



**CRANFORD PUBLIC SCHOOL DISTRICT**

**COUNTY OF UNION, NEW JERSEY**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED  
JUNE 30, 2021**

**Cranford Public School District**

**Cranford, New Jersey**

Annual Comprehensive Financial Report  
For the Year Ended June 30, 2021

Prepared by  
Business Office

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

**ANNUAL COMPREHENSIVE FINANCIAL REPORT  
JUNE 30, 2021**

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

## **Introductory Section**





# Cranford Public School District

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

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March 14, 2022

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

Dear Board Members:

The annual comprehensive financial (ACFR) of the Cranford Township Public School District (District) for the fiscal year ended June 30, 2021, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures rests with the management of the Board of Education (Board). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds and account groups of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

This annual comprehensive financial report is presented in four sections: introductory, financial, statistical, and single audit. The introductory section includes this letter of transmittal, the District's organization chart and a list of principal officials. The financial section includes the Independent Auditor's Report, Management's Discussion and Analysis (MD&A), the basic financial statements and notes, supplemental information and the combining individual fund schedules. The statistical section includes selected financial and demographic information, generally presented on a multi-year basis. The District is required to undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. Information related to this single audit, including the auditor's report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

The District provides a full range of educational services appropriate to grade levels K through 12. These include regular education as well as special education for handicapped youngsters. The District completed the 2020-2021 fiscal year with an enrollment of 3,743 students, which is 39 students below the previous year's enrollment. The following details the changes in the student enrollment of the District over the last five years:

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2020-2021	3,743	-1.03%
2019-2020	3,782	-2.09%
2018-2019	3,863	0.00%
2017-2018	3,860	-1.13%
2016-2017	3,905	0.00%

2. ECONOMIC CONDITION AND OUTLOOK The Cranford Township School District and the community have enjoyed a relatively stable economic condition and financial outlook over the past decade, however with the two variables of state aid and revenue generation declining, the financial impact over time has begun to negatively impact the local school tax levy pushing it to a higher proportion of the total tax levy. Even though the 2020-2021 year saw a slight increase of state formula aid (\$106,753.00), these factors have created a heavy dependence on local tax revenue to support the school district.

Property taxes provided 88% of the District's General Fund budgeted revenues for the 2020-2021 school year. This percentage, while consistent with prior years, has been slightly increasing. Fluctuations in the percentage of the budget supported by property taxes is largely due to fluctuations in state aid received and other revenues generated.

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

3. INTERNAL ACCOUNTING CONTROLS: Management of the District is responsible for establishing and maintaining internal control designed to ensure that the assets of the District are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles (GAAP). Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management.

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

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

4. BUDGETARY CONTROLS: In addition to internal controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. Annual appropriated budgets are adopted for the general fund, the special revenue fund, and the debt service fund. Project-length budgets are approved for capital

improvements and are accounted for in the capital projects fund. The original and final budget amount, as amended for the fiscal year, is reflected in the financial section.

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriation of fund balance in the subsequent year. Those amounts to be reappropriated are reported as assignments of fund balance at June 30, 2021.

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

6. FINANCIAL INFORMATION AT FISCAL YEAR END: As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound financial management. The following schedule presents a summary of the general fund, special revenue fund, and debt service fund revenues for the fiscal year ended June 30, 2021 and the amount and percentage of increases/decreases in relation to prior year revenues.

Revenues	FY 2020-2021 Amount	Percentage of Total	Total Dollar Increase (Decrease) From 2019-2020	Percentage Increase (Decrease)
Local Sources	\$ 64,960,445.09	77.62%	\$ 1,278,286.33	2.01%
State Sources	17,151,475.87	20.50%	2,869,417.06	20.09%
Federal Sources	1,574,016.60	1.88%	522,257.94	49.66%
Totals	<u>\$ 83,685,937.56</u>	<u>100.00%</u>	<u>\$ 4,669,961.33</u>	<u>5.91%</u>

The following schedule presents a summary of general fund, special revenue fund and debt service fund expenditures for the fiscal year ended June 30, 2021 and the percentage of increases/decreases in relation to prior year amounts.

Expenditures	FY 2020-2021 Amount	Percentage of Total	Total Dollar Increase (Decrease) From 2019-2020	Percentage Increase (Decrease)
Current Expense:				
Instruction	\$ 29,214,146.93	35.8%	\$ 635,353.24	2.2%
Undistributed	48,519,632.70	59.5%	1,906,037.83	4.1%
Capital Outlay	796,792.41	1.0%	621,207.45	353.8%
Special Revenue	2,188,805.02	2.7%	904,281.78	70.4%
Debt Service				
Principal	580,000.00	0.7%	20,000.00	3.6%
Interest	283,907.50	0.3%	(15,325.00)	-5.1%
Totals	<u>\$ 81,583,284.56</u>	<u>100.0%</u>	<u>\$ 4,071,555.30</u>	<u>5.3%</u>

7. DEBT ADMINISTRATION: At June 30, 2021, the District reported outstanding debt of \$7,488,000.00 of general obligation bonds. The District issued Refunding School Bonds, Series 2021 on August 11, 2021 in the amount of \$5,478,000 to refund \$6,878,000 of School Bonds issued in the amount of \$11,988,000, dated November 1, 2010. The Refunding School Bonds,

Series 2021 mature in 2030 with principal maturity amounts of \$546,000-\$658,000, with an interest rate of 1.43%.

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

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

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

10. OTHER INFORMATION: Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of PKF O'Connor Davies, was selected by the Board of Education. In addition to meeting the requirements set forth in state statutes, the audit was also designed to meet the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and the New Jersey OMB's Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*. The auditor's report on the basic financial statements and combining and individual fund statements and schedules is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

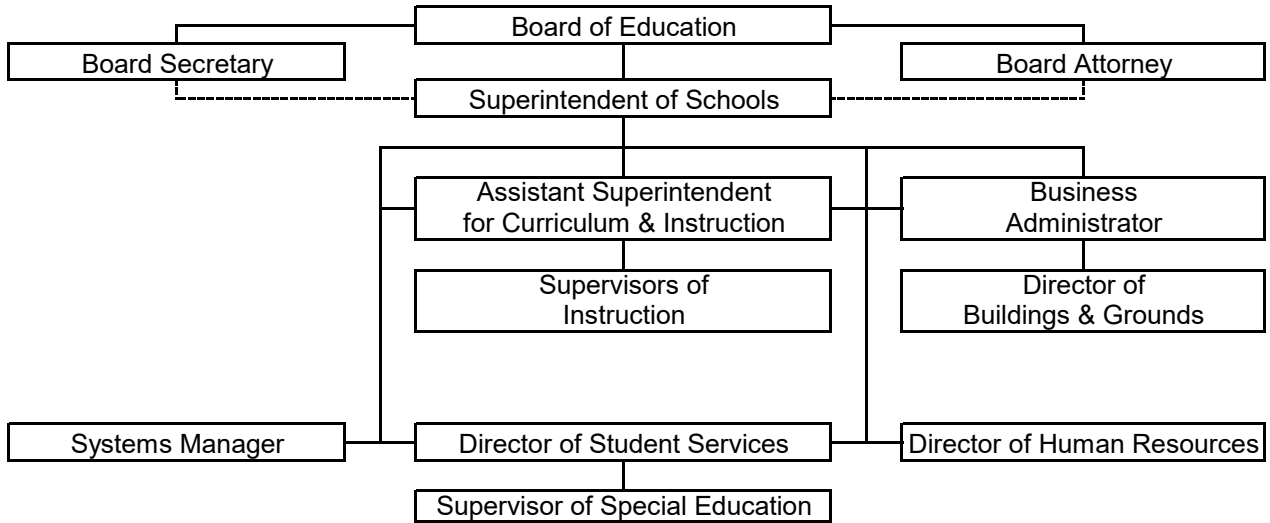
11. ACKNOWLEDGMENTS: We would like to express our appreciation to the members of the Cranford Township Board of Education for their diligence and concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development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

Respectfully submitted,



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

CRANFORD PUBLIC SCHOOL DISTRICT  
 ORGANIZATIONAL CHART  
 DISTRICT ADMINISTRATION



**CRANFORD PUBLIC SCHOOL DISTRICT  
ROSTER OF OFFICIALS  
JUNE 30, 2021**

**Members of the Board of Education**

**Term Expires\***

<b>Kurt Petschow, Jr.</b>	<b>President</b>	<b>2023</b>
<b>Lisa A. Carbone</b>	<b>Vice President</b>	<b>2023</b>
<b>Terry Darling</b>	<b>Member</b>	<b>2021</b>
<b>Brett Dreyer</b>	<b>Member</b>	<b>2022</b>
<b>William Hulse</b>	<b>Member</b>	<b>2021</b>
<b>Nicole Sherrin Kessler</b>	<b>Member</b>	<b>2022</b>
<b>Maria Loikith</b>	<b>Member</b>	<b>2021</b>
<b>Patrick A. Lynch</b>	<b>Member</b>	<b>2022</b>
<b>Kristen Mallon</b>	<b>Member</b>	<b>2023</b>

**Other Officials**

**Scott Rubin, Ed.D., Superintendent of Schools**

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

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

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

**Audit Firm**

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

**Attorney**

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

**Official Depository**

**Investors Bank  
105 North Avenue West  
Cranford, New Jersey 07016**

**Bond Counsel**

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

## **Financial Section**





## Independent Auditors' Report

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

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, and each major fund of the Board of Education of the Cranford Public School District ("District"), in the County of Union, State of New Jersey, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditors' Responsibility***

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

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

***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, business-type activities, and each major fund of the Cranford Public School District, in the County of Union, State of New Jersey, as of June 30, 2021 and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Emphasis of Matter***

We draw attention to Note 1W and Note 14 in the notes to financial statements which disclose the effects of the District's adoption of the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 84, *Fiduciary Activities*. Our opinion is not modified with respect to this matter.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of the District's proportionate share of the net pension liability-PERS, schedule of District contributions-PERS, schedule of the State's proportionate share of the net pension liability associated with the District-TPAF, schedule of State's proportionate share of the OPEB liability associated with the District and changes in the OPEB liability and related ratios and budgetary comparison information as presented in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

***Other Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements, long-term debt schedules and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis, as required by *Title 2 U.S. Code of Federal Regulation (CFR) Part 200, Uniform*

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

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*Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance)* and New Jersey State Office of Management and Budget Circular Letter 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*, respectively, and are not a required part of the basic financial statements.

The combining and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance are the responsibility of management and are derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the 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 and individual fund financial statements, long-term debt schedules, and the schedules of expenditures of federal awards and state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole.

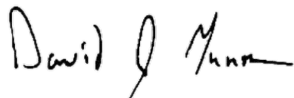
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by *Governmental Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 14, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*PKF O'Connor Davies, LLP*

March 14, 2022  
Cranford, New Jersey



David J. Gannon  
Licensed Public School Accountant No. 2305

## **Required Supplementary Information – Part I**

### **Management's Discussion and Analysis**

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

**MANAGEMENT DISCUSSION AND ANALYSIS (MD&A)  
June 30, 2021**

The Cranford Township Public School District (the "District") discussion and analysis is designed to provide an overview of the District's financial activities for the year ended June 30, 2021, identify changes in the District's financial position, identify any material deviations from the financial plan (the approved budget), and identify individual fund issues or concerns.

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

**FINANCIAL HIGHLIGHTS**

The key financial highlights for the 2020-2021 fiscal year include the following:

Total net position for governmental activities are reported at \$32,995,262.66 at June 30, 2021. This represents an increase of \$2,689,929.72 or 8.88% over the prior year reported net position, as reflected in Table 4, Changes in Net Position. This increase is primarily attributable to the excess of debt retirement over depreciation, as well as GASB 84, Fiduciary Activities, being implemented in the 2020-2021 school year. This statement requires that state and local governments now account for fiduciary activities in the governmental funds. As a result, the District's Unemployment and Payroll Agency Funds are now accounted for in the General Fund, and the Student Activity Funds are now accounted for in the Special Revenue Fund. Any net position in the former fiduciary funds is now included in the governmental funds. The District's business-type activities expenses exceeded revenues by \$101,282.08. This operating loss was a result of the District ceasing food service operations during the 2020-2021 school year, with the exception of serving meals to special education students who required in person learning, while still having to pay for fixed expenses without the revenues being received from normal cafeteria operations. The District was forced to transfer \$99,623.95 from the General Fund in order to maintain a positive Net Position in the Food Service Fund. The breakdown of these amounts is reflected in Schedule A-2 of the Government-wide Financial Statements. With the implementation of GASB 84 as stated above, the District's beginning Governmental Fund Balances were restated to include \$439,544.77 in Net Position from the fiduciary funds. The restated Governmental Fund Balance at July 1, 2020 is \$4,424,823.62. The District's Governmental Funds reported an increase in Fund Balance of \$2,724,637.25 to \$7,149,460.87 at year end. This increase is resulted primarily from the increase in the local tax levy, state source revenue, and federal source revenue year over year. The revenues, expenses, and changes in fund balances for the Governmental Funds are reflected in Exhibit B-2 of the financial statements.

The General or operating fund balance was reported for GAAP purposes at \$5,315,000.81, which represents an increase of \$2,832,968.46 over the prior year's Restated Fund Balance of \$2,482,032.35. Of this total, \$283,395.46 of excess surplus was appropriated toward the approved and adopted 2021-2022 budget.

An additional \$217,442.54 of Fund Balance has been assigned in support of the 2021-2022 budget, as well. The amount restricted for Capital Reserve remains at \$1.00 and \$266,176.08 of General Fund Balance was assigned to cover open purchase orders at year-end. Based upon the reduction imposed by S1701 in the calculation of maximum restricted fund balance that the District is allowed to retain, the amount of General Fund Balance required to be reserved for tax relief in the 2022-2023 budget is \$1,625,374.54. The Unassigned General Fund Balance is reported at \$2,922,611.19. State of New Jersey Senate Bill 2691 changed the percentage of unassigned surplus allowable under N.J.S.A. 18A:7F-7 from 2% to 4% for the 2020-2021 and 2021-2022 fiscal years. The District's General Fund Balance is at the maximum permitted under the Department of Education regulations based upon 4% of General Fund expenditures, with specified modifications.

The ending fund balance was impacted by the non-recognition, on a GAAP basis, of net State Aid payments deferred to July 2021 in the amount of \$287,757.00 in the General Fund that were due at June 30, 2021 but not yet funded by the State of New Jersey as of that date. Total spending for all governmental funds during 2020-2021 was \$81,583,284.56. Total revenues for all governmental funds were \$83,685,937.56, resulting in an excess of revenues over expenditures of \$2,102,653.00 for the year. This excess is primarily the result of the increase in the local tax levy, state source revenue, and federal source revenue year over year. Please note proceeds from the sale of financings are not included in revenues whereas the spending related to the capital projects are included in the expenditures reported. Revenues included \$18,725,492.47 in state and federal aid and \$60,885,158.00 in local taxes.

## OVERVIEW OF THE FINANCIAL STATEMENTS

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

- The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operations in more detail than the District-wide statements.
- The governmental funds statements tell how basic services such as regular and special education were financed in the short term as well as what remains for future spending.
- Proprietary funds statements offer short- and long-term financial information about the activities the District operated like businesses, such as food services.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

**Figure A-1**  
***Organization of the School District Annual Financial Report***

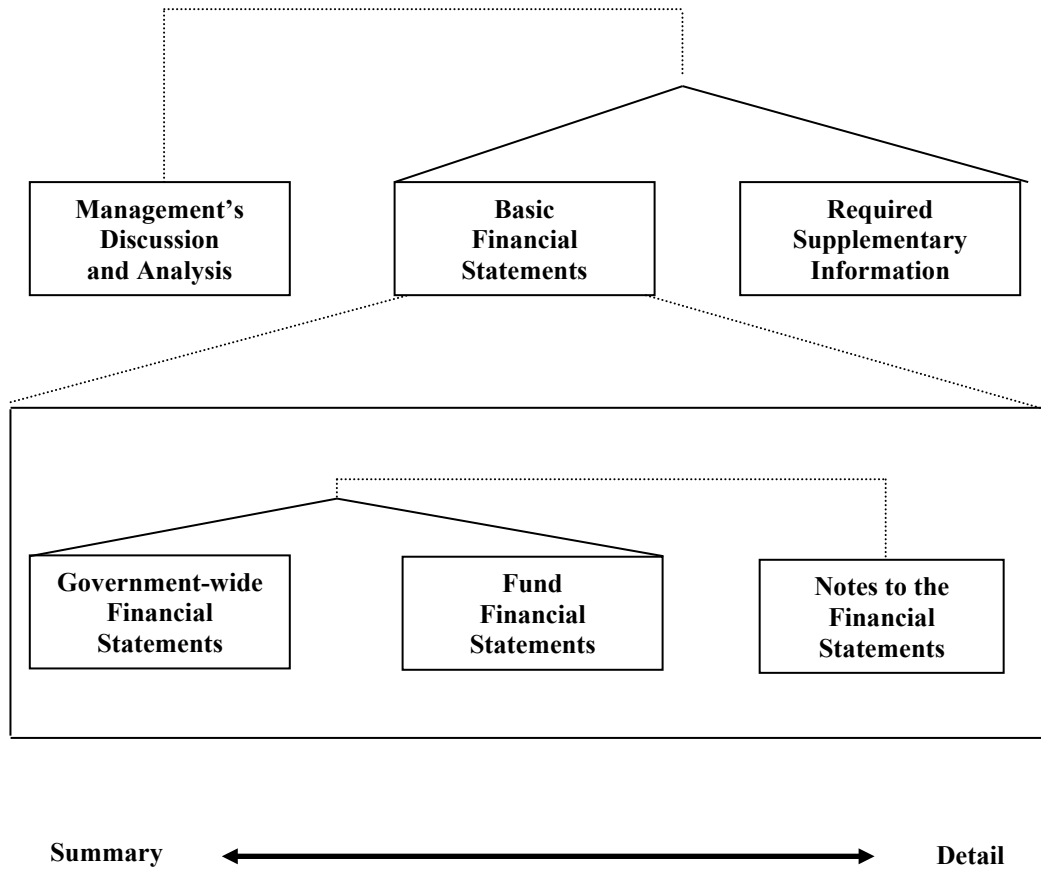


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights that structure and contents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

Figure A-2 Major Features of the Government-Wide and Fund Financial Statements			
	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire District	The activities of the District that are not proprietary, such as special education and building maintenance	Activities the District operates similar to private businesses: food services
Required financial Statements	<ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of activities</li> </ul>	<ul style="list-style-type: none"> <li>Balance Sheet</li> <li>Statement of revenues, expenditures, and changes in fund balances</li> </ul>	<ul style="list-style-type: none"> <li>Statement of net position</li> <li>Statement of revenues, expenses and changes in net position</li> <li>Statement of cash flows</li> </ul>
Accounting Basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus
Type of asset / liability information	All assets, liabilities, Deferred inflows/outflows of resources, financial and capital, short-term and long term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term
Type of inflow/out-flow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable	All revenues and expenses during the year, regardless of when cash is received or paid



## **Government-wide Statements**

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

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider that the School District's goal is to provide services to students, not to generate profit as commercial entities do. One must consider many other non-financial factors, such as the quality of the education provided and the safety of the schools to assess the overall health of the District.

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

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

## **Fund Financial Statements**

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

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

The District has two kinds of funds:

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

## **FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The School District's Governmental Activities net position was \$32,995,262.66 at June 30, 2021. Of this amount, a deficit amount of \$17,213,695.27 was reported as Unrestricted Net Position, primarily due to GASB Statement No. 68 accounting and reporting requirements for the PERS and TPAF defined benefit pension systems. Restricted net positions are reported separately to show legal constraints from debt covenants and enabling legislation that limit the School District's ability to use those net assets for day-to-day operations. The District's Business-Type Activities net position was \$677.89 at June 30, 2021, all of which was reported as unrestricted net position. Our analysis below focuses on the net position (Table - 3) and change in net position (Table - 4) of the District's government-wide activities.

