	-	-	-	-	-	-	\$ 86,858	86,858
Total Revenues	<u>\$ 508</u>	<u>\$ 2,259</u>	<u>\$ 8,987</u>	<u>\$ 7,523</u>	<u>\$ 6,557</u>	<u>\$ 7,805</u>	<u>\$ 14,856</u>	<u>\$ 30,177</u>	<u>\$ 86,858</u>	<u>\$ 165,530</u>
EXPENDITURES										
Instruction										
Salaries of Teachers										-
Purchased Professional Technical Services			\$ 8,987		\$ 6,557	\$ 7,805	\$ 14,856	\$ 30,177	\$ 3,834	72,216
Other Purchased Services										-
General Supplies		\$ 2,259		\$ 7,523					83,024	92,806
Textbooks	\$ 508	-	-	-	-	-	-	-	-	508
Total Instruction	<u>508</u>	<u>2,259</u>	<u>8,987</u>	<u>7,523</u>	<u>6,557</u>	<u>7,805</u>	<u>14,856</u>	<u>30,177</u>	<u>86,858</u>	<u>165,530</u>
Support Services										
Salaries										-
Employee Benefits										-
Purchased Professional and Technical Services	-	-	-	-	-	-	-	-	-	-
Other Purchased Services	-	-	-	-	-	-	-	-	-	-
Total Support Services	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Expenditures	<u>\$ 508</u>	<u>\$ 2,259</u>	<u>\$ 8,987</u>	<u>\$ 7,523</u>	<u>\$ 6,557</u>	<u>\$ 7,805</u>	<u>\$ 14,856</u>	<u>\$ 30,177</u>	<u>\$ 86,858</u>	<u>\$ 165,530</u>

**CRESSKILL BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION PROGRAM AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

CAPITAL PROJECTS FUND

CRESSKILL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

<u>Project</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2020</u>
		<u>Prior Year</u>	<u>Current Year</u>	
2017 Referendum Projects - Various Renovations, Alterations and Improvements to All District Schools	\$ 12,446,400	\$ 7,825,699	\$ 4,076,732	\$ 543,969
	<u>\$ 12,446,400</u>	<u>\$ 7,825,699</u>	<u>\$ 4,076,732</u>	<u>\$ 543,969</u>
<u>Reconciliation to GAAP</u>				
Project Balance (Budgetary Basis)				\$ 543,969
Bonds Authorized But Not Issued				<u>(400)</u>
Fund Balance, GAAP Basis				<u>\$ 543,569</u>
<u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects:				
Year-End Encumbrances				\$ 360,814
Available for Capital Projects				<u>182,755</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 543,569</u>

**CRESSKILL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Revenues and Other Financing Sources

Revenues	
Interest	\$ <u>29,190</u>
 Total Revenues and Other Financing Sources	 <u>29,190</u>

Expenditures and Other Financing Uses

Expenditures	
Architectural/Engineering Services	181,772
Other Purchased Prof. and Tech. Services	19,192
Construction Services	3,715,642
Materials and Supplies	141,958
Instructional Equipment	18,168
 Other Financing Uses	
Transfer to General Fund	<u>29,190</u>
 Total Expenditures and Other Financing Uses	 <u>4,105,922</u>

Deficiency of Revenues and Other Financing Sources under Expenditures and Other Financing Uses	(4,076,732)
--	-------------

Fund Balance, Beginning of Year	<u>4,620,301</u>
---------------------------------	------------------

Fund Balance, End of Year	<u><u>\$ 543,569</u></u>
---------------------------	--------------------------

Reconciliation to GAAP

Fund Balance-End of Year-Budgetary Basis	<u>\$ 543,569</u>
--	-------------------

Fund Balance- End of Year GAAP Basis	<u><u>\$ 543,569</u></u>
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**CRESSKILL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
2017 REFERENDUM PROJECTS - VARIOUS RENOVATIONS, ALTERATIONS, AND IMPROVEMENTS-
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 12,446,000	-	\$ 12,446,000	\$ 12,446,400
Total Revenues	<u>12,446,000</u>	<u>-</u>	<u>12,446,000</u>	<u>12,446,400</u>
Expenditures and Other Financing Uses				
Legal Services	24,754		24,754	26,848
Architectural/Engineering Services	962,315	\$ 181,772	1,144,087	899,000
Other Purchased Prof. and Tech. Services	229,093	19,192	248,285	246,152
Construction Services	5,360,831	3,715,642	9,076,473	10,016,400
Land Acquisition	1,238,071		1,238,071	1,238,000
Materials and Supplies	6,069	141,958	148,027	10,000
Instructional Equipment	4,566	18,168	22,734	10,000
Total Expenditures	<u>7,825,699</u>	<u>4,076,732</u>	<u>11,902,431</u>	<u>12,446,400</u>
Excess of Revenue Over Expenditures	<u>\$ 4,620,301</u>	<u>\$ (4,076,732)</u>	<u>\$ 543,569</u>	<u>\$ -</u>
Additional Project Information:				
Project Number	N/A			
Grant Date	N/A			
Bond Authorization Date	9/26/2017			
Bonds Authorized	\$ 12,446,400			
Bonds Issued	12,446,000			
Original Authorized Cost	12,446,400			
Additional Authorized Cost	-			
Revised Authorized Cost	-			
Percentage Increase Over Original Authorized Cost	0%			
Percentage Completion	63.00%			
Original Target Completion Date	2018/2019			
Revised Target Completion Date	2019/2020			

ENTERPRISE FUNDS

EXHIBIT G-1

**CRESSKILL BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

INTERNAL SERVICE FUND

EXHIBITS G-4, G-5 AND G-6

NOT APPLICABLE

FIDUCIARY FUNDS

AGENCY FUNDS

**CRESSKILL BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF ASSETS AND LIABILITIES
AS OF JUNE 30, 2020**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
ASSETS			
Cash and Cash Equivalents	\$ 268,794	\$ 36,881	\$ 305,675
Due from Other Funds	<u>-</u>	<u>12,080</u>	<u>12,080</u>
Total Assets	<u>\$ 268,794</u>	<u>\$ 48,961</u>	<u>\$ 317,755</u>
LIABILITIES			
Payroll Deductions and Withholdings Payable		\$ 13,750	\$ 13,750
Flexible Spending Plan Deposits		23,553	23,553
Summer Savings Plan		-	-
Due to Other Funds		11,658	11,658
Due to Student Groups	<u>\$ 268,794</u>	<u>-</u>	<u>268,794</u>
Total Liabilities	<u>\$ 268,794</u>	<u>\$ 48,961</u>	<u>\$ 317,755</u>

**CRESSKILL BOARD OF EDUCATION
FIDUCIARY FUNDS
COMBINING STATEMENT OF CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND
SCHEDULE OF RECEIPTS AND DISBURSEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Balance, July 1, <u>2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2020</u>
ELEMENTARY SCHOOLS				
Merritt	\$ 9,125	\$ 2,877	\$ 3,724	\$ 8,278
Bryan	10,511	13,871	7,214	17,168
HIGH SCHOOL				
Cresskill High School	<u>229,134</u>	<u>201,371</u>	<u>187,157</u>	<u>243,348</u>
Total	<u>\$ 248,770</u>	<u>\$ 218,119</u>	<u>\$ 198,095</u>	<u>\$ 268,794</u>

**CRESSKILL BOARD OF EDUCATION
PAYROLL AGENCY FUND
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	Balance, July 1, <u>2019</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2020</u>
ASSETS				
Cash	\$ 452,886	\$ 21,275,608	\$ 21,691,613	\$ 36,881
Due from Other Funds	<u>4,591</u>	<u>12,080</u>	<u>4,591</u>	<u>12,080</u>
Total Assets	<u>\$ 457,477</u>	<u>\$ 21,287,688</u>	<u>\$ 21,696,204</u>	<u>\$ 48,961</u>
LIABILITIES				
Payroll Deductions and Withholdings	\$ 10,670	\$ 9,225,412	\$ 9,222,332	\$ 13,750
Accrued Salaries and Wages	-	11,981,186	11,981,186	-
Flexible Spending Plan Deposits	37,649	77,843	91,939	23,553
Summer Saving Plan	397,500		397,500	-
Due to Other Funds	<u>11,658</u>	<u>3,247</u>	<u>3,247</u>	<u>11,658</u>
Total Liabilities	<u>\$ 457,477</u>	<u>\$ 21,287,688</u>	<u>\$ 21,696,204</u>	<u>\$ 48,961</u>