**Table - 3**  
**Net Position**

**A. Governmental Activities**

	June 30		Amount Difference	% Increase (Decrease)
	2021	2020 (Restated)		
Assets				
Current and other assets	\$ 10,124,218.21	\$ 7,412,380.63	\$ 2,711,837.58	36.59%
Capital assets	54,978,330.41	55,630,524.02	(652,193.61)	-1.17%
Total assets	65,102,548.62	63,042,904.65	2,059,643.97	3.27%
Deferred outflows of resources	2,478,110.00	3,133,317.00	(655,207.00)	-20.91%
Total deferred outflows of resources	2,478,110.00	3,133,317.00	(655,207.00)	-20.91%
Current and other liabilities	4,969,720.01	4,902,589.11	67,130.90	1.37%
Long-term liabilities	23,757,874.95	25,203,193.60	(1,445,318.65)	-5.73%
Total liabilities	28,727,594.96	30,105,782.71	(1,378,187.75)	-4.58%
Deferred inflows of resources	5,857,801.00	5,765,106.00	92,695.00	1.61%
Total deferred inflows of resources	5,857,801.00	5,765,106.00	92,695.00	1.61%
Net Position:				
Net investment in capital assets	46,465,732.80	46,832,587.63	(366,854.83)	-0.78%
Restricted	3,743,225.13	2,316,992.13	1,426,233.00	61.56%
Unrestricted	(17,213,695.27)	(18,844,246.82)	1,630,551.55	-8.65%
Total net position	\$ 32,995,262.66	\$ 30,305,332.94	\$ 2,689,929.72	8.88%

**B. Business-Type Activities**

	June 30		Amount Difference	% Increase (Decrease)
	2021	2020		
Assets				
Current and other assets	\$ 26,598.48	\$ 25,170.38	\$ 1,428.10	5.67%
Capital assets	1,274.46	1,274.46	(1,274.46)	-100.00%
Total Assets	26,598.48	26,444.84	153.64	0.58%
Liabilities				
Current and other liabilities	25,920.59	24,108.82	1,811.77	7.51%
Total Liabilities	25,920.59	24,108.82	1,811.77	7.51%
Net Position				
Investment in capital assets		1,274.46	(1,274.46)	-100.00%
Unrestricted	677.89	1,061.56	(383.67)	-36.14%
<b>Total Net Position</b>	\$ 677.89	\$ 2,336.02	\$ (1,658.13)	-70.98%

**Table - 4**  
**Change in Net Position**

	<u>Governmental Activities</u>		<u>Amount Difference</u>	<u>% Increase Decrease</u>
	<u>2021</u>	<u>2020</u>		
<b>Revenues:</b>				
Program revenue:				
State grants & entitlements	\$ 1,793,719.16	\$ 1,284,523.24	\$ 509,195.92	39.64%
Charges for services	3,750,805.84	3,646,805.28	104,000.56	2.85%
General revenue:				
Local tax levy	60,885,158.00	59,703,596.00	1,181,562.00	1.98%
Federal and state aid	25,991,671.32	18,210,652.23	7,781,019.09	42.73%
Miscellaneous revenues	265,748.24	216,767.48	48,980.76	22.60%
Total revenues	\$ <u>92,687,102.56</u>	\$ <u>83,062,344.23</u>	\$ <u>9,624,758.33</u>	11.59%
<b>Functions/Program Expenses:</b>				
Instruction:				
Regular programs	\$ 36,688,575.90	\$ 32,208,119.75	\$ 4,480,456.15	13.91%
Special programs	13,935,786.71	13,673,538.50	262,248.21	1.92%
Other instructional programs	2,049,829.97	1,899,371.52	150,458.45	7.92%
Support Services:				
Student services	14,357,634.65	11,912,167.54	2,445,467.11	20.53%
Tuition	4,565,767.00	4,793,730.96	(227,963.96)	-4.76%
Instructional staff support:				
General administration and business services	2,503,597.22	1,151,102.54	1,352,494.68	117.50%
School administration	5,603,820.00	5,142,062.76	461,757.24	8.98%
Plant services	7,855,980.83	8,965,251.89	(1,109,271.06)	-12.37%
Student transportation services	2,055,307.44	1,959,233.32	96,074.12	4.90%
Interest on long-term debt	281,249.17	296,782.50	(15,533.33)	-5.23%
Total expenses	\$ <u>89,897,548.89</u>	\$ <u>82,001,361.28</u>	\$ <u>7,896,187.61</u>	9.63%
Transfers (From) or To	<u>(99,623.95)</u>	<u>98,882.76</u>	<u>(198,506.71)</u>	-200.75%
Increase in net position	\$ <u>2,689,929.72</u>	\$ <u>1,159,865.71</u>	\$ <u>1,530,064.01</u>	131.92%

**Table - 4**  
**Change in Net Position**

	<u>Business-Type Activities</u>		<u>Amount Difference</u>	<u>% Increase Decrease</u>
	<u>2021</u>	<u>2020</u>		
<b>Revenues:</b>				
Program revenue				
Charges for Services	\$ 9,520.76	\$ 647,137.16	\$ (637,616.40)	-98.53%
Miscellaneous revenues	<u>9.44</u>	<u>753.06</u>	<u>(743.62)</u>	-98.75%
<b>Total revenues</b>	\$ <u>9,530.20</u>	\$ <u>647,890.22</u>	\$ <u>(638,360.02)</u>	-98.53%
<b>Business-Type Activities :</b>				
Food Service	<u>110,812.28</u>	<u>673,800.97</u>	<u>(562,988.69)</u>	-83.55%
<b>Total expenses</b>	\$ <u>110,812.28</u>	\$ <u>673,800.97</u>	\$ <u>(562,988.69)</u>	-83.55%
Transfers (From) or To	<u>99,623.95</u>	<u>38,439.24</u>	<u>61,184.71</u>	159.17%
<b>(Decrease)/Increase in net position</b>	\$ <u>(1,658.13)</u>	\$ <u>12,528.49</u>	\$ <u>(14,186.62)</u>	-113.23%

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

As the School District completed this year, our governmental funds reported a combined fund balance of \$7,149,460.87, which is an increase of \$2,724,637.25 from last year. This amount includes the General Fund (increase of \$2,832,968.46), Special Revenue Fund (decrease of \$108,331.71), and Debt Service Fund (increase of \$0.50). The primary reasons for the increases/decreases are:

1. GASB Statement No. 84, Fiduciary Activities, being implemented for the 2020-2021 school year. This statement requires that state and local governments now account for fiduciary activities in the governmental funds.
2. Favorable budget variance of the General Fund Balance
3. Increase in Tax Levy and State Aid revenues from the prior year.
4. Expenditures in the Student Activities Funds greater than the revenues received during the year causing the Special Revenue Fund Balance to decrease

### **General Fund Budgetary Highlights**

Over the course of the year, the School District revises its budget as it attempts to deal with unexpected changes in revenues and expenditures. Budget changes/transfers are approved by the Board of Education throughout the year. Although the District's projected budget for the General Fund anticipated that revenues and expenditures would be roughly equal, the actual results for the year show a surplus. Actual revenues reflect a positive variance of \$13.386 million. This is primarily due to the non-budgeted employer on-behalf TPAF pension, post-retirement medical and social security contributions of \$12.986 million made by the State of New Jersey. Excluding these on-behalf TPAF contributions, revenues had a positive variance of \$399,798.34. This is primarily due to actual revenues for Extraordinary Aid and Non-Public Transportation Aid being more than originally budgeted netted by actual Tuition revenues being less than the budgeted amount.

Actual expenditures reflect a negative variance of \$10.177 million even though all budget lines show a positive variance. This is primarily due to the non-budgeted employer on-behalf TPAF pension, post-retirement medical and social security contributions of \$12.986 million made by the State of New Jersey. Excluding these on-behalf TPAF contributions from the State, there is a positive variance of \$2.809 million. However, there were non-budgeted capital lease acquisitions made for copiers and District-wide security systems totaling \$721,608.20 made during the year, as well as a transfer of \$99,623.95 made to the Food Service Fund to cover the deficit in that fund.

Exhibit C-1 provides a breakdown of the budget line items included in the District's approved 2020-21 budget and the variances in actual revenues and expenditures. Revenue realization for the 2020-21 school year was positive for governmental activities when compared to the 2019-20 school year. A conversion schedule from the budgetary basis to the GAAP basis follows. As shown in Table 4 (GAAP Basis), the Tax needed to support the District's budget increased by 1.9% for the 2020-21 school year. The largest non-tax revenue of the District during the year was from Federal and State Aid, which amounted to \$25.991 million or 42.73 % more than the preceding year.

This increase is mostly attributable to the additional grants and aid the District received to help combat the COVID-19 Pandemic during the 2020-2021 school year. Table- 5 compares governmental fund type revenues and expenditures for the current and prior year.

**Table - 5**  
**Governmental Fund Type Revenues and Expenditures**

	<u>Year Ended June 30</u>		<b>Increase</b>	<b>Increase</b>
	<u>2021</u>	<u>2020</u>	<b>(Decrease)</b>	<b>(Decrease)</b>
			<b>\$</b>	<b>%</b>
<b>Revenue by Source:</b>				
Local Tax Levy	\$ 60,885,158.00	\$ 59,703,596.00	\$ 1,181,562.00	2.0%
Tuition Charges	3,464,051.69	3,646,805.28	(182,753.59)	-5.0%
Miscellaneous	265,748.24	216,767.48	48,980.76	22.6%
Local Sources	345,487.16	114,990.00	230,497.16	200.4%
State Sources	17,151,475.87	14,282,058.81	2,869,417.06	20.1%
Federal Sources	1,574,016.60	1,051,758.66	522,257.94	49.7%
<b>Total Revenues</b>	<b><u>\$ 83,685,937.56</u></b>	<b><u>\$ 79,015,976.23</u></b>	<b><u>\$ 4,669,961.33</u></b>	5.9%
<b>Function/Program Expenditures:</b>				
Instruction				
Regular Instruction	\$ 20,698,428.93	\$ 19,508,253.61	\$ 1,190,175.32	6.1%
Special Education Instruction	7,394,188.69	7,417,524.40	(23,335.71)	-0.3%
Other Special Instruction	188,450.23	680,762.04	(492,311.81)	-72.3%
Other Instruction	1,244,768.78	1,231,092.15	13,676.63	1.1%
Support Services				
Tuition	4,450,927.00	4,675,253.96	(224,326.96)	-4.8%
Student & Instruction Related Services	8,627,156.75	7,460,085.10	1,167,071.65	15.6%
School Administrative Services	3,066,191.66	3,052,701.04	13,490.62	0.4%
Other Administrative Services	847,123.82	894,729.04	(47,605.22)	-5.3%
Central Services	921,153.80	893,507.29	27,646.51	3.1%
Administrative Information Technology	383,113.32	359,505.87	23,607.45	6.6%
Plant Operations and Maintenance	5,161,956.88	5,189,192.46	(27,235.58)	-0.5%
Pupil Transportation	1,927,744.68	1,849,244.26	78,500.42	4.2%
Unallocated Benefits	25,006,580.11	23,254,390.58	1,752,189.53	7.5%
Debt Service:				
Principal	580,000.00	560,000.00	20,000.00	3.6%
Interest and Other Charges	283,907.50	299,232.50	(15,325.00)	-5.1%
Capital Outlay	801,592.41	186,254.96	615,337.45	330.4%
<b>Total</b>	<b><u>\$ 81,583,284.56</u></b>	<b><u>\$ 77,511,729.26</u></b>	<b><u>\$ 4,071,555.30</u></b>	5.3%

The Cost of Governmental Funds Activities (see Table 5, above) this year was \$81.583 million or a 5.3% increase from the preceding year. The primary drivers for this increase were costs for Regular Instruction, which increased by \$1,190,175.32, Student & Instruction Related Services, which increased by \$1,167,071.65, Unallocated Employee Benefits, which increased by \$1,752,189.53, and Capital Outlay costs, which increased by \$615,337.45. The reported increase in unallocated employee benefits is entirely attributable to an increase in the contributions made by the State of New Jersey into the Teachers' Pension and Annuity Fund and the State Health Benefits Fund on-behalf of the District as required by the state constitution. That increase is also reflected in the year-to-year increase in state aid revenues.

Increased costs were funded by increases in property tax and state aid revenues. As shown on the Statement of Activities (financial statement A-2) our taxpayers ultimately financed \$60.885 million of those activities through property taxes, which reflect only a 1.98 % increase over the prior year. As shown above, \$17.151 million of the revenues, which support governmental activities, were received from the State of New Jersey. Of that amount \$12.986 million represents on-behalf contributions for the District's (employer) share of TPAF (Teachers' Pension & Annuity Fund) pension, retiree health benefits and employer social security and Medicare contributions as prescribed by state statute.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

At June 30, 2021, the School District reported \$136,005,552.52 invested in a broad range of capital assets, including land, buildings, building improvements, other improvements, machinery, furniture and equipment. This amount represents a net increase (including additions and retirements) of \$651.247.41, or approximately 0.48% percent, from the prior year. These amounts do not include depreciation. Table 6 details the composition of capital assets at June 30<sup>th</sup> of the current and prior year and the net changes for the current year.



**Table - 6**  
**Governmental Activity Capital Assets at Year-End**

	<u>FY 2021</u>	<u>FY 2020</u>	<u>Increase</u>
Land	\$ 41,197,641.00	\$ 41,197,641.00	
Buildings and Building Improvements	87,384,920.25	87,371,236.25	\$ 13,684.00
Improvements Other than Buildings	518,661.00	518,661.00	
Machinery & Vehicles	6,904,330.27	6,266,766.86	637,563.41
<b>Total</b>	<u>\$ 136,005,552.52</u>	<u>\$ 135,354,305.11</u>	<u>\$ 651,247.41</u>

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

**Long-Term Debt**

At the end of this year, the School District had \$7,488,000 in bonds outstanding versus \$8,068,000 last year – a decrease of 7.2%. The District had \$1,024,597.61 in capital leases outstanding versus \$729,936.39 the previous year – an increase of 40.3%. The summary of year-end long-term debt and changes for the 2020-2021 school year is as follows:

**Table - 7**  
**Outstanding Long-Term Debt at Year-End**

	<u>Governmental Activities</u>		<u>(Decrease)</u>
	<u>2021</u>	<u>2020</u>	<u>Increase</u>
School Serial Bonds Payable	\$ 7,488,000.00	\$ 8,068,000.00	\$ (580,000.00)
Other Long Term Debt:			
Net Pension Liability	13,367,917.00	14,650,703.00	(1,282,786.00)
Compensated Absences Payable	2,887,934.26	2,724,177.22	163,757.04
Obligations Under Capital Lease	1,024,597.61	729,936.39	294,661.22
<b>Total</b>	<u>\$ 24,768,448.87</u>	<u>\$ 26,172,816.61</u>	<u>\$ (1,404,367.74)</u>

The School District's general obligation bond rating continues to be above investment grade. The state limits the amount of general obligation debt that Districts can issue to 4% (for K through 12 districts) of the most recent three-year average state equalized assessed value of the taxable property within the School District's corporate limits. The School District's outstanding and authorized but not issued general obligation debt of \$7,488,000 at June 30, 2021 is significantly below the \$187,623,475.71 statutorily-imposed limit. See the Notes to the Financial Statements and Schedule J-13 for additional information.

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

### FACTORS AFFECTING THE DISTRICT'S FUTURE

- The financial position of the District remains in a good and stable condition despite the difficult economic times. However, maintaining existing programs with enrollment needs, provisions of the multitude of programs/services legally required for special needs pupils, unfunded federal and state mandates and the cost of employee benefits place a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.
- The state made significant cuts in aid to the District's 2010-2011 budget in the amount of \$2,594,245. This cut in the 2010-2011 budget represented 5% of the District's overall budget. Even though unrestricted state aid has been increased through the 2020-2021 budget cycle, and even with an additional \$106,753 in state aid in the 2020-2021 budget, the District is still dealing with a net loss of \$505,079 in state aid since 2009-2010 funding levels. There is no guarantee, based upon the current economic conditions that state aid levels will continue in the future. Also, the state currently only funds approximately 5% of the overall District budget. The incremental effect of the continued under funding of education, including unfunded federal and state mandates, continues to increase the reliance on local tax revenues to sustain the existing educational programs.
- Budget cap law, P.L. 2010, c. 44, effective July 13, 2010 (the "New Cap Law"), further provides limitations on a school district spending by limiting the amount a school district can raise for school district purposes through the property tax levy by two percent (2%) over the prior year's tax levy. The New Cap Law provides for certain adjustments to the tax levy cap for specific circumstances relating to enrollment increases, health care cost increases and increases in amounts for certain normal and accrued liability pension contributions. However, any utilization of these adjustments will result in an increased local tax burden upon the property owners of Cranford.

- The passage of S-1701 required all districts to reduce surplus to the greater of 2% or \$100,000 in 2005-2006 and maintained a reduced surplus of 2% starting in the 2006-2007 fiscal year. However, on March 15, 2021, Governor Phil Murphy signed into law State of New Jersey Senate Bill 2691 and changed the percentage of unassigned surplus allowable under *N.J.S.A 18A:7F-7* to 4% for the 2020-2021 and 2021-2022 fiscal years. The law's surplus restriction runs contrary to sound financial principles, which have served as the basis for previous, long-standing state Department of Education policy. This restriction also undermines needed flexibility for long-term District planning. Until the enactment of S-1701, state statute permitted school districts, such as Cranford, to establish surplus accounts that ranged between 3% and 6%. Further, the state Department of Education's previous policy and administrative code required school districts to obtain state permission to budget surplus below the 3% maximum. Inadequate reserves place school districts in a precarious financial position as they could find themselves ill prepared to deal with unanticipated expenditures that may lead to a budgetary crisis. Furthermore, the drawing down of District surplus through forced utilization of budgeted fund balance generates automatic revenue shortfalls in subsequent budgets and drives the need to offset such shortfalls through increases in the tax levy or cut other areas such as instructional programming or maintenance.

#### CONTACTING THE SCHOOL DISTRICT'S FINANCIAL MANAGEMENT

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

## **Basic Financial Statements**

## **Government-wide Financial Statements**

The government-wide financial statements provide a financial overview of the District's operations. These financial statements present the financial position and operating results of all governmental activities and business-type activities as of and for the year ended June 30, 2021.

CRANFORD PUBLIC SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
JUNE 30, 2021

	Governmental Activities	Business-type Activities	Total
<u>ASSETS</u>			
Cash and cash equivalents	\$ 7,420,272.86	\$ 11,522.71	\$ 7,431,795.57
Receivables, net	2,076,909.33	659.44	2,077,568.77
Receivables from other funds	(4,500.51)	4,500.51	
Inventory		9,915.82	9,915.82
Restricted assets:			
Funds held by trustee	631,536.53		631,536.53
Capital assets, non-depreciable	41,197,641.00		41,197,641.00
Capital assets, depreciable, net	13,780,689.41		13,780,689.41
	65,102,548.62	26,598.48	65,129,147.10
<u>DEFERRED OUTFLOW OF RESOURCES</u>			
Pension deferrals	2,478,110.00		2,478,110.00
	2,478,110.00		2,478,110.00
<u>LIABILITIES</u>			
Accounts payable	1,822,892.14	4,500.51	1,827,392.65
Accrued interest payable	45,988.75		45,988.75
Accrued salaries	1,609,399.77		1,609,399.77
Due to grantor	23,847.90		23,847.90
Unearned revenue	110,146.39	21,420.08	131,566.47
Payroll deductions & withholdings payable	314,560.02		314,560.02
Other liabilities	32,311.12		32,311.12
Noncurrent liabilities:			
Due within one year	1,010,573.92		1,010,573.92
Due beyond one year	10,389,957.95		10,389,957.95
Net pension liability	13,367,917.00		13,367,917.00
	28,727,594.96	25,920.59	28,753,515.55
<u>DEFERRED INFLOW OF RESOURCES</u>			
Pension deferrals	5,857,801.00		5,857,801.00
	5,857,801.00		5,857,801.00
<u>NET POSITION</u>			
Net Investment in capital assets	46,465,732.80		46,465,732.80
Restricted for:			
Excess surplus - current year	1,625,374.54		1,625,374.54
Excess surplus - prior year	283,395.46		283,395.46
Capital reserve	1.00		1.00
Capital projects	1,594,050.90		1,594,050.90
Reserve for student activities	240,403.23		240,403.23
Unrestricted (deficit)	(17,213,695.27)	677.89	(17,213,017.38)
	\$ 32,995,262.66	\$ 677.89	\$ 32,995,940.55