LONG-TERM DEBT

CRESSKILL BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2019</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
			<u>Date</u>	<u>Amount</u>				
Refunding School Bonds	8/15/2012	\$ 8,960,000	2/1/2021-23	\$ 965,000	3.0-4.0%	\$ 5,545,000	\$ 970,000	\$ 4,575,000
			2/1/2024	960,000				
			2/1/2025	720,000				
Refunding School Bonds	2/22/2013	6,700,000	2/1/2021-22	45,000	2.0-3.0%	6,440,000	45,000	6,395,000
			2/1/2023-24	50,000				
			2/1/2025	285,000				
			2/1/2026	1,040,000				
			2/1/2027	1,020,000				
			2/1/2028	1,005,000				
			2/1/2029	990,000				
			2/1/2030	975,000				
			2/1/2031	890,000				
School Bonds	2/27/2018	12,446,000	2/1/2021-31	350,000	3.00-3.50%	<u>12,446,000</u>	<u>350,000</u>	<u>12,096,000</u>
			2/1/2032-36	675,000				
			2/1/2037-42	700,000				
			2/1/2043	671,000				
						<u>\$ 24,431,000</u>	<u>\$ 1,365,000</u>	<u>\$ 23,066,000</u>
Paid by Budget Appropriation							<u>\$ 1,365,000</u>	

**CRESSKILL BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF CAPITAL LEASES PAYABLE
FOR THE FISCAL YEAR JUNE 30, 2020**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2019</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2020</u>
LED Lighting Project	1.924%	\$ 392,429	\$ 218,781		\$ 71,542	\$ 147,239
2020 Atlantic Copier Lease	3.600%	154,360	-	\$ 154,360	14,218	140,142
			<u>\$ 218,781</u>	<u>\$ 154,360</u>	<u>\$ 85,760</u>	<u>\$ 287,381</u>

**CRESSKILL BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 1,960,019		\$ 1,960,019	\$ 1,960,019	
Intergovernmental State					
Debt Service Aid Type II	<u>228,096</u>	<u>-</u>	<u>228,096</u>	<u>228,096</u>	<u>-</u>
Total Revenues	<u>2,188,115</u>	<u>-</u>	<u>2,188,115</u>	<u>2,188,115</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	1,365,000	-	1,365,000	1,365,000	-
Interest	<u>823,116</u>	<u>-</u>	<u>823,116</u>	<u>823,115</u>	<u>\$ 1</u>
Total Expenditures	<u>2,188,116</u>	<u>-</u>	<u>2,188,116</u>	<u>2,188,115</u>	<u>1</u>
Net Changes in Fund Balance	(1)	-	(1)	-	(1)
Fund Balance, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (1)</u>
<u>Recapitulation of Fund Balance</u>					
Restricted for Debt Service				<u>\$ 1</u>	
Total Fund Balance - Restricted for Debt Service				<u>\$ 1</u>	

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

J-14 and J-15

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

**CRESSKILL BOARD OF EDUCATION
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)**

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental Activities										
Net Investment in Capital Assets	\$ 12,570,296	\$ 12,847,635	\$ 12,826,527	\$ 13,249,466	\$ 13,583,569	\$ 14,141,986	\$ 14,317,166	\$ 14,996,636	\$ 15,867,265	\$ 15,551,509
Restricted	226,725	195,769	364,709	413,870	929,245	646,274	1,315,072	1,514,654	1,452,620	1,534,401
Unrestricted	(571,544)	(190,479)	(232,308)	(6,635,207)	(6,811,314)	(6,950,121)	(7,780,872)	(8,165,212)	(7,549,406)	(6,581,432)
Total Governmental Activities Net Position	\$ 12,225,477	\$ 12,852,925	\$ 12,958,928	\$ 7,028,129	\$ 7,701,500	\$ 7,838,139	\$ 7,851,366	\$ 8,346,078	\$ 9,770,479	\$ 10,504,478
Business-Type Activities										
Net Investment in Capital Assets	\$ 10,800	\$ 16,361	\$ 18,893	\$ 16,677	\$ 16,616	\$ 14,161	\$ 25,766	\$ 22,571	\$ 25,879	\$ 24,675
Unrestricted	65,849	70,202	73,516	67,281	54,663	44,422	13,131	10,909	(6,573)	(11,797)
Total Business-Type Activities Net Position	\$ 76,649	\$ 86,563	\$ 92,409	\$ 83,958	\$ 71,279	\$ 58,583	\$ 38,897	\$ 33,480	\$ 19,306	\$ 12,878
District-Wide										
Net Investment in Capital Assets	\$ 12,581,096	\$ 12,863,996	\$ 12,845,420	\$ 13,266,143	\$ 13,600,185	\$ 14,156,147	\$ 14,342,932	\$ 15,019,207	\$ 15,893,144	\$ 15,576,184
Restricted	226,725	195,769	364,709	413,870	929,245	646,274	1,315,072	1,514,654	1,452,620	1,534,401
Unrestricted	(505,695)	(120,277)	(158,792)	(6,567,926)	(6,756,651)	(6,905,699)	(7,767,741)	(8,154,303)	(7,555,979)	(6,593,229)
Total District Net Position	\$ 12,302,126	\$ 12,939,488	\$ 13,051,337	\$ 7,112,087	\$ 7,772,779	\$ 7,896,722	\$ 7,890,263	\$ 8,379,558	\$ 9,789,785	\$ 10,517,356

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Note 1 - Net position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Source: School District's financial statements

CRESSKILL BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

Fiscal Year Ending June 30,

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 10,691,713	\$ 11,284,312	\$ 11,808,805	\$ 12,152,470	\$ 14,020,663	\$ 15,940,432	\$ 17,856,975	\$ 18,832,667	\$ 17,225,661	\$ 16,944,911
Special Education	4,231,848	4,384,782	5,241,978	5,530,491	7,227,329	7,325,828	8,155,710	8,029,425	7,529,952	8,055,210
Other Instruction	790,651	827,881	1,104,577	748,546	918,970	1,063,352	1,401,524	1,450,619	1,399,111	1,374,351
School Sponsored Activities And Athletics	661,365	669,459	719,481	741,117	811,390	904,425	1,005,498	975,125	786,069	771,306
Support Services:										
Student & Instruction Related Services	3,900,765	3,749,932	3,400,194	3,223,379	3,236,916	3,501,128	3,494,100	3,538,010	3,939,191	3,925,041
General Administration Services	645,140	565,124	791,756	670,510	652,965	648,006	710,738	735,828	782,521	824,708
School Administration Services	1,499,294	1,730,730	1,984,158	1,948,526	2,284,712	2,505,272	2,648,043	2,876,419	2,821,716	2,685,525
Central Services/Business Services	556,790	641,300	601,111	643,264	678,291	682,143	669,237	798,100	808,375	814,213
Plant Operations And Maintenance	2,936,208	3,052,524	3,144,420	3,220,274	3,276,427	3,218,382	3,341,624	3,551,209	3,487,792	3,984,036
Pupil Transportation	431,983	310,171	310,917	322,389	340,074	385,357	418,144	456,471	454,426	393,077
Interest On Long-Term Debt	870,110	833,201	664,229	602,569	580,644	542,990	514,990	607,871	870,109	832,624
Total Governmental Activities Expenses	27,215,867	28,049,416	29,771,626	29,803,535	34,028,381	36,717,315	40,216,583	41,851,744	40,104,923	40,605,002
Business-Type Activities:										
Food Service	348,468	364,366	341,879	349,623	355,614	336,671	338,082	347,883	355,719	234,957
CSI Program	23,094	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expense	371,562	364,366	341,879	349,623	355,614	336,671	338,082	347,883	355,719	234,957
Total District Expenses	\$ 27,587,429	\$ 28,413,782	\$ 30,113,505	\$ 30,153,158	\$ 34,383,995	\$ 37,053,986	\$ 40,554,665	\$ 42,199,627	\$ 40,460,642	\$ 40,839,959
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 323,926	\$ 481,169	\$ 395,221	\$ 306,004	\$ 274,131	\$ 247,599	\$ 257,635	\$ 283,190	\$ 286,592	\$ 215,957
Special Education Instruction	751,945	670,641	651,839	889,452	1,120,012	1,008,845	1,093,015	1,110,133	1,108,166	1,356,145
Student & Instruction Related Services										
Plant Operations And Maintenance			8,960	21,400	9,820	9,567	10,700	10,700	6,525	3,100
Operating Grants And Contributions	2,937,010	3,578,231	4,378,651	3,948,049	7,428,995	9,142,412	11,854,014	12,859,141	10,591,119	9,789,846
Capital Grants And Contributions	-	-	-	50,576	115,399	157,961	4,350	17,013	-	-
Total Governmental Activities Program Revenues	4,012,881	4,730,041	5,434,671	5,215,481	8,948,357	10,566,384	13,219,714	14,377,327	12,093,678	11,365,048
Business-Type Activities:										
Charges For Services										
Food Service	340,000	350,302	345,410	340,680	342,634	323,646	318,162	341,968	341,057	216,993
CSI Program										
Operating Grants And Contributions	25,683	23,583	1,789	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	365,683	373,885	347,199	340,680	342,634	323,646	318,162	341,968	341,057	216,993
Total District Program Revenues	\$ 4,378,564	\$ 5,103,926	\$ 5,781,870	\$ 5,556,161	\$ 9,290,991	\$ 10,890,030	\$ 13,537,876	\$ 14,719,295	\$ 12,434,735	\$ 11,582,041
Net (Expense)/Revenue										
Governmental Activities	\$ (23,202,986)	\$ (23,319,375)	\$ (24,336,955)	\$ (24,588,054)	\$ (25,080,024)	\$ (26,150,931)	\$ (26,996,869)	\$ (27,474,417)	\$ (28,011,245)	\$ (29,239,954)
Business-Type Activities	(5,879)	9,519	5,320	(8,943)	(12,980)	(13,025)	(19,920)	(5,915)	(14,662)	(17,964)
Total District-Wide Net Expense	\$ (23,208,865)	\$ (23,309,856)	\$ (24,331,635)	\$ (24,596,997)	\$ (25,093,004)	\$ (26,163,956)	\$ (27,016,789)	\$ (27,480,332)	\$ (28,025,907)	\$ (29,257,918)

CRESSKILL BOARD OF EDUCATION
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Unaudited)
(accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 21,892,509	\$ 22,249,000	\$ 22,693,980	\$ 23,280,958	\$ 24,102,843	\$ 24,615,287	\$ 25,339,664	\$ 26,280,248	\$ 27,150,294	\$ 27,693,300
Property Taxes Levied For Debt Service, Net	1,638,970	1,635,267	1,642,982	1,513,767	1,541,868	1,558,430	1,557,669	1,570,291	2,050,290	1,960,019
State Aid Restricted for Debt Service	17,814		18,237	18,681	18,485	18,560	17,694	23,761	19,059	141,420
Unrestricted State Aid								-		
Investment Earnings	30,056	18,067	14,826	14,474	11,026	12,157	16,250	47,901	175,532	86,221
Miscellaneous Income	245,747	120,476	72,933	79,786	79,173	83,136	78,819	46,928	40,471	104,329
Transfers	-	-	-	-	-	-	-	-	-	(11,336)
Total Governmental Activities	23,825,096	24,022,810	24,442,958	24,907,666	25,753,395	26,287,570	27,010,096	27,969,129	29,435,646	29,973,953
Business-Type Activities:										
Investment Earnings	548	395	526	492	301	329	234	498	488	200
Transfers	-	-	-	-	-	-	-	-	-	11,336
Total Business-Type Activities	548	395	526	492	301	329	234	498	488	11,536
Total District-Wide	\$ 23,825,644	\$ 24,023,205	\$ 24,443,484	\$ 24,908,158	\$ 25,753,696	\$ 26,287,899	\$ 27,010,330	\$ 27,969,627	\$ 29,436,134	\$ 29,985,489
Change in Net Position										
Governmental Activities	\$ 622,110	\$ 703,435	\$ 106,003	\$ 319,612	\$ 673,371	\$ 136,639	\$ 13,227	\$ 494,712	\$ 1,424,401	\$ 733,999
Business-Type Activities	(5,331)	9,914	5,846	(8,451)	(12,679)	(12,696)	(19,686)	(5,417)	(14,174)	(6,428)
Total District	\$ 616,779	\$ 713,349	\$ 111,849	\$ 311,161	\$ 660,692	\$ 123,943	\$ (6,459)	\$ 489,295	\$ 1,410,227	\$ 727,571

Source: School District's financial statements

CRESSKILL BOARD OF EDUCATION
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Restricted	\$ 225,000	\$ 536,307	\$ 748,529	\$ 497,305	\$ 703,528	\$ 687,028	\$ 1,575,384	\$ 1,708,274	\$ 2,477,619	\$ 3,415,498
Committed	33,731									
Assigned	243,467	232,873	20,200	177,320	177,320	277,729	171,773	161,800	409,737	29,741
Unassigned	<u>316,743</u>	<u>353,822</u>	<u>345,108</u>	<u>360,425</u>	<u>338,202</u>	<u>338,549</u>	<u>260,093</u>	<u>312,160</u>	<u>293,041</u>	<u>283,493</u>
Total General Fund	<u>\$ 818,941</u>	<u>\$ 1,123,002</u>	<u>\$ 1,113,837</u>	<u>\$ 1,035,050</u>	<u>\$ 1,219,050</u>	<u>\$ 1,303,306</u>	<u>\$ 2,007,250</u>	<u>\$ 2,182,234</u>	<u>\$ 3,180,397</u>	<u>\$ 3,728,732</u>
All Other Governmental Funds										
Restricted	\$ 1,725	\$ 5,000	\$ 58,041	\$ 113,297	\$ 326,126	\$ 91,202	\$ 266	\$10,843,272	\$ 4,620,302	\$ 543,570
Total All Other Governmental Funds	<u>\$ 1,725</u>	<u>\$ 5,000</u>	<u>\$ 58,041</u>	<u>\$ 113,297</u>	<u>\$ 326,126</u>	<u>\$ 91,202</u>	<u>\$ 266</u>	<u>\$10,843,272</u>	<u>\$ 4,620,302</u>	<u>\$ 543,570</u>