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

CRANFORD PUBLIC SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-type Activities	Total
<b>Governmental activities:</b>						
Instruction:						
Regular	\$ 36,688,575.90	\$ 3,464,051.69	\$ 311,689.70	\$ (32,912,834.51)	\$	\$ (32,912,834.51)
Special education	13,588,714.49			(13,588,714.49)		(13,588,714.49)
Other special instruction	347,072.22			(347,072.22)		(347,072.22)
Other instruction	2,049,829.97			(2,049,829.97)		(2,049,829.97)
Support services:						
Tuition	4,565,767.00			(4,565,767.00)		(4,565,767.00)
Student & instruction related services	14,357,634.65	286,754.15	1,477,229.46	(12,593,651.04)		(12,593,651.04)
School administrative services	5,603,820.00			(5,603,820.00)		(5,603,820.00)
General and business administrative services	2,503,597.22			(2,503,597.22)		(2,503,597.22)
Plant operations and maintenance	7,855,980.83		4,800.00	(7,851,180.83)		(7,851,180.83)
Pupil transportation	2,055,307.44			(2,055,307.44)		(2,055,307.44)
Interest on long-term debt	281,249.17			(281,249.17)		(281,249.17)
Total governmental activities	<u>89,897,548.89</u>	<u>3,750,805.84</u>	<u>1,793,719.16</u>	<u>(84,353,023.89)</u>		<u>(84,353,023.89)</u>
<b>Business-type activities:</b>						
Food Service	110,812.28	9,520.76			(101,291.52)	(101,291.52)
Total business-type activities	<u>110,812.28</u>	<u>9,520.76</u>	<u>-</u>		<u>(101,291.52)</u>	<u>(101,291.52)</u>
Total primary government	<u>\$ 90,008,361.17</u>	<u>\$ 3,760,326.60</u>	<u>\$ 1,793,719.16</u>	<u>\$ (84,353,023.89)</u>	<u>\$ (101,291.52)</u>	<u>\$ (84,454,315.41)</u>
<b>General revenues:</b>						
Taxes:						
				\$ 60,021,250.00		\$ 60,021,250.00
				863,908.00		863,908.00
				25,991,671.32		25,991,671.32
				265,619.99	\$ 9.44	265,629.43
				128.25		128.25
				(99,623.95)	99,623.95	-
				<u>87,042,953.61</u>	<u>99,633.39</u>	<u>87,142,587.00</u>
				2,689,929.72	(1,658.13)	2,688,271.59
				30,305,332.94	2,336.02	30,307,668.96
				<u>\$ 32,995,262.66</u>	<u>\$ 677.89</u>	<u>\$ 32,995,940.55</u>

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

## **Fund Financial Statements**



## **Governmental Funds**

CRANFORD PUBLIC SCHOOL DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Assets:</b>					
Cash and Cash Equivalents	\$ 5,517,863.13	\$ 308,352.90	\$ 1,594,050.90	\$ 5.93	\$ 7,420,272.86
Accounts Receivable:					
State	1,056,165.00				1,056,165.00
Federal		445,856.04			445,856.04
Other Intergovernmental	539,829.07				539,829.07
Other	34,059.22	1,000.00			35,059.22
Interfund	409,014.31				409,014.31
Restricted Assets:					
Funds Held by Trustee	631,536.53				631,536.53
<b>Total Assets</b>	<b>\$ 8,188,467.26</b>	<b>\$ 755,208.94</b>	<b>\$ 1,594,050.90</b>	<b>\$ 5.93</b>	<b>\$ 10,537,733.03</b>
<b>Liabilities and Fund Balances:</b>					
<b>Liabilities:</b>					
Accounts Payable	\$ 856,334.93	\$ 28,157.21	\$ -	\$ -	\$ 884,492.14
Intergovernmental Payable		23,847.90			23,847.90
Accrued Salaries and Benefits	1,590,523.17	18,876.60			1,609,399.77
Payroll Deductions & Withholdings Payable	314,560.02				314,560.02
Interfund Payable	4,500.51	409,014.31			413,514.82
Unearned Revenue	75,236.70	34,909.69			110,146.39
Other Current Liabilities	32,311.12				32,311.12
<b>Total Liabilities</b>	<b>2,873,466.45</b>	<b>514,805.71</b>			<b>3,388,272.16</b>
<b>Fund Balances:</b>					
<b>Restricted For:</b>					
Capital Projects			1,594,050.90		1,594,050.90
Debt Service				2.93	2.93
Excess Surplus - Current Year	1,625,374.54				1,625,374.54
Excess Surplus - Designated for Subsequent Year Expenditures	283,395.46				283,395.46
Capital Reserve	1.00				1.00
Student Activities		240,403.23			240,403.23
<b>Assigned:</b>					
Other Purposes	266,176.08				266,176.08
Designated for Subsequent Year's Expenditures	217,442.54			3.00	217,445.54
Unassigned	2,922,611.19				2,922,611.19
<b>Total Fund Balances</b>	<b>5,315,000.81</b>	<b>240,403.23</b>	<b>1,594,050.90</b>	<b>5.93</b>	<b>7,149,460.87</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 8,188,467.26</b>	<b>\$ 755,208.94</b>	<b>\$ 1,594,050.90</b>	<b>\$ 5.93</b>	<b>\$ 10,537,733.03</b>

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 \$136,005,552.52 and the accumulated depreciation is \$81,027,222.11.	54,978,330.41
Accrued interest on long-term debt is not due and payable in the current period and therefore is not reported as a liability in the funds.	(45,988.75)
Long-term liabilities, including bonds payable, capital leases and compensated absences are not due and payable in the current period and therefore are not reported as liabilities in the funds.	(11,400,531.87)
Deferred pension costs in governmental activities are not financial resources and are therefore not reported in the funds.	(3,379,691.00)
Accrued pension contributions for the June 30, 2021 plan year end are not paid with current economic resources and are therefore not reported as a liability in the funds, but are included in the accounts payable in the government-wide statement of net position.	(938,400.00)
Net pension liability is not due and payable in the current period and therefore is not reported as a liability in the funds.	(13,367,917.00)
<b>Net position of governmental activities</b>	<b>\$ 32,995,262.66</b>

CRANFORD PUBLIC SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGE IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>Revenues:</b>					
Local Tax Levy	\$ 60,021,250.00	\$	\$	\$ 863,908.00	\$ 60,885,158.00
Tuition Charges	3,464,051.69				3,464,051.69
Other Restricted Miscellaneous Revenue	128.25				128.25
Miscellaneous	265,619.99				265,619.99
Local Sources		345,487.16			345,487.16
State Sources	16,979,876.16	171,599.71			17,151,475.87
Federal Sources	10,630.16	1,563,386.44			1,574,016.60
<b>Total Revenues</b>	<b>80,741,556.25</b>	<b>2,080,473.31</b>	<b>-</b>	<b>863,908.00</b>	<b>83,685,937.56</b>
<b>Expenditures:</b>					
<b>Current:</b>					
Regular Instruction	20,386,739.23	311,689.70			20,698,428.93
Special Education Instruction	7,394,188.69				7,394,188.69
Other Special Instruction	188,450.23				188,450.23
Other Instruction	1,244,768.78				1,244,768.78
<b>Support Services and Undistributed Costs:</b>					
Tuition	3,596,367.00	854,560.00			4,450,927.00
Student and Instruction Related Services	7,632,170.77	994,985.98			8,627,156.75
School Administrative Services	3,066,191.66				3,066,191.66
Other Administrative Services	2,151,390.94				2,151,390.94
Plant Operations and Maintenance	5,161,956.88				5,161,956.88
Pupil Transportation	1,927,744.68				1,927,744.68
Unallocated Benefits	24,983,810.77	22,769.34			25,006,580.11
<b>Debt Service:</b>					
Principal				580,000.00	580,000.00
Interest and Other Charges				283,907.50	283,907.50
Capital Outlay	796,792.41	4,800.00			801,592.41
<b>Total Expenditures</b>	<b>78,530,572.04</b>	<b>2,188,805.02</b>	<b>-</b>	<b>863,907.50</b>	<b>81,583,284.56</b>
<b>Excess (Deficiency) of Revenues over Expenditures</b>	<b>2,210,984.21</b>	<b>(108,331.71)</b>	<b>-</b>	<b>0.50</b>	<b>2,102,653.00</b>
<b>Other Financing Sources (Uses):</b>					
Transfers Out - Food Service Fund	(99,623.95)				(99,623.95)
Capital Leases	721,608.20				721,608.20
<b>Total Other Financing Sources and Uses</b>	<b>621,984.25</b>	<b>0.00</b>	<b>-</b>	<b>-</b>	<b>621,984.25</b>
<b>Net Change in Fund Balances</b>	<b>2,832,968.46</b>	<b>(108,331.71)</b>	<b>-</b>	<b>0.50</b>	<b>2,724,637.25</b>
Fund Balance- July 1	2,391,222.52	-	1,594,050.90	5.43	3,985,278.85
Prior Period Adjustment	90,809.83	348,734.94	-	-	439,544.77
<b>Fund Balance - July 1 (Restated)</b>	<b>2,482,032.35</b>	<b>348,734.94</b>	<b>1,594,050.90</b>	<b>5.43</b>	<b>4,424,823.62</b>
<b>Fund Balance - June 30</b>	<b>\$ 5,315,000.81</b>	<b>\$ 240,403.23</b>	<b>\$ 1,594,050.90</b>	<b>\$ 5.93</b>	<b>\$ 7,149,460.87</b>

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

CRANFORD PUBLIC SCHOOL DISTRICT  
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
 AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
 TO THE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2021

Total net change in fund balances - governmental funds (from B-2)	\$	2,724,637.25
Amounts reported for governmental activities in the statement of activities (A-2) are different because:		
Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation exceeded capital outlays in the period.		
	Depreciation expense \$	(1,416,784.80)
	Capital outlays	<u>801,592.41</u>
		(615,192.39)
Repayment of bond and lease obligation (long-term debt) principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position and is not reported in the statement of activities.		
	Payment of bond principal	580,000.00
	Capital lease payment	<u>426,946.98</u>
		1,006,946.98
Proceeds from debt issues are a financing source in the governmental funds. They are not revenue in the statement of activities; issuing debt increases long-term liabilities in the statement of net position.		
Proceeds of long-term debt		
	Capital lease proceeds	(721,608.20)
In the statement of activities, only the gain on the disposal of capital assets is reported, whereas in the governmental funds, the proceeds from a sale increase financial resources. Thus, the change in net position will differ from the change in fund balance by the cost of the asset removed. (-)		
		(37,001.22)
In the statement of activities, interest on long-term debt in the statement of activities is accrued, regardless of when due. In the governmental funds, interest is reported when due. The accrued interest is an addition in the reconciliation. (+)		
		2,658.33
Pension expenditures in the governmental funds are recognized when paid or payable from expendable available financial resources. In the statement of activities, pension costs are recognized on a full accrual basis utilizing actuarial valuations. The amount by which actuarially calculated pension expense exceeds the expenditure reported in the funds is a deduction.		
		493,246.00
In the statement of activities, certain operating expenses, e.g., compensated absences (vacations) are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation (-); when the paid amount exceeds the earned amount the difference is an addition to the reconciliation (+).		
		<u>(163,757.03)</u>
Change in net position of governmental activities (A-2)	\$	<u><u>2,689,929.72</u></u>

## **Proprietary Funds**

CRANFORD PUBLIC SCHOOL DISTRICT  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
JUNE 30, 2021

	<u>Major Fund Enterprise Fund Food Service</u>
Assets:	
Current Assets:	
Cash and Cash Equivalents	\$ 11,522.71
Accounts Receivable	
Other	659.44
Interfund	4,500.51
Inventories	<u>9,915.82</u>
Total Current Assets	<u>26,598.48</u>
Noncurrent Assets:	
Furniture, Machinery & Equipment	241,803.35
Less Accumulated Depreciation	<u>(241,803.35)</u>
Total Noncurrent Assets	<u>0.00</u>
Total Assets	<u>26,598.48</u>
Liabilities:	
Current Liabilities:	
Accounts Payable	4,500.51
Unearned Revenue	<u>21,420.08</u>
Total Current Liabilities	<u>25,920.59</u>
Total Liabilities	<u>25,920.59</u>
Net Position:	
Unrestricted (Deficit)	<u>\$ 677.89</u>

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

CRANFORD PUBLIC SCHOOL DISTRICT  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major Fund Enterprise Fund Food Service</u>
Operating Revenues:	
Charges for Services	\$ <u>9,520.76</u>
Total Operating Revenues	<u>9,520.76</u>
Operating Expenses:	
Purchased Property Services	48,900.00
Other Purchased Services	60,637.82
Depreciation	<u>1,274.46</u>
Total Operating Expenses	<u>110,812.28</u>
Operating Income (Loss)	<u>(101,291.52)</u>
Nonoperating Revenues (Expenses):	
Interest and Investment Revenue	<u>9.44</u>
Total Nonoperating Revenues (Expenses)	<u>9.44</u>
Income (Loss) before Transfers	(101,282.08)
Other Financing Sources:	
Transfers In	<u>99,623.95</u>
Total Oher Financing Sources	<u>99,623.95</u>
Change in Net Position After Other Financing Sources	(1,658.13)
Total Net Position - Beginning	<u>2,336.02</u>
Total Net Position - Ending	<u>\$ <u>677.89</u></u>

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

CRANFORD PUBLIC SCHOOL DISTRICT  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
FOR THE YEAR ENDED JUNE 30, 2021

	<u>Major Fund Enterprise Fund Food Service</u>
Cash Flows from Operating Activities:	
Cash Receipts from Customers	\$ 6,862.17
Payments to Suppliers for Goods and Services	<u>(96,752.80)</u>
Net Cash (Used for) Operating Activities	<u>(89,890.63)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash Receipts from Other Funds	<u>99,623.95</u>
Net Cash Provided by Non-Capital Financing Activities	<u>99,623.95</u>
Cash Flows from Investing Activities:	
Interest	<u>9.44</u>
Net Cash Provided by Investing Activities	<u>9.44</u>
Net Increase in Cash and Cash Equivalents	9,742.76
Cash and Cash Equivalents at Beginning of Year	<u>1,779.95</u>
Cash and Cash Equivalents at End of Year	<u>\$ 11,522.71</u>
Reconciliation of Operating (Loss) to Net Cash (Used) by Operating Activities:	
Operating (Loss)	\$ (101,291.52)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used for) Operating Activities	
Depreciation Expense	1,274.46
Changes in Assets and Liabilities:	
(Increase) in Accounts Receivable	(4,470.36)
Decrease in Inventories	12,785.02
Increase in Accounts Payable	4,500.51
(Decrease) in Deferred Revenue	<u>(2,688.74)</u>
Total Adjustments	<u>11,400.89</u>
Net Cash (Used for) Operating Activities	<u>\$ (89,890.63)</u>

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



# Cranford Public School District

## Notes to the Basic Financial Statements

Year ended June 30, 2021

### **NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. Description of Government-Wide Financial Statements**

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

#### **B. Reporting Entity**

The Township of Cranford School District is a Type II district located in the County of Union, State of New Jersey. As a Type II district, the School District functions independently through a Board of Education. The board is comprised of nine members elected to three-year terms. The purpose of the district is to educate students in grades K-12. The Township of Cranford School District had an enrollment at June 30, 2021 of 3,692 students.

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

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

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

#### **C. Basis of Presentation – Government-Wide Financial Statements**

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

**Cranford Public School District**

**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**D. Basis of Presentation – Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

Since the District's unemployment and payroll agency funds do not meet the new criteria defined by the new Governmental Accounting Standards Board Statement No. 84, the unemployment compensation fund which is used to account for contributions from the District and employees and interest earned on the balance as well as payments to the State for reimbursement of unemployment claims and the payroll agency fund which is used to account for the assets that the District holds on behalf of others as their agent are reported in the general fund as governmental activities effective June 30, 2021.

**Special Revenue Fund** - The Special Revenue Fund is used to account for the proceeds of specific revenue from State and Federal Government, (other than major capital projects, Debt Service or the Enterprise Funds) and local appropriations that are legally restricted to expenditures for specified purposes. Since the District's student activity funds do not meet the new criteria defined by the new Governmental Accounting Standards Board Statement No.84, student activities which is used to account for funds derived from athletic events or other activities of pupil organizations and to account for the accumulation of money to pay for student group activities are reported in the special revenue fund as governmental activities effective June 30, 2021.

**Cranford Public School District**

**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

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

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

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

The District reports the following major enterprise fund:

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

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

**E. Measurement Focus and Basis of Accounting**

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the fiscal period that the taxes are levied by the municipality(s) within which the District is domiciled. Ad Valorem (Property) Taxes are susceptible to accrual and under New Jersey State Statute a municipality is required to remit to its school district the entire balance of taxes in the amount voted upon or certified, prior to the end of the school year. The District recognizes the entire approved tax levy as revenue in the fiscal period for which they were levied. The District is entitled to receive moneys under an established payment schedule and any unpaid amount is considered to be an “accounts receivable”. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. State categorical aid revenues are recognized as District revenue during the fiscal period in which they are appropriated.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**E. Measurement Focus and Basis of Accounting (continued)**

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

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

The District's proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting.

**F. Budgets/Budgetary Control**

Annual budgets are adopted for the general, special revenue and debt service funds using a regulatory basis of accounting, which differs from generally accepted accounting principles in one material respect. Budgetary revenues for certain nonexchange state aid transactions are recognized for budgetary purposes in the fiscal period prior to the period in which the state recognizes expenditures/expenses. The amounts of the adjustments needed to reconcile the budgetary basis to the GAAP based fund financial statements are set forth in the explanation of differences schedules, which follow.

Annual appropriated budgets are prepared in the spring of each year for the general, special revenue, and debt service funds. The budgets are submitted to the county office for approval. Pursuant to changes in the Local District School Budget Law, statutorily conforming base budgets of Districts with annual school elections held in November are no longer required to be presented to the voters for approval on the third Tuesday in April. Budgets are prepared using the modified accrual basis of accounting, except for the special revenue fund as described later. The legal level of budgetary control is established at line item accounts within each fund. Line item accounts

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Budgets/Budgetary Control (continued)**

are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. Transfers of appropriations may be made by School Board resolution at any time during the fiscal year. New Jersey statutes place limitations on the Board's ability to increase budgeted expenditures through the appropriation of previously undesignated fund balance and requires the District to obtain additional approvals when budgetary transfers, measured using the advertised budgetary account totals rather than line-item totals, exceed certain thresholds. The Board of Education did not make any supplemental budgetary appropriations during the fiscal year that required additional approvals from oversight agencies.

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

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

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

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

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

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**F. Budgets/Budgetary Control (continued)**

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/inflows of resources		
Actual amounts (budgetary) "revenues" from the budgetary comparison schedule	\$ 80,752,182.25	\$ 2,080,473.31
Difference- budget to GAAP:		
The last State Aid payment is recognized as revenue for budgetary purposes, and differs from GAAP, which does not recognize this revenue until the subsequent year when the State recognizes the related expense (GASB 33)	(287,757.00)	
State Aid payment recognized for GAAP statements in the current year, previously recognized for budgetary purposes	<u>277,131.00</u>	
Total revenues as reported on the statement of revenues, expenditures and changes in fund balance - governmental funds	<u>\$ 80,741,556.25</u>	<u>\$ 2,080,473.31</u>
Uses/Outflows of resources		
Actual amounts (budgetary basis) "total outflows" from the budgetary comparison schedule	78,530,572.04	2,188,805.02
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds	<u>\$ 78,530,572.04</u>	<u>\$ 2,188,805.02</u>

**G. Cash, Cash Equivalents and Investments**

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

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

Additionally, the District has adopted a cash management plan that requires it to deposit public funds in public depositories protected from loss under the provisions of the Governmental Unit

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**G. Cash, Cash Equivalents and Investments (continued)**

Deposit Protection Act ("GUDPA"). GUDPA was enacted in 1970 to protect Governmental Units from a loss of funds on deposit with a failed banking institution in New Jersey.

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

**H. Tuition**

Tuition charges for the fiscal years 2019-2020 and 2020-2021 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been determined.

**I. Inventories and Prepaid Expenses**

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

Inventories in the Proprietary Funds are valued at cost, which approximates market, using the first-in-first-out (FIFO) method. Prepaid expenses in the Enterprise Fund represent payments made to vendors for services that will benefit periods beyond June 30, 2021.