Source: School District's financial statements

CRESSKILL BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Tax Levy	\$ 23,531,479	\$ 23,884,267	\$ 24,336,962	\$ 24,794,725	\$ 25,644,711	\$ 26,173,717	\$ 26,897,333	\$ 27,850,539	\$ 29,200,584	\$ 29,653,319
Tuition Charges	1,075,871	1,151,810	1,047,060	1,195,456	1,394,143	1,256,444	1,350,650	1,490,473	1,496,034	1,572,102
Interest Earnings	30,056	8,976	14,826	21,400	11,026	12,157	16,250	47,901	175,532	86,221
Miscellaneous	396,194	226,805	173,016	174,654	168,855	185,535	174,410	125,681	126,808	200,633
State Sources	2,328,964	3,064,824	3,914,408	3,543,141	4,191,567	4,741,899	5,196,899	5,898,368	6,610,106	7,185,389
Federal Sources	475,413	416,169	391,357	393,771	406,754	531,495	474,118	541,414	505,934	520,080
Total Revenue	27,837,977	28,752,851	29,877,629	30,123,147	31,817,056	32,901,247	34,109,660	35,954,376	38,114,998	39,217,744
Expenditures										
Instruction										
Regular Instruction	10,605,735	11,225,725	11,731,571	12,008,586	12,276,821	13,373,181	13,938,213	15,018,657	15,363,113	15,689,827
Special Education Instruction	4,215,848	4,389,309	5,241,547	5,515,584	6,335,823	6,356,881	6,692,017	6,757,318	6,938,359	7,675,428
Other Instruction	781,751	829,120	1,104,449	745,794	800,594	882,335	1,070,505	1,134,871	1,234,927	1,266,967
School Sponsored Activities and Athletics	660,265	670,216	719,420	739,173	733,150	785,938	819,829	796,898	754,622	769,635
Support Services:										
Student and Inst. Related Services	3,865,832	3,727,091	3,372,175	3,201,071	3,200,859	3,381,591	3,175,132	3,204,423	3,583,059	3,706,577
General Administrative Services	645,140	565,719	791,713	669,020	649,309	633,126	663,886	683,916	739,582	807,538
School Administrative Services	1,526,459	1,724,065	1,974,713	1,940,029	2,123,104	2,226,331	2,175,473	2,384,819	2,515,659	2,502,727
Central Services/Business Services	555,965	643,287	600,945	641,394	673,758	663,041	608,022	703,440	779,572	804,034
Plant Operations And Maintenance	2,149,148	2,242,087	2,333,120	2,385,625	2,415,359	2,300,433	2,297,383	2,523,373	2,500,946	2,569,305
Pupil Transportation	431,983	310,171	310,917	322,389	340,074	385,357	418,144	456,471	454,426	393,077
Capital Outlay	481,362	382,364	215,365	383,905	280,377	468,152	437,422	2,005,582	6,318,385	4,423,294
Debt Service:										
Principal	869,115	894,206	906,017	990,000	1,015,000	1,060,000	1,090,000	1,237,606	1,346,042	1,450,760
Interest and Other Charges	876,162	842,155	758,463	604,208	575,999	535,549	503,055	475,012	811,113	829,996
Advance Refunding Escrow	-	-	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	-	-	-	-	-	-
Total Expenditures	27,664,765	28,445,515	30,060,415	30,146,778	31,420,227	33,051,915	33,889,081	37,382,386	43,339,805	42,889,165
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	173,212	307,336	(182,786)	(23,631)	396,829	(150,668)	220,579	(1,428,010)	(5,224,807)	(3,671,421)
Other Financing Sources (Uses)										
Bond Sale Proceeds	-	-	15,660,000	-	-	-	-	12,446,000	-	-
Capital Leases (Non-Budgeted)	-	-	-	-	-	-	-	-	-	-
Premium on Sale of Bonds	-	-	1,052,504	-	-	-	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	(16,485,842)	-	-	-	-	-	-	-
Lease Purchase Proceeds	-	-	-	-	-	-	392,429	-	-	154,360
Transfers In	1,724	109,970	134,765	306,817	398,653	50,209	121,300	367,674	105,724	29,190
Transfers Out	(1,724)	(109,970)	(134,765)	(306,817)	(398,653)	(50,209)	(121,300)	(367,674)	(105,724)	(40,526)
Total Other Financing Sources (Uses)	-	-	226,662	-	-	-	392,429	12,446,000	-	143,024
Net Change in Fund Balances	\$ 173,212	\$ 307,336	\$ 43,876	\$ (23,631)	\$ 396,829	\$ (150,668)	\$ 613,008	\$ 11,017,990	\$ (5,224,807)	\$ (3,528,397)
Debt Service as a Percentage of										
Noncapital Expenditures	6.42%	6.19%	5.58%	5.36%	5.11%	4.90%	4.76%	4.84%	5.83%	5.93%

* Noncapital expenditures are total expenditures less capital outlay.

Source: School District's financial statements

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
OTHER LOCAL REVENUE BY SOURCE
LAST TEN FISCAL YEARS
(UNAUDITED)**

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Related Services Provided to Other LEAs</u>	<u>Interest on Invest.</u>	<u>Rentals</u>	<u>Student Activity/ Athletic Fee</u>	<u>E-Rate Reimbursement</u>	<u>Miscellaneous</u>	<u>Total</u>
2011	\$ 1,075,871	\$ 96,521	\$ 30,043	\$ 22,366	\$ 44,227		\$ 82,633	\$ 1,351,661
2012	1,072,039	79,771	8,856	3,585			107,915	1,272,166
2013	965,788	81,272	14,561	8,960		\$ 47,791	25,142	1,143,514
2014	1,078,131	117,325	14,474	21,400		50,995	28,791	1,311,116
2015	1,217,848	176,295	10,460	9,820		49,432	29,741	1,493,596
2016	1,155,289	101,155	11,948	9,567		46,484	36,652	1,361,095
2017	1,250,497	100,153	15,985	10,700		32,973	45,846	1,456,154
2018	1,393,323	97,150	24,552	10,700		26,733	20,195	1,572,653
2019	1,394,758	101,276	69,808	6,525		34,465	6,006	1,612,838
2020	1,493,118	78,984	86,221	3,100		35,254	39,885	1,736,562

Source School District's Financial Statements

CRESSKILL BOARD OF EDUCATION
 ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN YEARS
 (Unaudited)

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2011	\$ 22,697,900	\$ 1,615,957,000	\$ 119,812,800	\$ 2,330,000	\$ 5,053,200	\$ 1,765,850,900	\$ 580,804	\$ 1,766,431,704	\$ 2,303,399,323	\$ 1.35
2012	17,877,000	1,641,269,000	138,099,100	2,336,100	5,684,500	1,805,265,700	738,164	1,806,003,864	1,994,212,751	1.35
2013	18,665,100	1,622,930,800	136,905,200	2,336,100	5,663,400	1,786,563,600	738,200	1,787,301,800	2,056,298,706	1.39
2014	17,654,200	1,622,421,300	134,294,800	2,138,100	5,663,400	1,782,171,800	423,986	1,782,595,786	2,000,038,733	1.44
2015	18,947,600	1,622,807,600	127,766,400	2,138,100	5,663,400	1,777,323,100	407,914	1,777,731,014	2,075,667,633	1.47
2016	21,820,400	1,623,946,700	124,731,700	2,138,100	5,663,400	1,778,300,300	-	1,778,300,300	2,145,106,430	1.51
2017	21,008,400	1,640,487,300	123,015,200	2,138,100	5,669,500	1,792,318,500	-	1,792,318,500	2,218,765,165	1.55
2018 (1)	19,049,400	1,934,454,200	146,012,500	2,416,900	6,347,700	2,108,280,700	-	2,108,280,700	2,202,549,833	1.39
2019	18,091,700	1,950,844,000	157,251,100	2,643,000	6,857,100	2,135,686,900	-	2,135,686,900	2,241,386,341	1.39
2020	19,414,400	1,972,049,700	155,882,800	3,085,600	7,252,100	2,157,684,600	-	2,157,684,600	2,251,245,928	1.40

Source: County Abstract of Ratables

(1) The Borough undertook a revaluation of real property effective January 1, 2008
 a Tax rates are per \$100

**CRESSKILL BOARD OF EDUCATION
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN YEARS
(UNAUDITED)
*Per \$100 OF Assessed Valuation***

<u>Calendar Year</u>	Total Direct School Tax Rate Cresskill Local School District	<u>Overlapping Rates</u>		Total Direct and Overlapping Tax Rate
		<u>Municipality of Cresskill</u>	<u>County of Bergen</u>	
2011	\$1.35	\$0.73	\$0.27	\$2.35
2012	1.35	0.74	0.24	2.33
2013	1.39	0.75	0.26	2.40
2014	1.44	0.78	0.26	2.48
2015	1.47	0.81	0.28	2.56
2016	1.51	0.82	0.31	2.64
2017	1.55	0.86	0.31	2.72
2018	(1) 1.39	0.76	0.26	2.40
2019	1.39	0.76	0.26	2.41
2020	1.40	0.762	0.269	2.43

Source: Tax Duplicate, Borough of Cresskill

(1)- The Borough undertook a revaluation of real property effective January 1, 2018.