Inventory in the Food Service Fund at June 30, 2021 consisted of the following:

Food	\$ 5,009.08
Supplies	<u>4,906.74</u>
Total	<u>\$ 9,915.82</u>

**J. Interfund Receivables/Payables**

Interfund receivables/payables represent amounts that are owed, other than charges for goods or services rendered to/from a particular fund in the District and that are due within one year.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**K. Capital Assets**

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

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

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

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

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

Food Service Fund:	
Equipment	10 Years

**L. Compensated Absences**

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

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



**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**M. Pensions**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the New Jersey Public Employees Retirement System (PERS) and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**N. Deferred Outflows/Inflows of Resources**

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

**O. Other Post-Employment Benefits**

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

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

**P. Unearned Revenue/Advances from Grantors**

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

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**Q. Fund Balances**

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

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

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted resources as they are needed. For the unrestricted fund balance, the District first spends committed funds, then assigned funds, and finally, unassigned funds. Of the \$5,315,000.81 of fund balance in the General Fund, \$1,625,374.54 has been restricted for excess surplus – current year, \$283,395.46 has been restricted for excess surplus – designated for subsequent year expenditures, \$1.00 has been restricted for capital reserve, \$266,176.08 has been assigned for other purposes, \$217,442.54 has been designated for subsequent year’s expenditures, and \$2,922,611.19 is classified as unassigned.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**R. Net Position and Fund Balance/Restricted Assets (continued)**

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

**S. Government-Wide Financial Statement Classifications**

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

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**T. Proprietary Fund Operating and Nonoperating Revenues and Expenses**

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

**U. Management Estimates**

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

**V. Tax Abatements**

As defined by the Governmental Accounting Standards Board (GASB), a tax abatement is an agreement between a government and an individual or entity in which the government promises to forgo tax revenues and the individual or entity promises to subsequently take a specific action that contributes to economic development or otherwise benefits the government or its citizens. School districts are not authorized by New Jersey statute to enter into tax abatement agreements. However, the county or municipality in which the school district is situated are authorized to enter into tax abatement agreements. Furthermore, if the county or municipality entered into tax abatement agreements, those agreements will not directly affect the school district's local tax revenue because N.J.S.A. 54:4-75 and N.J.S.A. 54:4-76 require that amounts so forgiven must effectively be recouped from other taxpayers and remitted to the school district. For a local school district board of education or board of school estimate that has elected to raise their minimum tax levy using the required local share provisions at N.J.S.A. 18A:7F-5(b), the loss of revenue resulting from the municipality or county having entered into a tax abatement agreement is indeterminate due to the complex nature of the calculation of required local share performed by the New Jersey Department of Education based upon district property value and wealth. There have been no tax abatement agreements entered into by the Township that will materially affect the District.

**W. Recently Issued Accounting Pronouncements**

The GASB issued Statement No. 84, *Fiduciary Activities*, which requires compliance by June 30, 2021. GASB 84 establishes specific criteria for identifying fiduciary activities based primarily on whether the school district is controlling the assets of the fiduciary activity and the beneficiaries with whom a fiduciary relationship exists. If the activity is not a "fiduciary activity," then it is a "governmental activity."

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**W. Recently Issued Accounting Pronouncements (continued)**

The School District examined its current fiduciary funds and determined they do not meet the new terms and conditions of a fiduciary activity, as set forth by GASB 84. Therefore, the District's payroll and agency activity and unemployment compensation activity will now be reported in the general fund and the District's student activity funds will be reported in the special revenue fund as governmental activities accordingly. Management has appropriately implemented this standard for the year ended June 30, 2021.

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

**X. Subsequent Events**

Management has reviewed and evaluated all events and transactions from June 30, 2021 through March 14, 2022, the date that the financial statements are issued and the effects of those that provide additional pertinent information about conditions that existed at the balance sheet date, have been recognized in the accompanying financial statements.

On August 11, the District issued \$5,478,000 in Refunding School Bonds with an interest rate of 1.430%. The District issued the bonds to advance refund all or a portion of the District's \$6,878,000 aggregate principal amount of the outstanding Refunding School Bond, Series 2010, dated October 26, 2010, maturing on or after November 1, 2022, with interest rates ranging from 3.000% to 4.000% at a redemption price of 100% of the principal amount thereof. As a result, \$6,878,000 of the refunded bonds is considered defeased and the liability will be removed from the basic financial statements. This advance refunding was undertaken to reduce total debt service payments over the next ten years by \$2,522,490.58 and resulted in a net present value savings of \$2,326,937.34.

**NOTE 2. CASH AND CASH EQUIVALENTS AND INVESTMENTS**

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

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

**Cranford Public School District**

**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

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

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

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

Depository Account	
Insured - FDIC	\$ 250,000.00
Insured - NJGUDPA (N.J.S.A. 17:9-41)	<u>8,820,185.17</u>
Total Deposits	<u>\$ 9,070,185.17</u>

**Custodial Credit Risk – Deposits-** Custodial credit risk is the risk that in the event of a bank failure, the board’s deposits may not be returned to it. The government does not have a deposit policy for custodial credit risk. As of June 30, 2021, none of the Board’s bank balance of \$9,121,354.04 was exposed to custodial risk. (See Note 1-G. relating to statutory mitigation of custodial risk in the event of a bank failure).

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

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

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

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

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

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

In addition to the Council regulations, the Division sets further standards for specific investments and monitors the credit of all eligible securities issuers on a regular basis.

As of June 30, 2021, the District had \$51,168.87 on deposit with the New Jersey Cash Management Fund.

At June 30, 2021, the cash and cash equivalents and investments of the District consisted of the following:

	<u>2021</u>
Cash (Demand Accts.)	\$ 8,012,163.23
State of N.J. Cash Mgmt. Fund	<u>51,168.87</u>
Total	<u>\$ 8,063,332.10</u>

**FUNDS HELD BY TRUSTEE**

Pursuant to the terms of Lease Purchase Agreements, the proceeds from these financings were required to be deposited into accounts controlled by designated Trustees. The Trustee's responsibilities include the management of the funds held and the payment of project related costs upon the submission of appropriate documentation and the approval of the School District. At June 30, 2021, the Trustee held amounts, segregated by project, as follows:

Security Lease #1 Escrow	\$ 60,936.22
Security Lease #2 Escrow	1,094.40
Security Lease #3 Escrow	<u>569,505.91</u>
Total Funds Held by Trustee	<u>\$ 631,536.53</u>

The Trustee for the Vehicles and Computer Supplies project held the unexpended proceeds in a demand account at June 30, 2021.

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

**NOTE 3. CAPITAL ASSETS**

The governmental fund balance sheet includes a reconciliation between fund balance – total funds and net position – governmental activities as reported in the Government-Wide statement of net position. One item of that reconciliation explains that capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.

**Cranford Public School District**

**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

**NOTE 3. CAPITAL ASSETS (continued)**

An addition to the fund balance – total governmental funds is made to reflect the carrying value of the District’s capital assets at year-end in the government-wide financial statements, which consist of:

Total capital assets at cost	\$ 136,005,552.52
Less: accumulated depreciation	<u>(81,027,222.11)</u>
 Governmental Activities Capital Assets, Net	 <u>\$ 54,978,330.41</u>

Capital assets by classification and activity for the year ended June 30, 2021 were as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Governmental Activities:				
Capital Assets That Are Not Being Depreciated:				
Land	\$ 41,197,641.00	\$ _____	\$ _____	\$ 41,197,641.00
Total Capital Assets Not Being Depreciated	<u>41,197,641.00</u>	<u>_____</u>	<u>_____</u>	<u>41,197,641.00</u>
Building and Building Improvements	87,371,236.25	13,684.00		87,384,920.25
Improvements other than Buildings	518,661.00			518,661.00
Machinery, Equipment, Furniture & Vehicles	<u>6,266,766.86</u>	<u>787,908.41</u>	<u>150,345.00</u>	<u>6,904,330.27</u>
Totals at Historical Cost	<u>94,156,664.11</u>	<u>801,592.41</u>	<u>150,345.00</u>	<u>94,807,911.52</u>
Less Accumulated Depreciation For:				
Building and Building Improvements	(74,647,111.50)	(929,837.37)		(75,576,948.87)
Improvements other than Buildings	(468,371.02)	(6,284.13)		(474,655.15)
Equipment, Furniture, and Vehicles	<u>(4,608,298.57)</u>	<u>(480,663.30)</u>	<u>(113,343.78)</u>	<u>(4,975,618.09)</u>
Total Accumulated Depreciation	<u>(79,723,781.09)</u>	<u>(1,416,784.80)</u>	<u>(113,343.78)</u>	<u>(81,027,222.11)</u>
Total Capital Assets Being Depreciated (Net of Accumulated Depreciation)	<u>14,432,883.02</u>	<u>(615,192.39)</u>	<u>37,001.22</u>	<u>13,780,689.41</u>
Governmental Activities Capital Assets, Net	<u>\$ 55,630,524.02</u>	<u>\$ (615,192.39)</u>	<u>\$ 37,001.22</u>	<u>\$ 54,978,330.41</u>
Business-type Activities				
Equipment	\$ 241,803.35			\$ 241,803.35
Less Accumulated Depreciation for:				
Equipment	<u>(240,528.89)</u>	<u>(1,274.46)</u>		<u>(241,803.35)</u>
Business-type Activities Capital Assets, Net	<u>\$ 1,274.46</u>	<u>\$ (1,274.46)</u>	<u>\$ -</u>	<u>\$ -</u>

Depreciation expense was charged to governmental functions as follows:

Instruction	\$ 761,806.80
Tuition	114,840.00
Student & instruction related services	222,593.00
School Administrative services	79,112.00
General and business administrative services	55,509.00
Plant operations and maintenance	133,186.00
Pupil transportation	<u>49,738.00</u>
 Total	 <u>\$ 1,416,784.80</u>



**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 4. LONG-TERM LIABILITIES**

Long-term debt liability activity for the year ended June 30, 2021 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
Governmental Activities:					
Bonds Payable:					
General Obligation Debt	\$ 8,068,000.00	\$ -	\$ 580,000.00	\$ 7,488,000.00	\$ 610,000.00
Total Bonds Payable	<u>8,068,000.00</u>	<u>-</u>	<u>580,000.00</u>	<u>7,488,000.00</u>	<u>610,000.00</u>
Other Liabilities:					
Obligations Under Capital Lease	729,936.39	721,608.20	426,946.98	1,024,597.61	336,106.82
Compensated Absences Payable	<u>2,724,177.23</u>	<u>339,933.10</u>	<u>176,176.07</u>	<u>2,887,934.26</u>	<u>64,467.10</u>
Total Other Liabilities	<u>3,454,113.62</u>	<u>1,061,541.30</u>	<u>603,123.05</u>	<u>3,912,531.87</u>	<u>400,573.92</u>
Net Pension Liability (PERS)	<u>14,650,703.00</u>	<u>-</u>	<u>1,282,786.00</u>	<u>13,367,917.00</u>	<u>-</u>
Total Liabilities	<u>\$ 26,172,816.62</u>	<u>\$ 1,061,541.30</u>	<u>\$ 2,465,909.05</u>	<u>\$ 24,768,448.87</u>	<u>\$ 1,010,573.92</u>

**A. Bonds Payable** - Bonds are authorized in accordance with State law by the voters of the District through referendums. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the District are general obligation bonds. Bonds payable at June 30, 2021 consist of the following issues and amounts:

a.) 2010 School Bonds, originally issued November 1, 2010 in the amount of \$11,988,000. The outstanding balance of this issue at June 30, 2021 was \$7,488,000, which is payable in semi-annual installments due November 1, 2021 through November 1, 2030 at interest rates ranging from 2.750% to 4.000%.

Principal and interest due on bonds outstanding as at June 30, 2021 is as follows:

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 610,000.00	\$ 266,782.50	\$ 876,782.50
2023	630,000.00	248,182.50	878,182.50
2024	670,000.00	228,263.75	898,263.75
2025	710,000.00	206,257.50	916,257.50
2026	740,000.00	179,920.00	919,920.00
2027 - 2031	<u>4,128,000.00</u>	<u>417,840.00</u>	<u>4,545,840.00</u>
	<u>\$ 7,488,000.00</u>	<u>\$ 1,547,246.25</u>	<u>\$ 9,035,246.25</u>

**B. Bonds Authorized But Not Issued (ABNI)**

At June 30, 2021, the District had no unissued bond authorizations.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 4. LONG-TERM LIABILITIES (continued)**

**C. Capital Leases** - The District is leasing copier equipment, playground equipment, and maintenance vehicle under capital leases. Following are schedules of the future lease payments under the respective capital leases, and the present value of net minimum lease payments at June 30, 2021:

Lease Purchase Agreements – Copiers

Year Ending June 30,	Principal + Interest	Total
2022	\$ 78,097.44	\$ 78,097.44
2023	70,126.84	70,126.84
2024	46,684.41	46,684.41
2025	30,461.64	30,461.64
2026	18,474.22	18,474.22
Total	<u>\$ 243,844.55</u>	<u>\$ 243,844.55</u>

Lease Purchase Agreements – Security Systems:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 82,826.08	\$ 5,214.82	\$ 88,040.90
2023	<u>85,393.69</u>	<u>2,647.21</u>	<u>88,040.90</u>
Total	<u>\$ 168,219.77</u>	<u>\$ 7,862.03</u>	<u>\$ 176,081.80</u>

Lease Purchase Agreements – Security Systems:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 38,065.77	\$ 2,711.23	\$ 40,777.00
2023	<u>39,398.07</u>	<u>1,378.93</u>	<u>40,777.00</u>
Total	<u>\$ 77,463.84</u>	<u>\$ 4,090.16</u>	<u>\$ 81,554.00</u>

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 4. LONG-TERM LIABILITIES (continued)**

Lease Purchase Agreements – Maintenance Equipment:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 26,719.75	\$ 2,452.14	\$ 29,171.89
2023	27,513.33	1,658.56	29,171.89
2024	<u>28,330.50</u>	<u>841.39</u>	<u>29,171.89</u>
Total	<u>\$ 82,563.58</u>	<u>\$ 4,952.09</u>	<u>\$ 87,515.67</u>

Lease Purchase Agreements – Chromebooks:

Year Ending June 30,	Principal	Interest	Total
2022	\$ 110,397.78	\$ 7,375.86	\$ 117,773.64
2023	112,197.28	5,576.36	117,773.64
2024	114,026.09	3,747.55	117,773.64
2025	<u>115,884.72</u>	<u>1,888.92</u>	<u>117,773.64</u>
Total	<u>\$ 452,505.87</u>	<u>\$ 18,588.69</u>	<u>\$ 471,094.56</u>

**D. Bond Referendum**

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

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

Of the total amount of \$19,981,269, the School District Bonds received authorization to issue bonds in the amount of \$11,988,763, which represents the School Districts local share of the project costs. Furthermore, the Board of Education has received grant approval from the State of New Jersey Schools Development Authority in the amount of \$7,992,506. At June 30, 2021, all of the SDA funds were invoiced and have been recognized as project revenues.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 4. LONG-TERM LIABILITIES (continued):**

**E. Compensated Absences**

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

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

In the district-wide Statement of Net Position, the liabilities whose average maturities are greater than one year should be reported in two components – the amount due within one year and the amount due in more than one year. The liability for vested compensated absences of the proprietary fund types is recorded within those funds as the benefits accrue to employees. As of June 30, 2021, a liability existed for compensated absences in the government-wide financial statements in the amount of \$2,887,934.26 and no liability existed for compensated absences in the District Enterprise funds.

**NOTE 5. PENSION PLANS**

**Description of Systems**

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

**Teachers' Pension and Annuity Fund**

The Teachers' Pension and Annuity Fund was established in January 1955 under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time public school employees in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for health care coverage. Age eligibility and benefit provisions were affected by Chapters 92 and 103, P.L. 2007, Chapter 89, P.L. 2008, Chapter 1, P.L. 2010, and Chapter 78, P.L. 2011.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 5. PENSION PLANS (continued):**

Members are classified into one of five tiers dependent upon the date of their enrollment. Tier 1, 2 and 3 members are eligible to retire at age 60, 60, and 62, respectively, with an annual benefit generally determined to be 1/55th of the average annual compensation for the highest three fiscal years' compensation for each year of membership during years of credited service. Tier 4 and 5 members are eligible to retire at age 62 and 65, respectively, with an annual benefit generally determined to be 1/60th of the average annual compensation for the highest five fiscal years' compensation for each year of membership during years of credited service. Anyone who retires early and is under their respective tier's retirement age receives retirement benefits as calculated in the above mentioned formulas but at a reduced rate in accordance with applicable New Jersey Statute based upon their tier.

**Public Employees' Retirement System**

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

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

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

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

**Funding Policy**

The contribution policy is set by New Jersey State Statutes and contributions are required by active members and contributing members. Plan member and employer contributions may be amended by State of New Jersey legislation. Under the provisions of Chapter 78, P.L. 2011, employee contribution rates for TPAF and PERS increased to 7.5% of employees' annual compensation.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 5. PENSION PLANS (continued):**

Employers are required to contribute at an actuarially determined rate in both the TPAF and PERS. The actuarially determined contribution includes funding for cost-of-living adjustments, noncontributory death benefits, and post-retirement medical premiums. Under current statute the District is a non-contributing employer of the TPAF.

During the year ended June 30, 2021, the State of New Jersey contributed \$10,704,804.00 to the TPAF for normal costs of pension and post-retirement medical benefits on behalf of the District. Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the District \$2,281,777.16 during the year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. These amounts have been included as both revenues and expenditures in the government-wide and fund financial statements.

The District's actuarially determined contributions to PERS for each of the years ended June 30, 2021, 2020, and 2019 were \$938,400.00, \$896,762.00, and \$793,471.00 respectively, equal to the required contributions for each year.

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of PERS and additions to/deductions from PERS fiduciary net position have been determined on the same basis as they are reported by PERS. For the purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

**Public Employee's Retirement System (PERS)**

At June 30, 2021, the District reported a liability of \$13,367,917 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation July 1, 2019, which was rolled forward to June 30, 2020. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2020, the District's proportion was 0.0819746203 percent, which was an increase of 0.0006653184 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized full accrual pension expense of \$403,515.00 in the government-wide financial statements. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS from the following sources:

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 5. PENSION PLANS (continued):**

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 243,408.00	\$ 47,275.00
Changes of assumptions	433,670.00	5,597,273.00
Difference between projected and actual earnings on pension plan investments	456,926.00	
Changes in proportion and differences between District contributions and proportionate share of contributions	405,706.00	213,253.00
District contributions subsequent to the measurement date	938,400.00	
Total	\$ 2,478,110.00	\$ 5,857,801.00

\$938,400.00 is reported as deferred outflows of resources related to pensions resulting from school district contributions subsequent to the measurement date. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending <u>June 30,</u>	
2022	\$(1,284,671.00)
2023	(1,484,348.00)
2024	(998,359.00)
2025	(477,859.00)
2026	(72,854.00)
Total	\$(4,318,091.00)

*Actuarial Assumptions*

The collective total pension liability for the June 30, 2020 measurement date was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. This actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 5. PENSION PLANS (continued)**

Inflation	
Price	2.75%
Wage	3.25%
Salary increases:	
Through 2026	2.00 - 6.00%
	based on years of service
Thereafter	3.00-7.00%
	based on years of service
Investment rate of return	7.00%

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020

*Long-Term Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic rates of return for each major asset class included in PERS's target asset allocation as of June 30, 2020 are summarized in the following table:



**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 5. PENSION PLANS (continued)**

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

*Discount rate*

The discount rate used to measure the total pension liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 78% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments to determine the total pension liability.

*Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate*

The following presents the District's proportionate share of the net pension liability as of June 30, 2020, calculated using the discount rate as disclosed above as well as what the collective net pension liability would be if it was calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<u>At 1% decrease (6.00%)</u>	<u>At current discount rate (7.00%)</u>	<u>At 1% increase (8.00%)</u>
District's proportionate share of the net pension liability	<u>\$ 16,827,977</u>	<u>\$ 13,367,917</u>	<u>\$ 10,431,961</u>

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 5. PENSION PLANS (continued)**

*Pension Plan Fiduciary Net Position*

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

*Additional Information*

Collective balances at June 30, 2020 are as follows:

Deferred outflows of resources	\$	2,347,583,337
Deferred inflows of resources		7,849,949,467
Net pension liability		16,435,616,426
District's proportion		0.0819746203%

Collective pension expense for the Local Group for the measurement period ended June 30, 2020 is \$407,705,399.

The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 5.16, 5.21, 5.63, 5.48, 5.57, 5.72, and 6.44 years, respectively.

**Teachers Pensions and Annuity Fund (TPAF) – Special Funding Situation**

The employer contributions for local participating employers are legally required to be funded by the State in accordance with N.J.S.A. 18:66-33. Therefore, these local participating employers are considered to be in a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity.

Since the local participating employers do not contribute directly to the plan (except for employer specific financed amounts), there is no net pension liability or deferred outflows or inflows to report in the financial statements of the local participating employers. However, the notes to the financial statements of the local participating employers must disclose the portion of the nonemployer contributing entities' total proportionate share of the net pension liability that is associated with the local participating employer.

The State's proportionate share of the TPAF net pension liability associated with the District as of June 30, 2020 was \$178,785,088. The District's proportionate share was \$0.

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The State's proportionate share of the net pension liability associated with the District was based on a projection of the State's long-term contributions to the pension plan associated with the District relative to the projected contributions by the State associated with all participating school districts, actuarially determined.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**

**Year ended June 30, 2021**

**NOTE 5. PENSION PLANS (continued)**

At June 30, 2020, the State's proportionate share of the TPAF net pension liability associated with the District was 0.2715085120 percent, which was a decrease of 0.0025794284 percent from its proportion measured as of June 30, 2019.

For the year ended June 30, 2021, the District recognized on-behalf pension expense and revenue in the government wide financial statements of \$11,117,618.00 for contributions incurred by the State.

*Actuarial assumptions*

The actuarial valuation used the following actuarial assumptions, applied to all periods included in the measurement:

Inflation rate:	
Price	2.75%
Wage	3.25%
Salary Increases	
Through 2026	1.55%-4.45%
	based on years of service
Thereafter	2.75% - 5.65%
	based on years of service
Investment rate of return	7.00%

*Mortality Rates*

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis.

Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2020.

The actuarial assumptions used in the July 1, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 5. PENSION PLANS (continued)**

*Long-Term Expected Rate of Return*

In accordance with State statute, the long-term expected rate of return on plan investments (7.00% at June 30, 2020) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and the actuaries. The long-term expected rate of return was determined using a building

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

Best estimates of arithmetic real rates of return for each major asset class included in TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
US Equity	27.00%	7.71%
Non-U.S. Developed Markets Equity	13.50%	8.57%
Emerging Market Equity	5.50%	10.23%
Private Equity	13.00%	11.42%
Real Assets	3.00%	9.73%
Real Estate	8.00%	9.56%
High Yield	2.00%	5.95%
Private Credit	8.00%	7.59%
Investment Grade Credit	8.00%	2.67%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Risk Mitigation Strategies	3.00%	3.40%
	<u>100.00%</u>	

*Discount Rate*

The discount rate used to measure the total pension liability was 5.40% as of June 30, 2020. This single blended discount rate was based on the long-term expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 2.21% as of June 30, 2020 based on the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 78% of the actuarially determined contributions for the State.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 5. PENSION PLANS (continued)**

Based on those assumptions, the plan's fiduciary net position was projected to be available to make projected future benefit payments of current plan members through 2062. Therefore, the long-term expected rate of return on plan investments was applied to projected benefit payments through 2062 and the municipal bond rate was applied to projected benefit payments after that date in determining the total pension liability.

*Sensitivity of the State's proportionate share of the net pension liability associated with the District to changes in the discount rate*

The following presents the net pension liability of the State associated with the District as of June 30, 2020 calculated using the discount rate as disclosed above as well as what the State's net pension liability associated with the District would be if it calculated using a discount rate that is 1-percentage point lower or 1-percentage-point higher than the current rate:

	<b>At 1% decrease (4.40%)</b>	<b>At current discount rate (5.40%)</b>	<b>At 1% increase (6.40%)</b>
District's proportionate share of the net pension liability	\$ 210,004,024	\$ 178,785,088	\$ 152,863,001

*Pension plan fiduciary net position*

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

*Additional Information*

Collective balances at June 30, 2020 are as follows:

Collective Deferred Outflows of Resources	\$ 9,626,548,228
Collective Deferred Inflows of Resources	14,409,361,877
State's Total Non-employer Net Pension Liability	65,993,498,688
District's Proportion	0.2715085120%

Collective pension expense for the plan for the measurement period ended June 30, 2020 is \$4,099,006,933. The average of the expected remaining service lives of all employees that are provided with pension through the pension plan (active and inactive employees) determined at June 30, 2020, 2019, 2018, 2017, 2016, 2015 and 2014 is 8.0, 8.0, 8.3, 8.3, 8.3, 8.3, and 8.5 years, respectively.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 6. POST-RETIREMENT BENEFITS**

**Plan Description**

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

**Funding Policy**

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

Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994. The State's contributions to the SHBP for post-retirement benefits on behalf of the District for the years ended June 30, 2021, 2020 and 2019 were \$2,553,022.00, \$2,248,877.00, and \$2,496,373.00, respectively, which equaled the regional contributions for each year.

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

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

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

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 6. POST-RETIREMENT BENEFITS (continued)**

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

*Total OPEB Liability*

The nonemployer OPEB liability from New Jersey's plan is \$67,809,962,608.00.

The following members were covered by the benefit terms:

Local Education	June 30, 2020
Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	149,304
Inactive Plan Members Entitled to but Not Yet Receiving Benefits	-
Total Plan Members	366,108

The State, a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to OPEB for qualified retired PERS and TPAF participants. The District's proportionate share percentage determined under paragraphs 193 and 203 through 205 of GASBS No. 75 is zero percent. Accordingly, the District did not recognize any portion of the collective net OPEB liability on the Statement of Net Position. The State's proportionate share of the net OPEB liability associated with the District as of June 30, 2020 was \$167,750,111.00 or 0.247%. Additional information can be obtained from the State of New Jersey's comprehensive annual financial report.

**Total Nonemployer OPEB Liability**

The total nonemployer OPEB liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2019, which was rolled forward to June 30, 2020. The actuarial assumptions vary for each plan member depending on the pension plan the member is enrolled in. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

**Actuarial Assumptions and Other Inputs**

Inflation rate	2.50%	
	<b>TPAF/ABP</b>	<b>PERS</b>
Salary increases:		
Through 2026	1.55-4.45%	2.00-6.00%
	based on years of service	based on age
Thereafter	1.55-4.45%	3.00-7.00%
	based on years of service	based on age

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 6. POST-RETIREMENT BENEFITS (continued)**

Preretirement mortality rates were based on the Pub-2010 Healthy “Teachers” (TPAF/ABP) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020. Postretirement mortality tables were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies for the periods July 1, 2015 – June 30, 2018, and July 1, 2014 – June 30, 2018 for TPAF and PERS, respectively.

**Health Care Trend Assumptions**

For pre-Medicare preferred provider organization (PPO) medical benefits, this amount initially is 5.6% and decreases to a 4.5% long-term trend rate after eight years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rate for fiscal year 2021 through 2022 are reflected. The assumed post-65 medical trend is 4.5% for all future years. For prescription drug benefits, the initial trend rate is 7.0% and decreases to a 4.5% long-term trend rate after seven years. For Medicare Part B reimbursement, the trend rate is 5.0%.

**Discount Rate**

The discount rate for June 30, 2020 was 2.21%. This represents the municipal bond return rate as chosen by the Division. The source is Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.



**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 6. POST-RETIREMENT BENEFITS (continued)**

**Changes in the Total Nonemployer OPEB Liability**

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

Balance at June 30, 2019		\$ 101,945,267.00
Increased by:		
Service cost	\$ 4,592,735.00	
Interest cost	3,679,698.00	
Diff. between expected and actual exp.	29,722,104.00	
Changes of assumptions	30,642,181.00	
Member contributions	<u>88,517.00</u>	
		<u>68,725,235.00</u>
		170,670,502.00
Decreased by:		
Gross benefit payments	<u>2,920,391.00</u>	
		<u>2,920,391.00</u>
Balance at June 30, 2020		<u>\$ 167,750,111.00</u>

The State's proportionate share of deferred outflows and inflows of resources associated with the District at June 30, 2020 is \$57,479,964.00 and \$43,696,908.00, respectively.

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

	<u>At 1% decrease (1.21%)</u>	<u>At discount rate (2.21%)</u>	<u>At 1% increase (3.21%)</u>
Net OPEB Liability (Allocable to the District and the responsibility of the State)	<u>\$ 202,231,417.00</u>	<u>\$ 167,750,111.00</u>	<u>\$ 140,789,050.00</u>

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

	<u>At 1% decrease</u>	<u>At Healthcare cost trend rate</u>	<u>At 1% increase</u>
Net OPEB Liability	<u>\$ 135,413,547.00</u>	<u>\$ 167,750,111.00</u>	<u>\$ 206,255,772.00</u>

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 6. POST-RETIREMENT BENEFITS (continued)**

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

For the year ended June 30, 2021, the District recognized on-behalf OPEB expense and revenue in the government-wide financial statements of \$8,583,182.00 for OPEB expenses incurred by the State.

Collective balances of the Education Group at June 30, 2020 are as follows:

Deferred Outflows of Resources	\$	24,023,298,802
Deferred Inflows of Resources		19,101,933,244
Collective OPEB expense		3,337,755,596
 District's Proportion		 0.2473827%

**NOTE 7. RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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

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

<u>Fiscal Year</u>	<u>Contributions/ Interest</u>	<u>CARES Act Federal Contribution</u>	<u>Amount Due at Due at June 30</u>	<u>Ending Balance</u>
2020-2021	\$ 65,426.32	\$ -	\$ 156,236.15	\$ -
2019-2020	66,413.00	35,253.47	108,653.03	90,809.83
2018-2019	65,071.13	-	73,903.54	97,796.39

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

At June 30, 2021, the last available audit report, the Fund reported case revenue and losses incurred but not reported (IBNR) in excess of fund balance for all years of \$4,908,448.00.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 8. INTERFUND RECEIVABLES AND PAYABLES**

The following interfund balances remained on the balance sheet at June 30, 2021:

<b><u>Fund</u></b>	<b><u>Interfund Receivable</u></b>	<b><u>Interfund Payable</u></b>
General Fund	\$ 409,014.31	\$ 4,500.51
Special Revenue Fund		409,014.31
Food Service Fund	<u>4,500.51</u>	<u>                    </u>
Total	<u>\$ 413,514.82</u>	<u>\$ 413,514.82</u>

As of June 30, 2021, the Special Revenue Fund owes the General Fund for cash disbursed on its behalf before it was submitted for reimbursement to the State of New Jersey. The General Fund owes the Food Service Fund to eliminate the deficit in Net Position that would exist in the Food Service Fund at year end without this transfer. All interfunds are expected to be liquidated during the next fiscal year.

**NOTE 9. CALCULATION OF EXCESS SURPLUS**

In accordance with *N.J.S.A. 18A:7F-7*, as amended by P.L. 2004, c.73 (S1701). The designation for Reserved Fund Balance – Excess Surplus is a required calculation pursuant to the New Jersey

**NOTE 9. CALCULATION OF EXCESS SURPLUS (continued)**

Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to reserve General Fund balance at the fiscal year end of June 30 for future tax relief to the extent that unrestricted/unassigned fund balance exceeds 2% of the prior year net adjusted expenditures. However, on March 15, 2021, Governor Phil Murphy signed into law State of New Jersey Senate Bill 2691 and changed the percentage of unassigned surplus allowable under *N.J.S.A 18A:7F-7* to 4% for the 2020-2021 and 2021-2022 fiscal years. The excess fund balance pledged to future tax relief at June 30, 2021, calculated on a budgetary basis pursuant to statute, is \$1,908,770.00, and is comprised of \$283,395.46 that was appropriated as part of the 2021-22 school budget, and \$1,625,374.54 which represents the minimum amount of fund balance that must be appropriated as part of the 2022-23 school budget.

**NOTE 10. CAPITAL RESERVE ACCOUNT**

A capital reserve account was established by the Cranford Township Board of Education by inclusion of \$1.00 on September 25, 2000 for the accumulation of funds for use as capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP) and updated annually in the Quality Assurance Annual Report (QAAR).

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 10. CAPITAL RESERVE ACCOUNT (continued)**

Upon submission of the LRFP to the department, a district may increase the balance in the capital reserve by appropriating funds in the annual general fund budget certified for taxes or by transfer by board resolution at year end June 1 to June 30 of any unanticipated revenue or unexpended line-item appropriation amounts, or both. A district may also appropriate additional amounts when the express approval of the voters has been obtained either by a separate proposal at budget time or by a special question at one of four special elections authorized pursuant to N.J.S.A 19:60 – 2. Pursuant to N.J.A.C. 6:23A-5.1 (d) 7, the balance in the account cannot at any time exceed the local support costs of uncompleted projects in its approved LRFP.

**NOTE 11. UNEMPLOYMENT RESERVE ACCOUNT**

An unemployment reserve account was established by the District in 2021 to fund future unemployment claims billed by the state. This reserve was established in the general fund resulting from the implementation of Governmental Accounting Standards Board Statement No.84, which required the District to record these funds as governmental activities. At June 30, 2021, the balance of the unemployment reserve was \$0.00.

**NOTE 12. CONTINGENT LIABILITIES**

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

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

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

The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable at June 30, 2021 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provisions have been recorded in the accompanying combined financial statements for such contingencies.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 12. CONTINGENT LIABILITIES (continued)**

During fiscal year 2021, the New Jersey Department of Labor has been delayed in issuing bills to New Jersey governmental units and as such the District has not been billed for any quarters during the fiscal year. Unemployment claims for the fiscal year are estimated to be approximately \$156,236.15, however, it is expected that the Federal Government through the CARES Act will reimburse the State of New Jersey between 50 and 75 percent of all claims incurred. Even though the District has not received a bill related to fiscal year 2021, and the amounts due are not known, the District has made a provision in the District's financial statements for this probable liability for unemployment claims.

The District received a complaint in November of 2021 that dates back to the period from 1968 through 1972 alleging improprieties alleged between a student and a teacher. Under newly passed legislation in New Jersey, the statute of limitations are no longer considered expired. The request for damages is for \$50,000,000. The matter was reported to the District's insurance carrier and coverage was denied. It is too early to assess the probability of success regarding defending this claim and it is too early in the process to quantify potential damages the District may incur.

**NOTE 13. TRANSFERS**

The following presents a reconciliation of transfers during the 2021 fiscal year:

<b>Fund</b>	<b>2021</b>	
	<b>In</b>	<b>Out</b>
General Fund		\$ 99,623.95
Food Service Fund	\$ 99,623.95	
	<u>\$ 99,623.95</u>	<u>\$ 99,623.95</u>

During the 2021 fiscal year, the transfer from the general fund to the food service fund was for the funding of the operating deficit.

**Cranford Public School District**  
**Notes to the Basic Financial Statements**  
**Year ended June 30, 2021**

**NOTE 14. GASB STATEMENT NO. 84 RESTATEMENT**

Effective in the fiscal year ended June 30, 2021, the District implemented Governmental Accounting Standards Board Statement No. 84, *Fiduciary Activities*, as described in the recently issued accounting pronouncements footnote above. The implementation of this Statement required a restatement of prior year fund balance and net position in the government-wide and governmental fund financial statements.

Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020	\$ 2,668,353.52
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment Compensation Net Position	90,809.83
Beginning General Fund Budgetary Fund Balance Per Schedule C-1 at June 30, 2020 (as restated)	\$ 2,759,163.35
Beginning Special Revenue Budgetary and Modified Accrual Fund Balances Per Schedules B-2, C-2 and E-1 at June 30, 2020	\$ -
Special Revenue Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Due to Student Groups	348,734.94
Total	348,734.94
Beginning Special Revenue Fund Budgetary Fund Balance Per Schedules E-1 and C-2 at June 30, 2020 (as restated)	\$ 348,734.94
Beginning General Fund Modified Accrual Fund Balances Per Schedule B-2 at June 30, 2020	\$ 2,391,222.52
General Fund Adjustments	
Recognition of the Following June 30, 2020 Balances:	
Unemployment Compensation Net Position	90,809.83
Beginning General Fund Modified Accrual Fund Balance - June 30, 2020 (as restated)	\$ 2,482,032.35
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020	\$ 29,865,788.17
Adjustments to Government-Wide Net Position	
Recognition of the Following June 30, 2020 Balances:	
Unemployment Compensation Net Position	90,809.83
Due to Student Groups	348,734.94
Total	439,544.77
Beginning Full Accrual Net Position Per Schedule A-2 at June 30, 2020 (as restated)	\$ 30,305,332.94

## **Required Supplementary Information – Part II**

### **Pension and OPEB Schedules**

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

	<u>Last Ten Fiscal Years*</u>							
	June 30, 2014	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020	June 30, 2021
District's Proportion of the Net Pension Liability - Local Group	0.077652%	0.082595%	0.079195%	0.081089%	0.080068%	0.082407%	0.081309%	0.081974%
District's Proportionate Share of the Net Pension Liability	\$ 14,840,790	\$ 15,463,969	\$ 17,777,779	\$ 24,015,633	\$ 18,638,513	\$ 16,225,599	\$ 14,650,703	\$ 13,367,917
District's Covered-Employee Payroll	Not available	\$ 5,483,006	\$ 5,548,124	\$ 5,520,410	\$ 5,720,682	\$ 5,776,277	\$ 5,875,918	\$ 5,862,304
District's Proportionate Share of the Net Pension Liability as a percentage of the Covered-Employee Payroll	Not available	282.03%	320.43%	435.03%	325.81%	280.90%	249.33%	228.03%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability	48.72%	48.62%	47.93%	40.14%	48.10%	53.60%	56.27%	58.32%

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

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



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

Last Ten Fiscal Years\*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Contractually Required Contribution	\$ 585,090	\$ 680,898	\$ 724,669	\$ 750,899	\$ 822,646	\$ 793,471	\$ 896,762	\$ 938,400
Contribution in Relation to Contractually Required Contribution	<u>\$ (585,090)</u>	<u>\$ (680,898)</u>	<u>\$ (724,669)</u>	<u>\$ (750,899)</u>	<u>\$ (822,646)</u>	<u>\$ (793,471)</u>	<u>\$ (896,762)</u>	<u>\$ (938,400)</u>
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's Proportionate Share of the Payroll	\$ 5,483,006	\$ 5,548,124	\$ 5,520,410	\$ 5,720,682	\$ 5,776,277	\$ 5,875,918	\$ 5,862,304	\$ 5,372,070
Contributions as a percentage of Covered Employee Payroll	10.67%	12.27%	13.13%	13.13%	14.24%	13.50%	15.30%	17.47%

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

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

Last 10 Fiscal Years\*

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Proportion of the Non-State Employer Group Net Pension Liability attributable to the District	0.2683150%	0.2665140%	0.2753520%	0.2684440%	0.2636890%	0.2764865%	0.2740879%	0.2715085%
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group	\$135,604,354	\$142,443,280	\$174,034,492	\$211,174,753	\$177,788,658	\$175,894,783	\$168,210,356	\$178,785,088
District's Covered-Employee Payroll	\$26,581,466	\$27,065,917	\$27,043,401	\$27,617,810	\$28,735,328	\$29,848,525	\$29,821,425	\$30,912,062
Share of the Liability of the State of New Jersey for the Net Pension Liability of the Non-State Employer Group as a percentage of the District's Covered-Employee Payroll	510.15%	526.28%	643.54%	764.63%	618.71%	589.29%	564.06%	578.37%
Plan Fiduciary Net Position as a percentage of the Total Pension Liability (See Note Below)	33.76%	33.64%	28.71%	22.33%	25.41%	26.49%	26.95%	24.60%

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

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

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

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

**NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION  
June 30, 2021**

**NOTE 1. CHANGES IN BENEFITS AND ASSUMPTIONS**

The following information is as abstracted from the State of New Jersey, Division of Pension and Benefits, Financial Statements and Supplementary Schedules report as of June 30, 2020, dated March 31, 2021. This information pertains to the RSI schedules of changes in net pension liability contained in that report.

**PERS**

Changes in benefit terms: None

Changes in assumptions:

For 2020, the discount rate changed to 7.00% and the long-term expected rate of return remained at the prior-year rate of 7.00%. Demographic assumptions were unchanged.

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

**TPAF**

Changes in benefit terms: None

Changes in assumptions:

For 2020, the discount rate was changed to 5.40%. There were no changes to the long-term expected rate of return and no changes to demographic assumptions.

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

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

Last Ten Fiscal Years\*

	Year Ended June 30, <u>2018</u>	Year Ended June 30, <u>2019</u>	Year Ended June 30, <u>2020</u>	Year Ended June 30, <u>2021</u>
State's proportion of the OPEB liability associated with the District	0.2451500%	0.2405984%	0.2443027%	0.2473827%
District's proportionate share of the OPEB liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of the OPEB liability associated with the District	<u>\$ 131,498,084</u>	<u>\$ 110,941,949</u>	<u>\$ 101,945,267</u>	<u>\$ 167,750,111</u>
Total proportionate share of the OPEB liability associated with the District	<u>\$ 131,498,084</u>	<u>\$ 110,941,949</u>	<u>\$ 101,945,267</u>	<u>\$ 167,750,111</u>
Balance at June 30 (beginning)	\$ 141,699,912.00	\$ 131,498,084.00	\$ 110,941,949.00	\$ 101,945,267.00
Increased by:				
Service cost	5,937,830.00	4,921,250.00	4,228,836.00	4,592,735.00
Interest cost	4,166,165.00	4,832,997.00	4,398,908.00	3,679,698.00
Difference between expected and actual experience				29,722,104.00
Changes of assumptions			1,520,012.00	30,642,181.00
Member contributions	112,153.00	102,529.00	92,765.00	88,517.00
	<u>151,916,060.00</u>	<u>141,354,860.00</u>	<u>121,182,470.00</u>	<u>170,670,502.00</u>
Decreased by:				
Difference between expected and actual experience		14,715,219.00	16,107,787.00	
Changes of assumptions	17,372,201.00	12,731,144.00		
Gross benefit payments	3,045,775.00	2,966,548.00	3,129,416.00	2,920,391.00
	<u>30,417,676.00</u>	<u>27,446,861.00</u>	<u>19,237,203.00</u>	<u>25,020,782.00</u>
Balance at June 30 (ending)	<u>\$ 131,498,084.00</u>	<u>\$ 110,941,949.00</u>	<u>\$ 101,945,267.00</u>	<u>\$ 167,750,111.00</u>
Covered by employee payroll	\$ 35,345,896	\$ 36,752,108	\$ 35,683,729	\$ 36,284,132
Total OPEB liability as a percentage of covered employee payroll	372.03%	301.87%	285.69%	462.32%

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

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

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

**NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION  
JUNE 30, 2021**

**NOTE 1. SPECIAL FUNDING SITUATION**

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

**NOTE 2. CHANGES IN ASSUMPTIONS**

For 2020, the discount rate changed to 2.21% from 3.50% in 2019. For pre-Medicare PPO and HMO medical benefits, the initial trend rate changed to 5.6% from 5.7%. For prescription drug benefits, the initial trend rate changed to 7.0% from 7.5%. Demographic assumptions remained unchanged and are consistent with the assumptions used in the pension plan valuations.