**CRESSKILL BOARD OF EDUCATION
PRINCIPAL PROPERTY TAXPAYERS,
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)**

Taxpayer	2020	
	Taxable Assessed Value	% of Total District Net Assessed Value
CNL Retirement Suni Cresskill	41,880,000	1.94%
Care One at Dunroven	9,150,000	0.42%
Kings Supermarkets, Inc.	7,688,900	0.36%
Cresskill Mill C/O Asset Realty	6,625,000	0.31%
P.S. Realty, LLC C/O CVS	5,743,200	0.27%
Resident	4,720,900	0.22%
Cresskill Industrial Park	4,553,200	0.21%
174 Vaccaro LLC	4,000,000	0.19%
Resident	3,680,400	0.17%
Resident	3,570,000	0.17%
	\$ 91,611,600	4.25%
	2011	
	Taxable Assessed Value	% of Total District's Net Assessed Value
CNL Retirement Suni Cresskill	\$ 28,400,000	1.61%
Care One at Dunroven	7,000,000	0.40%
MTX Wealth Mang-D. Carl Trust	4,785,000	0.27%
P.S. Realty, LLC C/O CVS	4,127,500	0.23%
Resident	3,986,200	0.23%
Kings Supermarket	3,791,000	0.21%
Resident	3,503,400	0.20%
WM L Collins 1998 Trust	3,401,200	0.19%
Resident	3,375,000	0.19%
Silverback Assoc Trust Estate	3,268,300	0.19%
	\$ 65,637,600	3.70%

Source: Municipal Tax Assessor

**CRESSKILL BOARD OF EDUCATION
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2011	\$ 23,531,479	\$ 23,531,479	100.00%	
2012	23,884,267	23,884,267	100.00%	
2013	24,336,962	24,336,962	100.00%	
2014	24,794,725	24,794,725	100.00%	
2015	25,644,711	25,644,711	100.00%	
2016	26,173,717	26,173,717	100.00%	
2017	26,897,333	26,897,333	100.00%	
2018	27,850,539	27,850,539	100.00%	
2019	29,200,584	29,200,584	100.00%	
2020	29,653,319	29,653,319	100.00%	

Source: District records

**CRESSKILL BOARD OF EDUCATION
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year Ended June 30,	<u>Governmental Activities</u>				<u>Total District</u>	<u>Population</u>	<u>Per Capita</u>
	<u>General Obligation Bonds</u>	<u>Certificates of Participation</u>	<u>Capital Leases/Lease Purchase Agreements</u>	<u>Bond Anticipation Notes (BANs)</u>			
2011	\$ 19,675,000		\$ 80,223		\$ 19,755,223	8,564	\$ 2,307
2012	18,840,000		21,017		18,861,017	8,614	2,190
2013	18,550,000				18,550,000	8,639	2,147
2014	17,560,000				17,560,000	8,671	2,025
2015	16,545,000				16,545,000	8,678	1,907
2016	15,485,000				15,485,000	8,695	1,781
2017	14,395,000		392,429		14,787,429	8,681	1,703
2018	25,706,000		289,823		25,995,823	8,794	2,956
2019	24,431,000		218,781		24,649,781	8,775	2,809
2020	23,066,000		287,381		23,353,381	8,668	2,694

Source: District records

CRESSKILL BOARD OF EDUCATION
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS
(Unaudited)

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2011	\$ 19,675,000		\$ 19,675,000	1.11%	\$ 2,303
2012	18,840,000		18,840,000	1.04%	2,183
2013	18,550,000		18,550,000	1.04%	2,137
2014	17,560,000		17,560,000	0.99%	2,010
2015	17,560,000		17,560,000	0.99%	1,886
2016	15,485,000		15,485,000	0.87%	1,757
2017	14,395,000		14,395,000	0.80%	1,685
2018	25,706,000		25,706,000	1.22%	2,909
2019	24,431,000		24,431,000	1.14%	2,909
2020	23,066,000		23,066,000	1.07%	2,694

Source: District records

**CRESSKILL BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2019
(UNAUDITED)**

Municipal Debt:	
Cresskill Board of Education (as of June 30, 2020)	\$ 23,066,000
Borough of Cresskill	<u>17,190,156</u>
 Total Direct Debt	 <u>40,256,156</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	17,510,383
Bergen County Utilities Authority - Water Pollution (B)	<u>1,203,899</u>
 Total Overlapping Debt	 <u>18,714,282</u>
 Total Direct and Overlapping Debt	 <u>\$ 58,970,438</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2019 equalized value by the total 2019 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:
Borough of Cresskill 2019 Annual Debt Statement
BCUA 2019 Audit
Bergen County 2019 Annual Debt Statement

CRESSKILL BOARD OF EDUCATION
 LEGAL DEBT MARGIN INFORMATION
 LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2020

	Equalized valuation basis	
	2017	\$ 2,283,790,138
	2018	2,341,493,447
	2019	<u>2,330,518,223</u>
		<u>\$ 6,955,801,808</u>
Average equalized valuation of taxable property		\$ 2,318,600,603
Debt limit (4 % of average equalization value)		92,744,024
Total Net Debt Applicable to Limit		<u>23,066,000</u>
Legal debt margin		<u>\$ 69,678,024</u>

	2011	2012	#	2013	#	2014	2015	2016	2017	2018	2019	2020
Debt Limit	\$ 99,995,063	\$ 93,292,658		\$ 87,603,914		\$ 85,601,316	\$ 82,039,726	\$ 82,933,207	\$ 85,601,316	\$ 88,347,187	\$ 91,022,603	\$ 92,744,024
Total Net Debt Applicable to Limit	<u>19,675,000</u>	<u>18,840,000</u>		<u>18,550,000</u>		<u>17,560,000</u>	<u>16,545,000</u>	<u>15,485,000</u>	<u>14,395,000</u>	<u>25,706,400</u>	<u>24,431,400</u>	<u>23,066,000</u>
Legal Debt Margin	<u>\$ 80,320,063</u>	<u>\$ 74,452,658</u>		<u>\$ 69,053,914</u>		<u>\$ 68,041,316</u>	<u>\$ 65,494,726</u>	<u>\$ 67,448,207</u>	<u>\$ 71,206,316</u>	<u>\$ 62,640,787</u>	<u>\$ 66,591,203</u>	<u>\$ 69,678,024</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	19.68%	20.19%		21.17%		20.51%	20.17%	18.67%	16.82%	29.10%	26.84%	24.87%

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

**CRESSKILL BOARD OF EDUCATION
DEMOGRAPHIC STATISTICS
LAST TEN YEARS
(UNAUDITED)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>County Per Capita Income (1)</u>	<u>School District Population</u>
2011	5.2	\$ 64,280	8,597
2012	5.3	65,992	8,621
2013	4.5	68,865	8,652
2014	4.5	71,789	8,658
2015	4.5	71,100	8,672
2016	3.7	73,637	8,656
2017	3.3	76,821	8,766
2018	3.2	77,901	8,722
2019	2.8	81,203	8,668
2020	2.5	85,951	8,668

(E) Estimate

Source: United States Bureau of Census
School District Records

CRESSKILL BOARD OF EDUCATION
 PRINCIPAL EMPLOYERS,
 CURRENT YEAR AND NINE YEARS AGO
 (Unaudited)

<u>Employer</u>	<u>2020</u>		<u>2011</u>	
	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

CRESSKILL BOARD OF EDUCATION
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Unaudited)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Instruction										
Regular	132	116.50	113.80	116.40	117.10	120.30	122.30	124.30	122.30	122.00
Special Education	26	41	58	63	62	48	49	49	53	53
Support Services:										
Student and Instruction Related Services	44.5	42.6	37.2	38.4	42.0	42.0	42.0	42.0	42.0	34.0
General Administration	2	2	3	3	3	3	3	3	3	3
School Administrative Services	11	13	16.6	17.4	18.5	18.5	18.5	18.0	18.0	16.0
Central Services	3	4	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	1	1	2
Plant Operations And Maintenance	20	28	28	28	26	26	26	26	20	18
Pupil Transportation	-	-	-	-	-	-	-	-	-	-
Total	<u>239.5</u>	<u>248.10</u>	<u>260.60</u>	<u>270.20</u>	<u>272.80</u>	<u>261.80</u>	<u>264.80</u>	<u>266.30</u>	<u>261.80</u>	<u>251.00</u>

Source: District Personnel Records

**CRESSKILL BOARD OF EDUCATION
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)**

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior Senior High School				
2011	1,745.0	\$ 25,438,126	\$ 14,578	0.57%	143	13.:1	11:1	1,774.1	1,679.8	2.41%	94.68%
2012	1,753.0	26,326,790	15,018	3.02%	146	12:1	12:1	1,754.2	1,688.6	-1.12%	96.26%
2013	1,729.0	28,180,570	16,299	8.53%	144	12:1	12:1	1,691.6	1,631.5	-3.57%	96.45%
2014	1,749.0	28,168,565	16,106	-1.19%	143	12:1	12:01	1,706.4	1,649.4	0.87%	96.66%
2015	1,783.0	29,548,461	16,572	2.90%	150	12.1:1	11.7:1	1,777.3	1,718.0	4.15%	96.66%
2016	1,794.0	30,988,214	17,273	4.23%	153	12.8:1	10.9:1	1,799.1	1,740.5	1.23%	96.74%
2017	1,840.0	31,858,604	17,314	0.24%	156	12.7:1	10.9:1	1,848.8	1,784.0	2.76%	96.50%
2018	1,848.0	33,664,186	18,217	5.21%	158	12.3:1	11.3:1	1,850.7	1,783.8	0.10%	96.39%
2019	1,835.0	34,864,265	19,000	4.30%	159	12.1:1	11.1:1	1,812.9	1,746.7	-2.04%	96.35%
2020	1,844.0	36,043,157	19,546	2.88%	160	12.1:1	11.5:1	1,824.7	1,774.8	0.65%	97.27%

Sources: District records

**CRESSKILL BOARD OF EDUCATION
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS
(Unaudited)**

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
<u>District Building</u>										
<u>Elementary</u>										
<u>Edward H. Bryan School</u>										
Square Feet	48,738	48,738	48,738	48,738	48,738	48,738	48,738	48,738	48,738	61,138
Capacity (students)	378	378	378	378	378	378	378	378	378	475
Enrollment	465	483	460	471	483	496	496	500	478	484
<u>Merrill Memorial School</u>										
Square Feet	42,540	42,540	42,540	42,540	42,540	42,540	42,540	42,540	42,540	42,540
Capacity (students)	313	313	313	313	313	313	313	313	313	313
Enrollment	304	301	303	323	340	335	335	357	352	359
<u>Middle School/High School</u>										
Square Feet	141,769	141,769	141,769	141,769	141,769	141,769	141,769	141,769	141,769	141,769
Capacity (students)	956	956	956	956	956	956	956	956	956	956
Enrollment	976	969	966	955	960	963	963	982	968	9,982

Number of Schools at June 30, 2020

Elementary = 2

Junior/Senior High School = 1

Source: District Records

CRESSKILL BOARD OF EDUCATION
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES
LAST TEN FISCAL YEARS
(UNAUDITED)

<u>School Facilities</u>	<u>Project # (s)</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>
Edward H. Bryan	N/A	\$ 76,979	\$ 90,086	\$ 72,715	\$ 85,821	\$ 88,975	\$ 54,592	\$ 89,714	\$ 86,697	\$ 70,115	\$ 42,274
Merritt Memorial School	N/A	36,173	79,802	71,279	109,760	116,412	76,734	86,103	78,006	63,087	38,037
Middle School/High School	N/A	<u>480,215</u>	<u>196,731</u>	<u>190,361</u>	<u>188,555</u>	<u>174,552</u>	<u>174,314</u>	<u>200,414</u>	<u>402,143</u>	<u>325,230</u>	<u>196,091</u>
Total School Facilities		<u>\$ 593,367</u>	<u>\$ 366,619</u>	<u>\$ 334,355</u>	<u>\$ 384,136</u>	<u>\$ 379,939</u>	<u>\$ 305,640</u>	<u>\$ 376,231</u>	<u>\$ 566,846</u>	<u>\$ 458,432</u>	<u>\$ 276,402</u>

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2020
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Great American Insurance Co.		
Property Blanket Building & Contents	\$ 57,283,991	\$ 5,000
General Liability		
General Aggregate	2,000,000	
Products Completed Operations	2,000,000	
Personal & Advertising Injury	1,000,000	
Each Occurrence Limit	1,000,000	
Fire Legal Liability	1,000,000	
Medical Expense	5,000	
Commercial Auto Policy - Great American Insurance Company	1,000,000	1,000
Umbrella Liability Policy - Great American Insurance Company	9,000,000	
Excess Umbrella Liability Policy - Star Stone National Insurance Co.	50,000,000	
	(Shared limit among all Boards)	
Boiler & Machinery - Great American Insurance Co.	57,283,991	5,000
Environmental Impairment Liability- Chubb Ace American	20,000,000	
	(Group Aggregate)	
Each Impairment		
Aggregate per Named Insured	4,000,000	15,000
Mold Policy Aggregate	4,000,000	25,000
School Board Legal Liability - Greenwich Insurance Co.	1,000,000	5,000
Employment Related Practices Liability		15,000
Crime - Selective Insurance Company of America		
Employee Dishonesty	\$100,000 Per Employee	5,000
	\$500,000 Per Loss	100,000
Forgery & Alteration	100,000	1,000
Workers' Compensation - Safety National		
BI by Accident - Each Accident	1,000,000	
BI by Accident - Each Employee	1,000,000	
BI by Disease - Policy Limit	1,000,000	
Employers Liability Retained Limit	1,000,000	
Cyber Liability-Indian Harbor		
Each Claim	1,000,000	15,000
Aggregate	6,000,000	
Privacy and Cyber Security	2,000,000	5,000
Data Breach Response and Crisis Management	1,000,000	25,000

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
PAUL J. LERCH, CPA, RMA, PSA
JULIUS B. CONSONI, CPA, PSA
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DONNA L. JAPHET, CPA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

**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 AUDITOR'S REPORT

Honorable President and Members
of Board of Education
Cresskill Board of Education
Cresskill, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements 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 Cresskill Board of Education as of and for the fiscal year ended June 30, 2020 and the related notes to the financial statements, which collectively comprise the Cresskill Board of Education's basic financial statements and have issued our report thereon dated January 28, 2021.

Internal Control Over Financial Reporting

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


Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Cresskill Board of Education’s financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Cresskill Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated January 28, 2021.

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 Cresskill Board of Education’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 Cresskill Board of Education’s internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants


Andrew D. Parente
Public School Accountant
PSA Number CS002246

Fair Lawn, New Jersey
January 28, 2021



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
GARY J. VINCI, CPA, RMA, PSA
GARY W. HIGGINS, CPA, RMA, PSA
JEFFREY C. BLISS, CPA, RMA, PSA
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ROBERT LERCH, CPA
CHRIS SOHN, CPA
CHRISTOPHER M. VINCI, CPA

**REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

Honorable President and Members
of the Board of Education
Cresskill Board of Education
Cresskill, New Jersey

Report on Compliance for Each Major State Program

We have audited the Cresskill Board of Education's compliance with the types of compliance requirements described in New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Cresskill Board of Education's major state programs for the fiscal year ended June 30, 2020. The Cresskill Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with state statutes, regulations, and the terms and conditions of its federal awards and state financial assistance applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Cresskill Board of Education's major 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; New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and New Jersey Circular 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 state program occurred. An audit includes examining, on a test basis, evidence about the Cresskill Board of Education'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 state program. However, our audit does not provide a legal determination of the Cresskill Board of Education's compliance.

Opinion on Each Major State Program

In our opinion, the Cresskill Board of Education 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 state programs for the fiscal year ended June 30, 2020.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance, which is required to be reported in accordance with New Jersey OMB Circular 15-08 which is described in the accompanying schedule of findings and questioned costs as item 2020-001. Our opinion on each major state program is not modified with respect to this matter.