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

**Required Supplementary Information – Part III**

**Budgetary Comparison Schedules**

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
 Page 1 of 14

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Revenues:					
Local Sources:					
Local Tax Levy	\$ 60,021,250.00	\$	\$ 60,021,250.00	\$ 60,021,250.00	\$
Tuition	3,597,403.00	141,952.75	3,739,355.75	3,464,051.69	(275,304.06)
Miscellaneous	192,307.00		192,307.00	265,748.24	73,441.24
<b>Total - Local Sources</b>	<b>63,810,960.00</b>	<b>141,952.75</b>	<b>63,952,912.75</b>	<b>63,751,049.93</b>	<b>(201,862.82)</b>
State Sources:					
Categorical Transportation Aid	354,868.00		354,868.00	354,868.00	
Extraordinary Aid	439,433.00		439,433.00	1,025,135.00	585,702.00
Categorical Special Education Aid	2,640,549.00	(229,173.00)	2,411,376.00	2,411,376.00	
Equalization Aid	88,682.00		88,682.00	88,682.00	
Categorical Security Aid	92,830.00		92,830.00	92,830.00	
Other State Aid				31,030.00	31,030.00
On Behalf T.P.A.F. Pension Contributions (non-budgeted)				7,994,507.00	7,994,507.00
On Behalf Post Retirement Medical Contributions (non-budgeted)				2,553,022.00	2,553,022.00
On Behalf T.P.A.F. Non-Contributory Group Insurance Contributions (non-budgeted)				152,106.00	152,106.00
On Behalf T.P.A.F. Long Term Disability Insurance Contributions (non-budgeted)				5,169.00	5,169.00
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,281,777.16	2,281,777.16
<b>Total - State Sources</b>	<b>3,616,362.00</b>	<b>(229,173.00)</b>	<b>3,387,189.00</b>	<b>16,990,502.16</b>	<b>13,603,313.16</b>
Federal Sources:					
Medicaid Reimbursement FFCRA/SEMI	25,701.00		25,701.00	9,889.28 740.88	(15,811.72) 740.88
<b>Total - Federal Sources</b>	<b>25,701.00</b>		<b>25,701.00</b>	<b>10,630.16</b>	<b>(15,070.84)</b>
<b>Total Revenues</b>	<b>67,453,023.00</b>	<b>(87,220.25)</b>	<b>67,365,802.75</b>	<b>80,752,182.25</b>	<b>13,386,379.50</b>

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
 Page 2 of 14

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Expenditures:					
Current Expense:					
Regular Programs - Instruction:					
Salaries of Teachers:					
Preschool/Kindergarten	\$ 483,337.00	\$ 185,000.00	\$ 668,337.00	\$ 665,671.99	\$ 2,665.01
Grades 1- 5	7,306,457.00	212,744.15	7,519,201.15	7,519,200.53	0.62
Grades 6- 8	4,137,625.00	(85,117.44)	4,052,507.56	3,837,954.48	214,553.08
Grades 9-12	6,770,913.00	(73,391.00)	6,697,522.00	6,619,933.80	77,588.20
Regular Programs - Home Instruction:					
Salaries of Teachers	27,143.00		27,143.00	6,544.80	20,598.20
Regular Programs - Undistributed Instruction:					
Other Salaries for Instruction	134,084.00	8,310.22	142,394.22	142,393.43	0.79
Purchased Professional - Educational Services	2,250.00	1,450.00	3,700.00	3,700.00	
Other Purchased Services	439,998.38	132,515.52	572,513.90	531,969.77	40,544.13
General Supplies	1,299,257.51	(171,898.51)	1,127,359.00	991,344.58	136,014.42
Textbooks	93,520.00	(25,416.00)	68,104.00	68,025.85	78.15
Other Objects	1,300.00	(650.00)	650.00		650.00
Total Regular Programs - Instruction	<u>20,695,884.89</u>	<u>183,546.94</u>	<u>20,879,431.83</u>	<u>20,386,739.23</u>	<u>492,692.60</u>
Learning and/or Language Disabilities:					
Salaries of Teachers	287,364.00	1,561.65	288,925.65	288,924.96	0.69
Other Salaries for Instruction	224,728.00		224,728.00	209,210.96	15,517.04
General Supplies	1,400.00	(217.96)	1,182.04	594.46	587.58
Total Learning and/or Language Disabilities	<u>513,492.00</u>	<u>1,343.69</u>	<u>514,835.69</u>	<u>498,730.38</u>	<u>16,105.31</u>



CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
 Page 3 of 14

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Special Education (Cont'd.):					
Behavioral Disabilities:					
Salaries of Teachers	\$ 1,489,899.00	\$ (25,686.94)	\$ 1,464,212.06	\$ 1,464,211.64	\$ 0.42
Other Salaries for Instruction	405,083.00	155,147.00	560,230.00	559,615.30	614.70
Purchased Professional - Educational Services	600.00		600.00		600.00
Other Purchased Services	6,257.00		6,257.00	4,065.47	2,191.53
General Supplies	56,352.84	(3,617.89)	52,734.95	29,371.41	23,363.54
Textbooks	850.00		850.00	131.87	718.13
Other Objects	10,500.00	3,727.00	14,227.00	12,694.14	1,532.86
Total Behavioral Disabilities	<u>1,969,541.84</u>	<u>129,569.17</u>	<u>2,099,111.01</u>	<u>2,070,089.83</u>	<u>29,021.18</u>
Multiple Disabilities:					
Salaries of Teachers		61,144.00	61,144.00	61,144.00	
Total Multiple Disabilities		<u>61,144.00</u>	<u>61,144.00</u>	<u>61,144.00</u>	
Resource Room/Resource Center:					
Salaries of Teachers	4,106,760.00	(9,740.00)	4,097,020.00	4,043,714.80	53,305.20
General Supplies	18,560.87	(5,715.10)	12,845.77	11,506.24	1,339.53
Total Resource Room/Resource Center	<u>4,125,320.87</u>	<u>(15,455.10)</u>	<u>4,109,865.77</u>	<u>4,055,221.04</u>	<u>54,644.73</u>
Autism:					
Salaries of Teachers	133,658.00	(60,209.00)	73,449.00	73,449.00	
Other Salaries for Instruction	158,055.00		158,055.00	126,330.95	31,724.05
General Supplies	750.00		750.00	746.06	3.94
Total Autism	<u>292,463.00</u>	<u>(60,209.00)</u>	<u>232,254.00</u>	<u>200,526.01</u>	<u>31,727.99</u>

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
 Page 4 of 14

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Special Education (Cont'd.):					
Preschool Disabilities - Part-Time:					
Salaries of Teachers	\$ 222,894.00	\$ 1,623.55	\$ 224,517.55	\$ 224,517.46	\$ 0.09
Other Salaries for Instruction	196,698.00		196,698.00	146,940.89	49,757.11
General Supplies	3,024.60	(1,903.33)	1,121.27	1,119.82	1.45
Total Preschool Disabilities - Part-Time	422,616.60	(279.78)	422,336.82	372,578.17	49,758.65
Preschool Disabilities - Full-Time:					
Salaries of Teachers	64,049.00		64,049.00	62,153.12	1,895.88
Other Salaries for Instruction	30,655.00		30,655.00	23,550.41	7,104.59
General Supplies	762.30		762.30	761.62	0.68
Total Preschool Disabilities - Full-Time	95,466.30		95,466.30	86,465.15	9,001.15
Special Education - Home Instruction:					
Salaries of Teachers	47,465.00		47,465.00	15,657.30	31,807.70
Purchased Professional - Educational Services	46,671.00		46,671.00	33,776.81	12,894.19
Total Special Education - Home Instruction	94,136.00		94,136.00	49,434.11	44,701.89
Total Special Education	7,513,036.61	116,112.98	7,629,149.59	7,394,188.69	234,960.90
Basic Skills/Remedial:					
Salaries of Teachers	715,286.00	(512,000.00)	203,286.00	119,893.24	83,392.76
General Supplies	2,665.00	(300.00)	2,365.00	1,417.83	947.17
Total Basic Skills/Remedial	717,951.00	(512,300.00)	205,651.00	121,311.07	84,339.93

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
 Page 5 of 14

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Bilingual Education:					
Salaries of Teachers	\$ 68,372.00	\$	\$ 68,372.00	\$ 67,049.56	\$ 1,322.44
General Supplies	500.00		500.00	89.60	410.40
Total Bilingual Education	<u>68,872.00</u>		<u>68,872.00</u>	<u>67,139.16</u>	<u>1,732.84</u>
School - Sponsored Cocurricular Activities:					
Salaries	330,935.00	2,718.58	333,653.58	333,653.57	0.01
Purchased Services	18,355.00	(9,610.00)	8,745.00	4,340.04	4,404.96
Supplies and Materials	15,435.00	(600.00)	14,835.00	7,630.18	7,204.82
Other Objects	36,725.00	(15,775.00)	20,950.00	7,408.24	13,541.76
Total School - Sponsored Cocurricular Activities	<u>401,450.00</u>	<u>(23,266.42)</u>	<u>378,183.58</u>	<u>353,032.03</u>	<u>25,151.55</u>
School - Sponsored Athletics:					
Salaries	537,153.00	(9,635.00)	527,518.00	506,993.06	20,524.94
Purchased Services	170,104.00		170,104.00	146,374.80	23,729.20
Supplies and Materials	111,490.93		111,490.93	108,798.90	2,692.03
Other Objects	21,260.00		21,260.00	16,232.70	5,027.30
Total School - Sponsored Athletics	<u>840,007.93</u>	<u>(9,635.00)</u>	<u>830,372.93</u>	<u>778,399.46</u>	<u>51,973.47</u>
Summer School - Instruction:					
Salaries of Teachers	68,925.00		68,925.00	64,197.19	4,727.81
Other Salaries for Instruction	45,268.00		45,268.00	32,430.00	12,838.00
Purchased Professional and Technical Services	23,375.00	(5,600.00)	17,775.00	14,230.00	3,545.00
General Supplies	250.00		250.00		250.00
Total Summer School - Instruction	<u>137,818.00</u>	<u>(5,600.00)</u>	<u>132,218.00</u>	<u>110,857.19</u>	<u>21,360.81</u>
Summer School - Support Services:					
Salaries	2,063.00		2,063.00		2,063.00
Total Summer School - Support Services	<u>2,063.00</u>		<u>2,063.00</u>		<u>2,063.00</u>
Total Summer School	<u>139,881.00</u>	<u>(5,600.00)</u>	<u>134,281.00</u>	<u>110,857.19</u>	<u>23,423.81</u>

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Community Services Programs/Operations:					
Salaries	\$ 29,175.00	\$	\$ 29,175.00	\$ 2,480.10	\$ 26,694.90
Purchased Services	550.00		550.00		550.00
Total Community Services Programs/Operations	<u>29,725.00</u>		<u>29,725.00</u>	<u>2,480.10</u>	<u>27,244.90</u>
Total Instruction	<u>30,406,808.43</u>	<u>(251,141.50)</u>	<u>30,155,666.93</u>	<u>29,214,146.93</u>	<u>941,520.00</u>
Undistributed Expenditures - Instruction:					
Tuition to Other LEAS Within the State - Special	1,133,223.00	46,835.00	1,180,058.00	1,099,237.85	80,820.15
Tuition to County Vocational School Districts - Regular	565,000.00		565,000.00	535,000.00	30,000.00
Tuition to County Vocational School Districts - Special	23,000.00	(10,000.00)	13,000.00	5,500.00	7,500.00
Tuition to Private Schools for the Disabled within State	2,030,691.00	(56,835.00)	1,973,856.00	1,766,256.05	207,599.95
Tuition - Other	<u>319,738.00</u>	<u>(35,438.80)</u>	<u>284,299.20</u>	<u>190,373.10</u>	<u>93,926.10</u>
Total Undistributed Expenditures - Instruction	<u>4,071,652.00</u>	<u>(55,438.80)</u>	<u>4,016,213.20</u>	<u>3,596,367.00</u>	<u>419,846.20</u>
Attendance and Social Work Services:					
Purchased Professional and Technical Services	<u>5,600.00</u>		<u>5,600.00</u>		<u>5,600.00</u>
Total Attendance and Social Work Services	<u>5,600.00</u>		<u>5,600.00</u>		<u>5,600.00</u>

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
 Page 7 of 14

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Health Services:					
Salaries	\$ 674,128.00		\$ 674,128.00	\$ 652,934.80	\$ 21,193.20
Purchased Professional and Technical Services	25,710.00	(341.79)	25,368.21	16,622.25	8,745.96
Other Purchased Services	4,850.00		4,850.00		4,850.00
Supplies and Materials	11,900.00	1,183.28	13,083.28	8,647.11	4,436.17
<b>Total Health Services</b>	<b>716,588.00</b>	<b>841.49</b>	<b>717,429.49</b>	<b>678,204.16</b>	<b>39,225.33</b>
Speech, OT, PT and Related Services:					
Salaries	1,189,548.00		1,189,548.00	994,741.59	194,806.41
Purchased Professional - Educational Services	46,736.00	35,438.80	82,174.80	78,347.23	3,827.57
Supplies and Materials	7,505.08	(1,107.23)	6,397.85	5,427.06	970.79
<b>Total Speech, OT, PT and Related Services</b>	<b>1,243,789.08</b>	<b>34,331.57</b>	<b>1,278,120.65</b>	<b>1,078,515.88</b>	<b>199,604.77</b>
Other Support Services - Students - Extraordinary Services:					
Salaries	1,102,008.00	(4,539.00)	1,097,469.00	1,062,265.75	35,203.25
Purchased Professional - Educational Services	375,777.27	179,255.00	555,032.27	383,541.47	171,490.80
Supplies and Materials	11,500.00	(2,600.00)	8,900.00	4,653.29	4,246.71
<b>Total Other Support Services - Students - Extraordinary Serv</b>	<b>1,489,285.27</b>	<b>172,116.00</b>	<b>1,661,401.27</b>	<b>1,450,460.51</b>	<b>210,940.76</b>
Guidance:					
Salaries of Other Professional Staff	896,476.00		896,476.00	887,210.92	9,265.08
Salaries of Secretarial and Clerical Assistants	176,285.00		176,285.00	176,284.80	0.20
Other Purchased Professional and Technical Services	67,141.00	1,279.98	68,420.98	65,515.91	2,905.07
Other Purchased Services	2,400.00	(2,400.00)			
Supplies and Materials	7,849.97	(556.11)	7,293.86	6,812.72	481.14
Other Objects	1,675.00	(500.00)	1,175.00	830.00	345.00
<b>Total Guidance</b>	<b>1,151,826.97</b>	<b>(2,176.13)</b>	<b>1,149,650.84</b>	<b>1,136,654.35</b>	<b>12,996.49</b>

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Child Study Teams:					
Salaries of Other Professional Staff	\$ 1,116,964.00	\$	\$ 1,116,964.00	\$ 1,105,734.66	\$ 11,229.34
Salaries of Secretarial and Clerical Assistants	151,074.00	255.18	151,329.18	151,329.12	0.06
Purchased Professional - Educational Services	209,982.50		209,982.50	196,000.00	13,982.50
Other Purchased Professional and Technical Services	24,580.00	15,600.00	40,180.00	27,240.00	12,940.00
Miscellaneous Purchased Services	43,310.00		43,310.00	37,502.84	5,807.16
Supplies and Materials	13,500.00	(809.00)	12,691.00	6,126.21	6,564.79
<b>Total Child Study Teams</b>	<b>1,559,410.50</b>	<b>15,046.18</b>	<b>1,574,456.68</b>	<b>1,523,932.83</b>	<b>50,523.85</b>
Improvement of Instructional Services:					
Salaries of Supervisors of Instruction	1,022,722.00	(18,000.00)	1,004,722.00	948,476.05	56,245.95
Salaries of Other Professional Staff	39,327.00		39,327.00	29,791.72	9,535.28
Salaries of Secretarial and Clerical Assistants	112,932.00		112,932.00	112,932.00	
Salaries of Facilitators, Math and Literacy Coaches	171,044.00	7,464.61	178,508.61	175,008.20	3,500.41
Purchased Professional - Educational Services	3,000.00	(2,500.00)	500.00	390.00	110.00
Other Purchased Services	6,665.00	(3,995.00)	2,670.00	1,271.77	1,398.23
Supplies and Materials	4,104.00	(1,584.90)	2,519.10	1,198.95	1,320.15
Other Objects	1,043.00		1,043.00	865.00	178.00
<b>Total Improvement of Instructional Services</b>	<b>1,360,837.00</b>	<b>(18,615.29)</b>	<b>1,342,221.71</b>	<b>1,269,933.69</b>	<b>72,288.02</b>
Educational Media Services/School Library:					
Salaries	387,919.00	9,726.50	397,645.50	397,644.73	0.77
Purchased Professional and Technical Services	15,738.00	(458.47)	15,279.53	15,279.53	
Supplies and Materials	41,133.01	7,459.92	48,592.93	43,825.22	4,767.71
<b>Total Educational Media Services/School Library</b>	<b>444,790.01</b>	<b>16,727.95</b>	<b>461,517.96</b>	<b>456,749.48</b>	<b>4,768.48</b>

CRANFORD PUBLIC SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
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	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Instructional Staff Training Services:					
Other Salaries	\$ 5,000.00	\$ (2,500.00)	\$ 2,500.00	\$ 2,193.26	\$ 306.74
Purchased Professional - Educational Services	53,235.00	(8,860.00)	44,375.00	27,444.00	16,931.00
Other Purchased Services	28,290.00	(17,499.92)	10,790.08	4,961.48	5,828.60
Supplies and Materials	3,500.00	(474.20)	3,025.80	2,713.13	312.67
Other Objects	3,034.00	(2,050.00)	984.00	408.00	576.00
<b>Total Instructional Staff Training Services</b>	<b>93,059.00</b>	<b>(31,384.12)</b>	<b>61,674.88</b>	<b>37,719.87</b>	<b>23,955.01</b>
Support Services - General Administration:					
Salaries	349,377.00	11,357.89	360,734.89	360,728.08	6.81
Unused Vacation Payment to Terminated/Retired Staff		33,133.28	33,133.28	33,133.28	
Legal Services	185,480.00		185,480.00	137,514.75	47,965.25
Audit Fees	32,886.00	115.15	33,001.15	33,001.15	
Architectural/Engineering Services	4,500.00	24,200.00	28,700.00	27,270.00	1,430.00
Purchased Technical Services	11,535.00	1,995.00	13,530.00	13,164.99	365.01
Communications/Telephone	167,215.75	1,298.00	168,513.75	151,758.80	16,754.95
BOE Other Purchased Services	5,850.00	(2,110.15)	3,739.85	900.00	2,839.85
Miscellaneous Purchased Services	73,675.00	(15,940.00)	57,735.00	50,701.47	7,033.53
General Supplies	9,748.00		9,748.00	4,885.98	4,862.02
BOE In-House Training/Meeting Supplies	3,000.00		3,000.00		3,000.00
Miscellaneous Expenditures	7,038.00	1,500.00	8,538.00	7,150.32	1,387.68
BOE Membership Dues and Fees	26,915.00		26,915.00	26,915.00	
<b>Total Support Services - General Administration</b>	<b>877,219.75</b>	<b>55,549.17</b>	<b>932,768.92</b>	<b>847,123.82</b>	<b>85,645.10</b>
Support Services - School Administration:					
Salaries of Principals/Assistant Principals	1,670,542.00	(25,619.10)	1,644,922.90	1,631,509.24	13,413.66
Salaries of Other Professional Staff	428,161.00		428,161.00	427,461.10	699.90
Salaries of Secretarial and Clerical Assistants	959,939.00	(3,118.50)	956,820.50	930,121.31	26,699.19
Unused Vacation Payment to Terminated/Retired Staff		21,355.20	21,355.20	21,355.20	
Purchased Professional and Technical Services		195.00	195.00	195.00	
Other Purchased Services	21,456.00	3,725.00	25,181.00	22,536.01	2,644.99
Supplies and Materials	34,296.02	(6,735.90)	27,560.12	22,900.97	4,659.15
Other Objects	12,028.90	606.00	12,634.90	10,112.83	2,522.07
<b>Total Support Services - School Administration</b>	<b>3,126,422.92</b>	<b>(9,592.30)</b>	<b>3,116,830.62</b>	<b>3,066,191.66</b>	<b>50,638.96</b>