The Cresskill Board of Education's response to the noncompliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. The Cresskill Board of Education's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Management of the Cresskill Board of Education 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 Cresskill Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 state program and to test and report on internal control over compliance in accordance with the New Jersey 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 Cresskill Board of Education'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 state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a 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 state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

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

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

Report on Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cresskill Board of Education, as of and for the fiscal year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 28, 2021, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The 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 basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of state financial assistance is fairly stated in all material respects in relation to the basic financial statements as a whole.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Public School Accountants



Andrew D. Parente
Public School Accountant
PSA Number CS002246

Fair Lawn, New Jersey
January 28, 2021

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2019	Carryover/ Deferred Revenue	Carryover/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Funds Released Adjust Deferred Revenue	Adjust (Accounts Receivable)	(Accounts Receivable)	June 30, 2020 Unearned Revenue	Due to Grantor	MEMO GAAP Receivable
U.S. Department of Education																
Passed-through State Department of Education																
ESSA Title I	84.010	S010A190030	ESEA30990-20	7/1/19-9/30/20	\$ 122,605		\$ 33,330	\$ (33,330)		\$ 101,876		-	\$ (155,935)	\$ 54,059		\$ (101,876)
ESSA Title I	84.010	S010A180030	ESEA30990-19	7/1/18-6/30/19	130,485	\$ (78,810)	(33,330)	33,330	\$ 79,110	-	\$ (300)	-	-	-	-	-
Total Title I Cluster						(78,810)	-	-	79,110	101,876	(300)	-	(155,935)	54,059	-	(101,876)
ESSA Title IIA	84.367A	S367A190029	ESEA30990-20	7/1/19-9/30/20	23,928		2,869	(2,869)		25,236		-	(26,797)	1,561		(25,236)
ESSA Title IIA	84.367A	S367A180029	ESEA30990-19	7/1/18-6/30/19	29,363	(31,324)	(2,869)	2,869	31,324	-	-	-	-	-	-	-
Total Title II Cluster						(31,324)	-	-	31,324	25,236	-	-	(26,797)	1,561	-	(25,236)
ESSA Title III	84.365	S365A190030	ESEA30990-20	7/1/19-9/30/20	28,428		15,157	(15,157)		25,152			(43,585)	18,433		(25,152)
ESSA Title III	84.365	S365A180030	ESEA30990-19	7/1/18-6/30/19	29,885	(21,708)	(15,157)	15,157	21,708	-	-	-	-	-	-	-
ESSA Title III-Immigrant	84.365	S365A190030	ESEA30990-20	7/1/19-9/30/20	15,182		14,976	(14,976)		13,259	(362)	\$ 362	(29,796)	16,537		(13,259)
ESSA Title III-Immigrant	84.365	S365A180030	ESEA30990-19	7/1/18-6/30/19	14,976	(92)	(14,976)	14,976	92	-	-	-	-	-	-	-
Total Title III Cluster						(21,800)	-	-	21,800	38,411	(362)	362	(73,381)	34,970	-	(38,411)
ESSA Title IV	84.424	S424A190031	ESEA30990-20	7/1/19-9/30/20	10,000		10,000	(10,000)		3,788	(1,232)	1,232	(18,768)	14,980		(3,788)
ESSA Title IV	84.424	S424A180031	ESEA30990-19	7/1/18-6/30/19	10,000	(5,941)	(10,000)	10,000	5,941	-	-	-	-	-	-	-
Total Title IV Cluster						(5,941)	-	-	5,941	3,788	(1,232)	1,232	(18,768)	14,980	-	(3,788)
Cares Act	84,425 D	S425D200027	CARES30990-20	3/22/20-9/30-22	98,574	-	-	-	-	22,950	-	-	(98,574)	75,624	-	(22,950)
Total Cares Act						-	-	-	-	22,950	-	-	(98,574)	75,624	-	(22,950)
I.D.E.A. Part B- Basic	84.027	H027A180100	FT-03-0990-20	7/1/19-6/30/20	325,321		8,863	(8,863)	122,294	328,883			(211,890)	5,301		(206,589)
I.D.E.A. Part B- Basic	84.027	H027A170100	FT-03-0990-19	7/1/18-6/30/19	328,136	(141,357)	(8,863)	8,863	141,641	-	-	-	-	\$ 284		-
I.D.E.A. Part B-Preschool	84.173	H173A180114	PS-03-0990-20	7/1/19-6/30/20	14,690		-	-		14,690			(14,690)	-		(14,690)
I.D.E.A. Part B-Preschool	84.173	H173A170114	PS-03-0990-19	7/1/18-6/30/19	14,566	(9,438)	-	-	9,438	-	-	-	-	-	-	-
Total Special Education (IDEA) Cluster						(150,795)	-	-	273,373	343,573	-	-	(226,580)	5,301	284	(221,279)
Total U.S. Department of Education/Special Revenue Fund						\$ (288,670)	\$ -	\$ -	\$ 411,548	\$ 535,834	\$ (1,894)	\$ 1,594	\$ (600,035)	\$ 186,495	\$ 284	\$ (413,540)

Note: The District is not subject to a Federal Single Audit in accordance with US Uniform Guidance.

**CRESSKILL BOARD OF EDUCATION
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, July 1, 2019	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	(Accounts Receivable)	June 30, 2020 Unearned Revenue	Due to Grantor	Memo	
											GAAP Receivable	Cumulative Total Expenditures
State Department of Education												
Current Expense												
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	\$ 938,195		\$ 852,483	\$ 938,195		\$ (85,712)				\$ 938,195
Special Education Categorical Aid	19-495-034-5120-089	7/1/18-6/30/19	821,900	(74,150)	74,150			-				-
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	143,116		130,041	143,116		(13,075)				143,116
Security Aid	19-495-034-5120-084	7/1/18-6/30/19	143,116	(12,912)	12,912	-	-	-	\$ -	-	-	-
Total State Aid Public Cluster				(87,062)	1,069,586	1,081,311	-	(98,787)	-	-	-	1,081,311
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	82,508		74,970	82,508		(7,538)				82,508
Transportation Aid	19-495-034-5120-014	7/1/18-6/30/19	82,508	(7,443)	7,443			-				-
Extraordinary Sp. Ed. Costs Aid	20-495-034-5120-473	7/1/19-6/30/20	365,865			365,865		(365,865)				365,865
Extraordinary Sp. Ed. Costs Aid	19-495-034-5120-473	7/1/18-6/30/19	380,810	(380,810)	380,810			-				-
TPAF On behalf Contributions												
Pension - Non-Contributory Insurance	20-495-034-5094-004	7/1/19-6/30/20	53,950		53,950	53,950						53,950
Pension - Normal Cost & Accrued Liability	20-495-034-5095-002	7/1/19-6/30/20	3,009,941		3,009,941	3,009,941						3,009,941
Long Term Disability Insurance	20-495-034-5094-004	7/1/19-6/30/20	2,628		2,628	2,628						2,628
Post Retirement Medical Benefit Contrib	20-495-034-5095-001	7/1/19-6/30/20	1,136,647	-	1,136,647	1,136,647	-	-	-	-	-	1,136,647
Total On-Behalf Pension Contribution Cluster				-	4,203,166	4,203,166	-	-	-	-	-	4,203,166
TPAF Social Security Tax	20-495-034-5095-003	7/1/19-6/30/20	1,139,698	-	1,083,958	1,139,698	-	(55,740)	-	-	\$ (55,740)	1,139,698
Total General Fund				(475,315)	6,819,933	6,872,548	-	(527,930)	-	-	(55,740)	6,872,548
Special Revenue Fund												
New Jersey Nonpublic Aid												
Technology Aid	20-100-034-5120-373	7/1/19-6/30/20	3,816		3,816	2,259				\$ 1,557		2,259
Technology Aid	19-100-034-5120-373	7/1/18-6/30/19	4,176	518			\$ 518					-
Textbook Aid	20-100-034-5120-664	7/1/19-6/30/20	5,587		5,587	508				5,079		508
Textbook Aid	19-100-034-5120-664	7/1/18-6/30/19	6,194									-
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	10,282		10,282	8,987				1,295		8,987
Nursing Services	19-100-034-5120-070	7/1/18-6/30/19	11,252	638			638					-
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	15,900		15,900	7,523				8,377		7,523
Security Aid	19-100-034-5120-509	7/1/18-6/30/19	17,400	8,669			8,669					-
Auxiliary Services												-
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	33,259		29,843	30,177		(3,416)		3,082		30,177
Compensatory Education	19-100-034-5120-067	7/1/18-6/30/19	37,648	3,047			3,047					-
Transportation	20-100-034-5120-068	7/1/19-6/30/20	5,077		4,570	-		(507)		5,077		-
Transportation	19-100-034-5120-068	7/1/18-6/30/19	15,810	15,810	-	-	15,810	-	-	-	-	-
Total Nonpublic Auxiliary Services (Chap. 192) Cluster				18,857	34,413	30,177	18,857	(3,923)	-	24,467	-	30,177