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
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	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Central Services:					
Salaries	\$ 772,026.00	\$ 11,740.42	\$ 783,766.42	\$ 762,687.56	\$ 21,078.86
Purchased Technical Services	125,557.00	(1,535.24)	124,021.76	118,413.54	5,608.22
Miscellaneous Purchased Services	31,221.00	1,535.24	32,756.24	22,676.89	10,079.35
Supplies and Materials	24,028.97	(110.00)	23,918.97	13,553.05	10,365.92
Miscellaneous Expenditures	5,296.00		5,296.00	3,822.76	1,473.24
<b>Total Central Services</b>	<b>958,128.97</b>	<b>11,630.42</b>	<b>969,759.39</b>	<b>921,153.80</b>	<b>48,605.59</b>
Administrative Information Technology:					
Salaries	309,870.00	(128,984.14)	180,885.86	180,560.62	325.24
Unused Vacation Payment to Terminated/Retired Staff		18,569.14	18,569.14	18,569.14	
Purchased Technical Services	52,069.00	131,000.00	183,069.00	182,508.40	560.60
Other Purchased Services	1,999.38		1,999.38	297.66	1,701.72
Supplies and Materials	1,320.00		1,320.00	1,177.50	142.50
<b>Total Administrative Information Technology</b>	<b>365,258.38</b>	<b>20,585.00</b>	<b>385,843.38</b>	<b>383,113.32</b>	<b>2,730.06</b>
Required Maintenance for School Facilities:					
Salaries	241,228.00	1,673.01	242,901.01	234,271.39	8,629.62
Cleaning, Repair, and Maintenance Services	257,350.64	236,307.92	493,658.56	407,555.28	86,103.28
General Supplies	62,963.99	40,162.11	103,126.10	96,497.99	6,628.11
Other Objects	10,800.00	2,700.00	13,500.00	10,058.00	3,442.00
<b>Total Required Maintenance for School Facilities</b>	<b>572,342.63</b>	<b>280,843.04</b>	<b>853,185.67</b>	<b>748,382.66</b>	<b>104,803.01</b>
Custodial Services:					
Salaries	2,084,161.00	11,323.37	2,095,484.37	1,994,273.67	101,210.70
Salaries of Non-Instructional Aides	438,312.00	(45,076.17)	393,235.83	226,457.06	166,778.77
Unused Vacation Payment to Terminated/Retired Staff		7,268.50	7,268.50	7,268.50	
Purchased Professional & Technical Services	11,000.00	1,684.53	12,684.53	11,532.53	1,152.00
Cleaning, Repair, and Maintenance Services	152,117.00	(10,358.41)	141,758.59	133,987.65	7,770.94
Other Purchased Property Services	103,699.00	(6,410.00)	97,289.00	85,232.34	12,056.66
Insurance	461,095.00	84,893.65	545,988.65	545,988.65	
Miscellaneous Purchased Services	1,250.00		1,250.00	849.00	401.00
General Supplies	176,231.50	(27,488.28)	148,743.22	141,666.97	7,076.25
Energy (Natural Gas)	359,394.00		359,394.00	315,865.88	43,528.12
Energy (Electricity)	441,872.00	(10,000.00)	431,872.00	363,178.08	68,693.92
Energy (Gasoline)	9,450.00		9,450.00	5,764.30	3,685.70
Other Objects	3,292.00	1,180.00	4,472.00	4,472.00	
<b>Total Custodial Services</b>	<b>4,241,873.50</b>	<b>7,017.19</b>	<b>4,248,890.69</b>	<b>3,836,536.63</b>	<b>412,354.06</b>



CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
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	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Care and Upkeep of Grounds:					
Salaries	\$ 181,181.00	\$ (4,499.96)	\$ 176,681.04	\$ 170,259.86	\$ 6,421.18
Cleaning, Repair, and Maintenance Services	168,735.00	(5,142.00)	163,593.00	145,118.11	18,474.89
General Supplies	25,000.00	(2,235.00)	22,765.00	21,964.67	800.33
<b>Total Care and Upkeep of Grounds</b>	<b>374,916.00</b>	<b>(11,876.96)</b>	<b>363,039.04</b>	<b>337,342.64</b>	<b>25,696.40</b>
Security:					
Salaries	11,175.00	9,635.00	20,810.00	19,085.00	1,725.00
Purchased Professional & Technical Services	95,400.00	(335.00)	95,065.00	85,684.35	9,380.65
Cleaning, Repair, and Maintenance Services	149,918.00	(4,915.00)	145,003.00	130,750.40	14,252.60
General Supplies	8,700.00	(702.02)	7,997.98	4,175.20	3,822.78
<b>Total Security</b>	<b>265,193.00</b>	<b>3,682.98</b>	<b>268,875.98</b>	<b>239,694.95</b>	<b>29,181.03</b>
Student Transportation Services:					
Salaries for Pupil Transportation (Other Than Between Home & School)	110,670.00		110,670.00	94,620.74	16,049.26
Cleaning, Repair, and Maintenance Services	10,000.00		10,000.00	2,330.77	7,669.23
Contracted Services (Between Home and School) - Vendors	191,029.00		191,029.00	190,470.00	559.00
Contracted Services (Other Than Between Home & School) - Vendors	191,603.00	(13,063.65)	178,539.35	87,511.10	91,028.25
Contracted Services (Special Education Students) - Vendors	23,961.00	40,154.72	64,115.72	41,940.52	22,175.20
Contracted Services (Special Education Students) - Joint Agreements	461,746.00	60,913.62	522,659.62	494,220.63	28,438.99
Contracted Services (Regular Students) - ESCs	144,833.00	31,487.66	176,320.66	165,120.95	11,199.71
Contracted Services (Special Ed. Students) - ESCs	924,096.00	(72,114.00)	851,982.00	766,571.62	85,410.38
Contracted Services - Aid in Lieu of Payments	94,000.00		94,000.00	84,000.00	10,000.00
Transportation Supplies	6,500.00		6,500.00	958.35	5,541.65
<b>Total Student Transportation Services</b>	<b>2,158,438.00</b>	<b>47,378.35</b>	<b>2,205,816.35</b>	<b>1,927,744.68</b>	<b>278,071.67</b>

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
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	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Expenditures (Cont'd.):					
Current Expense (Cont'd.):					
Unallocated Benefits - Employee Benefits:					
Social Security Contributions	\$ 835,444.00	\$	\$ 835,444.00	\$ 740,514.86	\$ 94,929.14
Other Retirement Contributions - PERS	869,296.00	27,466.00	896,762.00	896,762.00	
Other Retirement Contributions - Regular	43,858.00	15,439.16	59,297.16	59,297.16	
Workers' Compensation	470,622.00	(36,659.50)	433,962.50	433,313.00	649.50
Health Benefits	9,968,652.00	(248,235.91)	9,720,416.09	9,341,759.79	378,656.30
Tuition Reimbursement	100,500.00		100,500.00	86,434.00	14,066.00
Other Employee Benefits	325,069.00	18,896.35	343,965.35	340,522.80	3,442.55
Unused Sick Payment to Terminated/Retired Staff		110,931.00	110,931.00	98,626.00	12,305.00
<b>Total Unallocated Benefits - Employee Benefits</b>	<b>12,613,441.00</b>	<b>(112,162.90)</b>	<b>12,501,278.10</b>	<b>11,997,229.61</b>	<b>504,048.49</b>
<b>Total Personal Services - Employee Benefits</b>	<b>12,613,441.00</b>	<b>(112,162.90)</b>	<b>12,501,278.10</b>	<b>11,997,229.61</b>	<b>504,048.49</b>
On Behalf T.P.A.F. Pension Contributions (non-budgeted)				7,994,507.00	(7,994,507.00)
On Behalf Post Retirement Medical Contributions (non-budgeted)				2,553,022.00	(2,553,022.00)
On Behalf T.P.A.F. Non-Contributory Group Insurance Contributions (non-budgeted)				152,106.00	(152,106.00)
On Behalf T.P.A.F. Long Term Disability Insurance Contributions (non-budgeted)				5,169.00	(5,169.00)
Reimbursed TPAF Social Security Contributions (non-budgeted)				2,281,777.16	(2,281,777.16)
<b>Total Undistributed Expenditures</b>	<b>37,690,071.98</b>	<b>424,502.84</b>	<b>38,114,574.82</b>	<b>48,519,632.70</b>	<b>(10,405,057.88)</b>
<b>Total Expenditures - Current Expense</b>	<b>68,096,880.41</b>	<b>173,361.34</b>	<b>68,270,241.75</b>	<b>77,733,779.63</b>	<b>(9,463,537.88)</b>

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
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	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Capital Outlay:					
Equipment:					
Regular Programs - Instruction:					
Grades 1-5	\$	\$ 10,797.00	\$ 10,797.00	\$ 10,797.00	\$
Grades 6-8		20,054.00	20,054.00	20,054.00	
Grades 9-12		22,333.21	22,333.21	14,535.21	7,798.00
School Sponsored and Other					
Instructional Programs	7,599.00		7,599.00	7,599.00	
Undistributed Expenditures:					
Care and Upkeep of Grounds		8,515.00	8,515.00	8,515.00	
Total Equipment	7,599.00	61,699.21	69,298.21	61,500.21	7,798.00
Facilities Acquisition & Construction Services:					
Other Objects	13,684.00		13,684.00	13,684.00	
Total Facilities. Acquisition & Construction Services	13,684.00		13,684.00	13,684.00	
Assets Acquired Under Capital Leases:					
Equipment:					
Copiers (non-budgeted)				152,308.20	(152,308.20)
Instructional Equipment - Chromebooks (non-budgeted)				569,300.00	(569,300.00)
Total Assets Acquired Under Capital Leases				721,608.20	(721,608.20)
Total Capital Outlay	21,283.00	61,699.21	82,982.21	796,792.41	(713,810.20)
Total Expenditures	68,118,163.41	235,060.55	68,353,223.96	78,530,572.04	(10,177,348.08)

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 GENERAL FUND  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit - C-1  
 Page 14 of 14

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive(Negative) Final to Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (665,140.41)	\$ (322,280.80)	\$ (987,421.21)	\$ 2,221,610.21	\$ 3,209,031.42
Other Financing Sources/(Uses):					
Transfers to Cover Deficit (Enterprise Fund)		(100,000.00)	(100,000.00)	(99,623.95)	376.05
Capital Leases (non-budgeted)				721,608.20	721,608.20
Total Other Financing Sources/(Uses)		(100,000.00)	(100,000.00)	621,984.25	721,984.25
Excess (Deficiency) of Revenues and Other Financing Sources/(Uses) Over (Under) Expenditures and Other Financing Uses	(665,140.41)	(422,280.80)	(1,087,421.21)	2,843,594.46	3,931,015.67
Fund Balances, July 1 (Restated)	2,759,163.35		2,759,163.35	2,759,163.35	
Fund Balances, June 30	\$ 2,094,022.94	\$ (422,280.80)	\$ 1,671,742.14	\$ 5,602,757.81	\$ 3,931,015.67
Recapitulation of Fund Balance:					
Restricted for:					
Reserved for Excess Surplus				\$ 1,625,374.54	
Reserved for Excess Surplus- Designated for Subsequent Year Expenditures				283,395.46	
Capital Reserve				1.00	
Assigned to:					
Year - End Encumbrances				266,176.08	
Designated for Subsequent Year's Expenditures				217,442.54	
Unassigned Fund Balance				3,210,368.19	
				\$ 5,602,757.81	
Reconciliation to Governmental Funds Statement (GAAP):					
Last State Aid Payment not recognized on GAAP basis				(287,757.00)	
Fund Balance per Governmental Funds (GAAP)				\$ 5,315,000.81	

CRANFORD PUBLIC SCHOOL DISTRICT  
BUDGETARY COMPARISON SCHEDULE  
SPECIAL REVENUE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Exhibit C-2

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Positive (Negative) Final to Actual
<b>Revenues:</b>					
<b>Local Sources:</b>					
Revenue from Local Sources		\$ 93,267.70	\$ 93,267.70	\$ 345,487.16	\$ 252,219.46
<b>Total - Local Sources</b>		<u>93,267.70</u>	<u>93,267.70</u>	<u>345,487.16</u>	<u>252,219.46</u>
<b>State Sources:</b>					
Nonpublic Aid	\$ 127,337.00	60,142.00	187,479.00	163,631.10	(23,847.90)
NJTSS - ER		7,968.61	7,968.61	7,968.61	0.00
<b>Total - State Sources</b>	<u>127,337.00</u>	<u>68,110.61</u>	<u>195,447.61</u>	<u>171,599.71</u>	<u>(23,847.90)</u>
<b>Federal Sources:</b>					
I.D.E.A., Part B (Handicapped)	867,603.00	44,328.00	911,931.00	911,931.00	0.00
ESEA - Title I, Part A		1,613.00	1,613.00		(1,613.00)
ESEA - Title II, Part A	59,215.00	(6,634.00)	52,581.00	50,011.50	(2,569.50)
CARES Emergency Relief/ESSER		46,101.49	46,101.49	46,101.49	0.00
Union County CARES Emergency Relief		186,950.00	186,950.00	186,950.00	0.00
Bridging the Digital Divide		9,831.00	9,831.00	9,831.00	0.00
Coronavirus Relief Fund		101,733.00	101,733.00	101,733.00	0.00
CARES Emergency Relief/ESSER II		562,393.00	562,393.00	256,828.45	(305,564.55)
<b>Total - Federal Sources</b>	<u>926,818.00</u>	<u>946,315.49</u>	<u>1,873,133.49</u>	<u>1,563,386.44</u>	<u>(309,747.05)</u>
<b>Total Revenues</b>	<u>1,054,155.00</u>	<u>1,107,693.80</u>	<u>2,161,848.80</u>	<u>2,080,473.31</u>	<u>(81,375.49)</u>
<b>Expenditures</b>					
<b>Instruction</b>					
Salaries of Teachers		99,982.59	99,982.59	42,125.59	57,857.00
Other Salaries		32,143.00	32,143.00		32,143.00
Purchase Professional and Technical Services		0.00			0.00
Other Purchased Services	118,108.00	62,405.00	180,513.00	154,976.78	25,536.22
Tuition	804,405.00	50,155.00	854,560.00	854,560.00	0.00
General Supplies		122,663.98	122,663.98	101,373.01	21,290.97
Textbooks	9,229.00	4,577.00	13,806.00	13,214.32	591.68
<b>Total Instruction</b>	<u>931,742.00</u>	<u>371,926.57</u>	<u>1,303,668.57</u>	<u>1,166,249.70</u>	<u>137,418.87</u>
<b>Support Services</b>					
Other Salaries	41,000.00	143,818.59	184,818.59	184,818.59	0.00
Personal Services - Employee Benefits	14,350.00	67,611.50	81,961.50	22,769.34	59,192.16
Purchased Professional - Educational Services	64,198.00	114,743.74	178,941.74	66,538.74	112,403.00
Other Purchased Services (400-500 series)	500.00	38,610.45	39,110.45	27,890.12	11,220.33
Supplies and Materials	2,365.00	361,182.95	363,547.95	320,652.67	42,895.28
Student Activities	0.00	0.00	0.00	395,085.86	(395,085.86)
<b>Total Support Services</b>	<u>122,413.00</u>	<u>725,967.23</u>	<u>848,380.23</u>	<u>1,017,755.32</u>	<u>(169,375.09)</u>
<b>Facilities Acquisition and Construction Services:</b>					
Instructional Equipment		9,800.00	9,800.00	4,800.00	5,000.00
<b>Total Facilities Acquisition and Construction Services</b>	<u>0.00</u>	<u>9,800.00</u>	<u>9,800.00</u>	<u>4,800.00</u>	<u>5,000.00</u>
<b>Total Expenditures</b>	<u>1,054,155.00</u>	<u>1,107,693.80</u>	<u>2,161,848.80</u>	<u>2,188,805.02</u>	<u>(26,956.22)</u>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>				<u>\$ (108,331.71)</u>	<u>\$ (108,331.71)</u>
Fund Balance, July 1				-	
Prior Period Adjustment				<u>348,734.94</u>	
Fund Balance, July 1 (Restated)				<u>348,734.94</u>	
Fund Balance, June 30				<u>\$ 240,403.23</u>	
<b>Recapitulation:</b>					
Restricted:					
Student Activities				<u>\$ 240,403.23</u>	

CRANFORD PUBLIC SCHOOL DISTRICT  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 NOTE TO RSI  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Note A - Explanation of Differences between Budgetary Inflows and Outflows and GAAP Revenues and Expenditures

	General Fund	Special Revenue Fund
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule (C-1, C-2)	\$ 80,752,182.25	\$ 2,080,473.31
Difference - budget to GAAP:		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Prior year		
Current year		
State aid payments recognized for budgetary purposes, not recognized for GAAP statements.		
Prior year	277,131.00	
Current year	(287,757.00)	
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds. (B-2)	\$ 80,741,556.25	\$ 2,080,473.31
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "total expenditures" from the budgetary comparison schedule (C-1, C-2)	\$ 78,530,572.04	\$ 2,188,805.02
Differences - budget to GAAP		
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances - governmental funds (B-2)	\$ 78,530,572.04	\$ 2,188,805.02

## **Supplementary Information**

## **Special Revenue Fund**



CRANFORD PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Total Brought Forward (Ex. E-1a)	IDEA Part B Basic Reg. FY 2021	IDEA Part B Preschool FY 2021	ESEA - Title II, Part A FY 2021	CARES Emergency Relief Grant	Totals 2021
<u>Revenues:</u>						
State Sources	\$ 171,599.71					\$ 171,599.71
Federal Sources	555,342.45	882,388.00	29,543.00	50,011.50	46,101.49	1,563,386.44
Local Sources	345,487.16					345,487.16
<b>Total Revenues</b>	<b>1,072,429.32</b>	<b>882,388.00</b>	<b>29,543.00</b>	<b>50,011.50</b>	<b>46,101.49</b>	<b>2,080,473.31</b>
<u>Expenditures:</u>						
Instruction:						
Salaries of Teachers	7,125.59			35,000.00		42,125.59
Purchased Professional and Technical Services						
Other Purchased Services	152,696.78				2,280.00	154,976.78
Tuition		854,560.00				854,560.00
General Supplies	101,373.01					101,373.01
Textbooks	13,214.32					13,214.32
<b>Total Instruction</b>	<b>274,409.70</b>	<b>854,560.00</b>		<b>35,000.00</b>	<b>2,280.00</b>	<b>1,166,249.70</b>
Support Services:						
Other Salaries	184,818.59					184,818.59
Personal Services - Employee Benefits	7,757.84			15,011.50		22,769.34
Purchased Professional - Educational Services		27,828.00	29,543.00		9,167.74	66,538.74
Other Purchased Services (400-500 series)	23,353.02				4,537.10	27,890.12
Supplies and Materials	290,536.02				30,116.65	320,652.67
Student Activities	395,085.86					395,085.86
<b>Total Support Services</b>	<b>901,551.33</b>	<b>27,828.00</b>	<b>29,543.00</b>	<b>15,011.50</b>	<b>43,821.49</b>	<b>1,017,755.32</b>
Facilities Acquisition & Construction Services:						
Instructional Equipment	4,800.00					4,800.00
<b>Total Facilities Acquisition &amp; Construction Services</b>	<b>4,800.00</b>					<b>4,800.00</b>
<b>Total Expenditures</b>	<b>1,180,761.03</b>	<b>882,388.00</b>	<b>29,543.00</b>	<b>50,011.50</b>	<b>46,101.49</b>	<b>2,188,805.02</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(108,331.71)	-	-	-	-	(108,331.71)
Fund Balance, July 1 Prior Period Adjustment	348,734.94					348,734.94
Fund Balance, July 1 (Restated)	348,734.94					348,734.94
<b>Fund Balance, June 30</b>	<b>\$ 240,403.23</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>	<b>\$ 240,403.23</b>