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**CRESSKILL BOARD OF EDUCATION
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, July 1, 2019	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	June 30, 2020		Due to Grantor	Memo	
								(Accounts Receivable)	Unearned Revenue		GAAP Receivable	Cumulative Total Expenditures
Handicapped Services												
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	\$ 15,421		\$ 14,978	\$ 7,805		\$ (443)		\$ 7,616		\$ 7,805
Examination and Classification	19-100-034-5120-066	7/1/18-6/30/19	16,200	\$ 4,191			\$ 4,191			-		-
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	19,869		17,663	14,856		(2,206)		5,013		14,856
Corrective Speech	19-100-034-5120-066	7/1/18-6/30/19	17,856	2,589			2,589			-		-
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	11,333		6,418	6,557		(4,915)		4,776		6,557
Supplemental Instruction	19-100-034-5120-066	7/1/18-6/30/19	13,480	4,598	-	-	4,598	-	-	-	-	-
Total Nonpublic Handicapped Services (Chap. 193) Cluster				<u>11,378</u>	<u>39,059</u>	<u>29,218</u>	<u>11,378</u>	<u>(7,564)</u>	<u>-</u>	<u>17,405</u>	<u>-</u>	<u>29,218</u>
Total Special Revenue Fund				<u>40,060</u>	<u>109,057</u>	<u>78,672</u>	<u>40,060</u>	<u>(11,487)</u>	<u>-</u>	<u>41,872</u>	<u>-</u>	<u>78,672</u>
Total State Financial Assistance Subject to Single Audit Determination				<u>\$ (435,255)</u>	<u>\$ 6,928,990</u>	<u>\$ 6,951,220</u>	<u>\$ 40,060</u>	<u>\$ (539,417)</u>	<u>\$ -</u>	<u>\$ 41,872</u>	<u>\$ (55,740)</u>	<u>\$ 6,951,220</u>
State Financial Assistance Not Subject to Single Audit Determination												
General Fund												
On-Behalf TPAF Pension-NCGI	20-100-034-5094-004	7/1/19-6/30/20	53,950		(53,950)	(53,950)						(53,950)
On-Behalf TPAF Pension-Normal Costs	20-100-034-5094-006	7/1/19-6/30/20	3,009,941		(3,009,941)	(3,009,941)						(3,009,941)
On-Behalf TPAF-Long Term Disability	20-100-034-5094-004	7/1/19-6/30/20	2,628		(2,628)	(2,628)						(2,628)
On-Behalf TPAF Post Retirement Medical	20-100-034-5094-001	7/1/19-6/30/20	1,136,647	-	(1,136,647)	(1,136,647)	-	-	-	-	-	(1,136,647)
Total State Financial Assistance Subject to Major Program Determination				<u>\$ (435,255)</u>	<u>\$ 2,725,824</u>	<u>\$ 2,748,054</u>	<u>\$ 40,060</u>	<u>\$ (539,417)</u>	<u>\$ -</u>	<u>\$ 41,872</u>	<u>\$ (55,740)</u>	<u>\$ 2,748,054</u>

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**CRESSKILL BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

NOTE 1 GENERAL

The accompanying schedules present the activity of all federal and state financial assistance programs of the Cresskill Board of Education. The Board of Education is defined in Note 1(A) to the Board's financial statements. All federal financial assistance received directly from federal agencies, as well as federal awards and state financial assistance passed through other government agencies is included on the schedule of expenditures of federal awards and state financial assistance.

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using 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 basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

The 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 audit year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on a modified accrual basis with the exception of the revenue recognition of the delayed state aid payments in the current budget year, which is mandated pursuant to N.J.S.A. 18A:22-44.2. For GAAP purposes, those payments are not recognized until the subsequent year due to the state deferral and recording of certain 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, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$3,125 for the general fund and a decrease of \$6,460 for the special revenue fund. See the Notes 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. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 6,875,673	\$ 6,875,673
Special Revenue Fund	\$ 520,080	81,620	601,700
Debt Service Fund	-	228,096	228,096
	<hr/>	<hr/>	<hr/>
Total Financial Assistance	<u>\$ 520,080</u>	<u>\$ 7,185,389</u>	<u>\$ 7,705,469</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2020****NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

Amounts reported in the accompanying schedules may not necessarily agree with the amounts reported in the related federal and state financial reports due to timing differences between the District's fiscal year and grant program years.

NOTE 5 OTHER INFORMATION

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,139,698 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2020. The amount reported as TPAF Pension System Contributions in the amount of \$3,063,891, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,136,647 and TPAF Long-Term Disability Insurance in the amount of \$2,628 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2020.

NOTE 6 ON-BEHALF PROGRAMS NOT SUBJECT TO STATE SINGLE AUDIT

On-behalf State Programs for TPAF Pension, Post-Retirement Medical Benefits and Long-Term Disability Insurance Contributions are not subject to a State single audit and, therefore, are excluded from major program determination. The Schedule of State Financial Assistance provides a reconciliation of State financial assistance reported in the District's financial statements and the amount subject to State single audit and major program determination.

NOTE 7 DE MINIMIS INDIRECT COST RATE

The District has not elected to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

**CRESSKILL BOARD OF EDUCATION
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued:	<u>Unmodified</u>
Internal control over financial reporting:	
1) Material weakness(es) identified?	_____ yes <u> X </u> no
2) Were significant deficiency(ies) identified that were not considered to be material weaknesses?	_____ yes <u> X </u> none reported
Noncompliance material to the basic financial statements noted?	_____ yes <u> X </u> no

Federal Awards Section

Not Applicable

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

- 1) Material weakness(es) identified? _____ yes X no
- 2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes X none reported

Type of auditor's report on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08. X yes _____ none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>495-034-5120-473</u>	<u>Extraordinary Aid</u>
<u>495-034-5120-089</u>	<u>Special Education Aid</u>
<u>495-034-5120-084</u>	<u>Security Aid</u>
_____	_____
_____	_____
_____	_____

Dollar threshold used to distinguish between Type A and Type B Programs \$ 750,000

Auditee qualified as low-risk auditee? X yes _____ no

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part 2 – Schedule of Financial Statement Findings

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with Chapter 5.18 of *Government Auditing Standards*.

There are none.

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR FEDERAL AWARDS

Not Applicable

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

Part 3 – Schedule of Federal and State Award Findings and Questioned Costs

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance, including questioned costs, related to the audit of major federal and state programs, as required by U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

CURRENT YEAR STATE AWARDS

Finding 2020-001

Our audit of certain purchases revealed that cooperative purchasing detailed documentation was not available to support amounts charged per vendor invoices for interactive smartboards, computers and building/land renovations awarded through Cooperative Purchasing agreements.

Criteria or specific requirement:

Internal control procedures related to purchasing in accordance with the Public School Contracts Law.

Condition:

- a) Supporting Cooperative Purchasing detail was not available to support the acquisition of interactive smartboards and computers.
- b) Detailed vendor invoices were not provided to support hourly rates and percentage of markup on materials in accordance with the Cooperative Purchasing agreements. For the track resurfacing and relocation of the public address system.

Context:

See Condition.

Effect:

Noncompliance with requirements of the Public School Contracts Law.

Cause:

Unknown.

Recommendation:

It is recommended that cooperative purchasing detailed documentation for contracts awarded through Cooperative Purchasing agreements be obtained to support items purchased and services rendered.

View of Responsible Officials and Planned Corrective Actions:

Management has reviewed this finding and has indicated it will revise its procedures to ensure corrective action is taken.

**CRESSKILL BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

Part 2 – Schedule of Financial Statement Findings

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

STATUS OF PRIOR YEAR FINDINGS

Condition:

Certain adjusting journal entries were required to reclassify receipts, accrue revenues and correct general ledger entries in the General and Special Revenue Funds.

Current Status

Corrective action was taken.