CRANFORD PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Total Brought Forward (Ex. E-1b)	Union County CARES Grant	Bridging the Digital Divide Grant	Coronavirus Relief Fund Grant	CRRSA Act ESSER II	CRRSA Act Learning Acceleration	Total Carried Forward
<u>Revenues:</u>							
State Sources	\$ 171,599.71						\$ 171,599.71
Federal Sources		186,950.00	9,831.00	101,733.00	254,548.45	2,280.00	555,342.45
Local Sources	<u>345,487.16</u>						<u>345,487.16</u>
Total Revenues	<u>517,086.87</u>	<u>186,950.00</u>	<u>9,831.00</u>	<u>101,733.00</u>	<u>254,548.45</u>	<u>2,280.00</u>	<u>1,072,429.32</u>
<u>Expenditures:</u>							
Instruction:							
Salaries of Teachers	7,125.59						7,125.59
Purchased Professional and Technical Services							
Other Purchased Services	150,416.78					2,280.00	152,696.78
Tuition							
General Supplies	32,308.73	5,512.00	9,831.00	3,010.24	50,711.04		101,373.01
Textbooks	<u>13,214.32</u>						<u>13,214.32</u>
Total Instruction	<u>203,065.42</u>	<u>5,512.00</u>	<u>9,831.00</u>	<u>3,010.24</u>	<u>50,711.04</u>	<u>2,280.00</u>	<u>274,409.70</u>
Support Services:							
Other Salaries		83,408.96			101,409.63		184,818.59
Personal Services - Employee Benefits					7,757.84		7,757.84
Purchased Professional - Educational Services							
Other Purchased Services (400-500 series)	19,168.02			4,185.00			23,353.02
Supplies and Materials	3,299.28	98,029.04		94,537.76	94,669.94		290,536.02
Student Activities	<u>395,085.86</u>						<u>395,085.86</u>
Total Support Services	<u>417,553.16</u>	<u>181,438.00</u>		<u>98,722.76</u>	<u>203,837.41</u>		<u>901,551.33</u>
Facilities Acquisition & Construction Services:							
Instructional Equipment	<u>4,800.00</u>						<u>4,800.00</u>
Total Facilities Acquisition & Construction Services	<u>4,800.00</u>						<u>4,800.00</u>
Total Expenditures	<u>625,418.58</u>	<u>186,950.00</u>	<u>9,831.00</u>	<u>101,733.00</u>	<u>254,548.45</u>	<u>2,280.00</u>	<u>1,180,761.03</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(108,331.71)</u>						<u>(108,331.71)</u>
Fund Balance, July 1 Prior Period Adjustment	<u>348,734.94</u>						<u>348,734.94</u>
Fund Balance, July 1 (Restated)	<u>348,734.94</u>						<u>348,734.94</u>
Fund Balance, June 30	<u>\$ 240,403.23</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 240,403.23</u>

CRANFORD PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Total Brought Forward ( <u>Ex. E-1c</u> )	NJSS - ER Grant	Nonpublic Textbooks	Nonpublic Nursing	Nonpublic Security	Total Carried Forward
<u>Revenues:</u>						
State Sources	\$ 98,341.70	\$ 7,968.61	\$ 13,214.32	\$ 13,075.08	\$ 39,000.00	\$ 171,599.71
Federal Sources						
Local Sources	<u>345,487.16</u>					<u>345,487.16</u>
Total Revenues	<u>443,828.86</u>	<u>7,968.61</u>	<u>13,214.32</u>	<u>13,075.08</u>	<u>39,000.00</u>	<u>517,086.87</u>
<u>Expenditures:</u>						
Instruction:						
Salaries of Teachers		7,125.59				7,125.59
Purchased Professional and Technical Services						
Other Purchased Services	98,341.70			13,075.08	39,000.00	150,416.78
Tuition						
General Supplies	32,308.73					32,308.73
Textbooks			<u>13,214.32</u>			<u>13,214.32</u>
Total Instruction	<u>130,650.43</u>	<u>7,125.59</u>	<u>13,214.32</u>	<u>13,075.08</u>	<u>39,000.00</u>	<u>203,065.42</u>
Support Services:						
Other Salaries						
Personal Services - Employee Benefits						
Purchased Professional - Educational Services						
Other Purchased Services (400-500 series)	18,325.00	843.02				19,168.02
Supplies and Materials	3,299.28					3,299.28
Student Activities	<u>395,085.86</u>					<u>395,085.86</u>
Total Support Services	<u>416,710.14</u>	<u>843.02</u>				<u>417,553.16</u>
Facilities Acquisition & Construction Services:						
Instructional Equipment	<u>4,800.00</u>					<u>4,800.00</u>
Total Facilities Acquisition & Construction Services	<u>4,800.00</u>					<u>4,800.00</u>
Total Expenditures	<u>552,160.57</u>	<u>7,968.61</u>	<u>13,214.32</u>	<u>13,075.08</u>	<u>39,000.00</u>	<u>625,418.58</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(108,331.71)</u>					<u>(108,331.71)</u>
Fund Balance, July 1 Prior Period Adjustment	<u>348,734.94</u>					<u>348,734.94</u>
Fund Balance, July 1 (Restated)	<u>348,734.94</u>					<u>348,734.94</u>
Fund Balance, June 30	<u>\$ 240,403.23</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 240,403.23</u>

CRANFORD PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Total Brought Forward (Ex. E-1d)	N.J. Nonpublic Auxiliary Services Ch. 192		N.J. Nonpublic Handicapped Services Ch. 193			Total Carried Forward
		Compensatory Education	ESL	Supplemental Instruction	Examination & Classification	Corrective Speech	
<b>Revenues:</b>							
State Sources	\$	\$ 63,924.06	\$ 443.24	\$ 9,712.80	\$ 15,603.30	\$ 8,658.30	\$ 98,341.70
Federal Sources							
Local Sources	<u>345,487.16</u>						<u>345,487.16</u>
Total Revenues	<u>345,487.16</u>	<u>63,924.06</u>	<u>443.24</u>	<u>9,712.80</u>	<u>15,603.30</u>	<u>8,658.30</u>	<u>443,828.86</u>
<b>Expenditures:</b>							
Instruction:							
Salaries of Teachers							
Purchased Professional and Technical Services							
Other Purchased Services		63,924.06	443.24	9,712.80	15,603.30	8,658.30	98,341.70
Tuition							
General Supplies	32,308.73						32,308.73
Textbooks							
Total Instruction	<u>32,308.73</u>	<u>63,924.06</u>	<u>443.24</u>	<u>9,712.80</u>	<u>15,603.30</u>	<u>8,658.30</u>	<u>130,650.43</u>
Support Services:							
Other Salaries							
Personal Services - Employee Benefits							
Purchased Professional - Educational Services							
Other Purchased Services (400-500 series)	18,325.00						18,325.00
Supplies and Materials	3,299.28						3,299.28
Student Activities	<u>395,085.86</u>						<u>395,085.86</u>
Total Support Services	<u>416,710.14</u>						<u>416,710.14</u>
Facilities Acquisition & Construction Services:							
Instructional Equipment	4,800.00						4,800.00
Total Facilities Acquisition & Construction Services	<u>4,800.00</u>						<u>4,800.00</u>
Total Expenditures	<u>453,818.87</u>	<u>63,924.06</u>	<u>443.24</u>	<u>9,712.80</u>	<u>15,603.30</u>	<u>8,658.30</u>	<u>552,160.57</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(108,331.71)</u>						<u>(108,331.71)</u>
Fund Balance, July 1							
Prior Period Adjustment	<u>348,734.94</u>						<u>348,734.94</u>
Fund Balance, July 1 (Restated)	<u>348,734.94</u>						<u>348,734.94</u>
Fund Balance, June 30	<u>\$ 240,403.23</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 240,403.23</u>

CRANFORD PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Total Brought Forward <u>(Ex. E-1e)</u>	LAS PTA Donations	BASF Corporation Grant	Kids Dig In Grant	School Program Donations	Memorial Field Donations	WAS PTA Donations	Total Carried Forward
<u>Revenues:</u>								
State Sources	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources								
Local Sources	328,355.25	5,100.00	418.03	63.88	6,650.00	4,500.00	400.00	345,487.16
Total Revenues	<u>328,355.25</u>	<u>5,100.00</u>	<u>418.03</u>	<u>63.88</u>	<u>6,650.00</u>	<u>4,500.00</u>	<u>400.00</u>	<u>345,487.16</u>
<u>Expenditures:</u>								
Instruction:								
Salaries of Teachers								
Purch. Professional and Technical Services								
Other Purchased Services								
Tuition								
General Supplies	24,776.82		418.03	63.88	6,650.00		400.00	32,308.73
Textbooks								
Total Instruction	<u>24,776.82</u>		<u>418.03</u>	<u>63.88</u>	<u>6,650.00</u>		<u>400.00</u>	<u>32,308.73</u>
Support Services:								
Other Salaries								
Personal Services - Employee Benefits								
Purch. Professional - Educational Services								
Other Purchased Services (400-500 series)	13,825.00					4,500.00		18,325.00
Supplies and Materials	2,999.28	300.00						3,299.28
Student Activities	395,085.86							395,085.86
Total Support Services	<u>411,910.14</u>	<u>300.00</u>				<u>4,500.00</u>		<u>416,710.14</u>
Facilities Acquisition & Construction Services:								
Instructional Equipment		4,800.00						4,800.00
Total Facilities Acq. & Constr. Services		<u>4,800.00</u>						<u>4,800.00</u>
Total Expenditures	<u>436,686.96</u>	<u>5,100.00</u>	<u>418.03</u>	<u>63.88</u>	<u>6,650.00</u>	<u>4,500.00</u>	<u>400.00</u>	<u>453,818.87</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(108,331.71)</u>							<u>(108,331.71)</u>
Fund Balance, July 1 Prior Period Adjustment	<u>348,734.94</u>							<u>348,734.94</u>
Fund Balance, July 1 (Restated)	<u>348,734.94</u>							<u>348,734.94</u>
Fund Balance, June 30	<u>\$ 240,403.23</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 240,403.23</u>

CRANFORD PUBLIC SCHOOL DISTRICT  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF PROGRAM REVENUES AND EXPENDITURES - BUDGETARY BASIS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	BPS School Donations	Friends of the Performing Arts Donations	Culture & Climate Program Donations	CFEE Donations	CFEE Grants	Union County STEM Grant	Union County ADA Grant	Student Activity Fund	Total Carried Forward
<u>Revenues:</u>									
State Sources	\$	\$	\$	\$	\$	\$	\$	\$	\$
Federal Sources									
Local Sources	2,116.44	7,114.04	500.00	14,298.00	7,248.34	2,999.28	7,325.00	286,754.15	328,355.25
Total Revenues	2,116.44	7,114.04	500.00	14,298.00	7,248.34	2,999.28	7,325.00	286,754.15	328,355.25
<u>Expenditures:</u>									
Instruction:									
Salaries of Teachers									
Purchased Professional and Technical Services									
Other Purchased Services									
Tuition									
General Supplies	2,116.44	7,114.04		8,298.00	7,248.34				24,776.82
Textbooks									
Total Instruction	2,116.44	7,114.04		8,298.00	7,248.34				24,776.82
Support Services:									
Other Salaries									
Personal Services - Employee Benefits									
Purchased Professional - Educational Services									
Other Purchased Services (400-500 series)			500.00	6,000.00			7,325.00		13,825.00
Supplies and Materials						2,999.28			2,999.28
Student Activities								395,085.86	395,085.86
Total Support Services			500.00	6,000.00		2,999.28	7,325.00	395,085.86	411,910.14
Facilities Acquisition & Construction Services:									
Instructional Equipment									
Total Facilities Acquisition & Construction Services									
Total Expenditures	2,116.44	7,114.04	500.00	14,298.00	7,248.34	2,999.28	7,325.00	395,085.86	436,686.96
Excess (Deficiency) of Revenues Over (Under) Expenditures								(108,331.71)	(108,331.71)
Fund Balance, July 1									
Prior Period Adjustment								348,734.94	348,734.94
Fund Balance, July 1 (Restated)								348,734.94	348,734.94
Fund Balance, June 30	\$	\$	\$	\$	\$	\$	\$	\$ 240,403.23	\$ 240,403.23

## **Capital Projects Fund**

CRANFORD PUBLIC SCHOOL DISTRICT  
 SUMMARY STATEMENT OF PROJECT EXPENDITURES  
 CAPITAL PROJECTS FUND  
FISCAL YEAR ENDED JUNE 30, 2021

<u>Project Title/Issue</u>	<u>Appropriations</u>	<u>Grant Cancelled</u>		<u>GAAP Expenditures to Date</u>		<u>Operating Transfers In (Out)</u>		<u>Unexpended Balance</u>
		<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	<u>Prior Years</u>	<u>Current Year</u>	
<u>Various Capital Improvements - December 2009 Referendum:</u>								
Issuance of School Bonds	\$11,988,000.00			\$8,167,689.32		(\$2,226,259.78)		1,594,050.90
Additional State School Building Aid - (SDA) Grants	7,992,506.00	(2,834,775.18)		5,157,730.82				0.00 *
<b>TOTALS</b>	<u>\$19,980,506.00</u>	<u>(\$2,834,775.18)</u>		<u>\$13,325,420.14</u>		<u>(\$2,226,259.78)</u>		<u>\$1,594,050.90</u>

\* Not recorded as revenue or receivable



CRANFORD PUBLIC SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF REVENUES, EXPENDITURES,  
 AND CHANGE IN FUND BALANCE - BUDGETARY BASIS  
FOR THE YEAR ENDED JUNE 30, 2021

Fund Balance (Deficit) - Beginning	\$ <u>1,594,050.90</u>
Fund Balance (Deficit) - Ending	\$ <u><u>1,594,050.90</u></u>
<u>Recapitulation of Fund Balance at June 30, 2021:</u>	
Unreserved - Undesignated (Deficit)	\$ <u>1,594,050.90</u>
Total Fund Balance - Budgetary Basis	1,594,050.90
Reconciliation to Governmental Funds Statement (GAAP):	
SDA Grants not Recognized on GAAP Basis	<u>-</u>
Total Fund Balance (Deficit) per Governmental Funds (GAAP)	\$ <u><u>1,594,050.90</u></u>

CRANFORD PUBLIC SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS - BUDGETARY BASIS  
 CRANFORD HIGH SCHOOL - DECEMBER 2009 REFERENDUM  
 FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Prior Periods	Current Year	Totals	Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 730,060.00	\$	\$ 730,060.00	\$ 730,060.00
Bond Proceeds and Transfers	1,613,661.00		1,613,661.00	1,613,661.00
<b>Total Revenues and Other Financing Sources</b>	<b>2,343,721.00</b>		<b>2,343,721.00</b>	<b>2,343,721.00</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	232,448.38		232,448.38	232,448.38
Construction Services	1,602,000.00		1,602,000.00	1,602,000.00
Transfer to Debt Service Fund	509,272.62		509,272.62	509,272.62
<b>Total Expenditures and Other Financing Uses</b>	<b>2,343,721.00</b>		<b>2,343,721.00</b>	<b>2,343,721.00</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$	\$	\$	\$
<b>Additional Project Information:</b>				
Project Number	0980-030-09-1001			
Grant Date	1/22/2010			
Bond Authorization Date	12/8/2009			
Bonds Authorized	\$1,613,661.00			
Bonds Issued	\$1,613,661.00			
Original Authorized Cost	\$2,689,435.00			
Additional Authorized Cost	N/A			
Final Authorized Cost	\$2,343,721.00			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	100%			
Original Target Completion Date	12/31/2011			
Revised Target Completion Date	6/30/2015			

CRANFORD PUBLIC SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS - BUDGETARY BASIS  
 HILLSIDE AVENUE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

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

**Additional Project Information:**

Project Number	0980-033-09-1002
Grant Date	1/22/2010
Bond Authorization Date	12/8/2009
Bonds Authorized	\$1,939,889.00
Bonds Issued	\$1,939,889.00
Original Authorized Cost	\$3,233,148.00
Additional Authorized Cost	N/A
Final Authorized Cost	\$2,874,781.90
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	12/31/2011
Revised Target Completion Date	6/30/2015

CRANFORD PUBLIC SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS - BUDGETARY BASIS  
 ORANGE AVENUE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	Prior Periods	Current Year	Totals	Authorized Cost
<b>Revenues and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 902,320.38	\$	\$ 902,320.38	\$ 902,320.38
Bond Proceeds and Transfers	1,939,889.00		1,939,889.00	1,939,889.00
<b>Total Revenues and Other Financing Sources</b>	<b>2,842,209.38</b>		<b>2,842,209.38</b>	<b>2,842,209.38</b>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	293,904.84		293,904.84	293,904.84
Construction Services	1,984,185.29		1,984,185.29	1,984,185.29
Transfer to Debt Service Fund	564,119.25		564,119.25	564,119.25
<b>Total Expenditures and Other Financing Uses</b>	<b>2,842,209.38</b>		<b>2,842,209.38</b>	<b>2,842,209.38</b>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	\$	\$	\$	\$

## Additional Project Information:

Project Number	0980-037-09-1003
Grant Date	1/22/2010
Bond Authorization Date	12/8/2009
Bonds Authorized	\$1,939,889.00
Bonds Issued	\$1,939,889.00
Original Authorized Cost	\$3,233,148.00
Additional Authorized Cost	N/A
Final Authorized Cost	\$2,842,209.38
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	12/31/2011
Revised Target Completion Date	6/30/2015

CRANFORD PUBLIC SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS - BUDGETARY BASIS  
 BLOOMINGDALE AVENUE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

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

## Additional Project Information:

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

Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	12/31/2011
Revised Target Completion Date	6/30/2016

CRANFORD PUBLIC SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS - BUDGETARY BASIS  
 BROOKSIDE PLACE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Authorized Cost</u>
Revenues and Other Financing Sources:				
State Sources - SDA Grant	\$ 681,090.34	\$	\$ 681,090.34	\$ 681,090.34
Bond Proceeds and Transfers	<u>2,037,691.00</u>		<u>2,037,691.00</u>	<u>2,037,691.00</u>
Total Revenues and Other Financing Sources	<u>2,718,781.34</u>		<u>2,718,781.34</u>	<u>2,718,781.34</u>
Expenditures and Other Financing Uses:				
Purchased Professional and Technical Services	241,151.16		241,151.16	241,151.16
Construction Services	<u>1,782,222.46</u>		<u>1,782,222.46</u>	<u>1,782,222.46</u>
Total Expenditures and Other Financing Uses	<u>2,023,373.62</u>		<u>2,023,373.62</u>	<u>2,023,373.62</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$ 695,407.72</u>	<u>\$</u>	<u>\$ 695,407.72</u>	<u>\$ 695,407.72</u>
Additional Project Information:				
Project Number	0980-040-09-1005			
Grant Date	1/22/2010			
Bond Authorization Date	12/8/2009			
Bonds Authorized	\$2,037,691.00			
Bonds Issued	\$2,037,691.00			
Original Authorized Cost	\$3,396,151.00			
Additional Authorized Cost	N/A			
Revised Authorized Cost	\$2,718,781.34			
Percentage Increase over Original Authorized Cost	N/A			
Percentage Completion	74%			
Original Target Completion Date	12/31/2011			
Revised Target Completion Date	6/30/2021			

CRANFORD PUBLIC SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS - BUDGETARY BASIS  
 LIVINGSTON AVENUE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

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

**Additional Project Information:**

Project Number	0980-080-09-1007
Grant Date	1/22/2010
Bond Authorization Date	12/8/2009
Bonds Authorized	\$545,842.00
Bonds Issued	\$545,079.00
Original Authorized Cost	\$909,736.00
Additional Authorized Cost	N/A
Final Authorized Cost	\$728,587.14
Percentage Increase over Original Authorized Cost	N/A
Percentage Completion	100%
Original Target Completion Date	12/31/2011
Revised Target Completion Date	6/30/2015

CRANFORD PUBLIC SCHOOL DISTRICT  
 CAPITAL PROJECTS FUND  
 SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
 AND PROJECT STATUS - BUDGETARY BASIS  
 WALNUT AVENUE ELEMENTARY SCHOOL - DECEMBER 2009 REFERENDUM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

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



CRANFORD PUBLIC SCHOOL DISTRICT  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE,  
AND PROJECT STATUS - BUDGETARY BASIS  
LINCOLN AVENUE SCHOOL - DECEMBER 2009 REFERENDUM  
FROM INCEPTION AND FOR THE YEAR ENDED JUNE 30, 2021

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources:</b>				
State Sources - SDA Grant	\$ 401,390.00	\$	\$ 401,390.00	\$ 401,390.00
Bond Proceeds and Transfers	<u>615,136.86</u>	<u></u>	<u>615,136.86</u>	<u>615,136.86</u>
<b>Total Revenues and Other Financing Sources</b>	<u>1,016,526.86</u>	<u></u>	<u>1,016,526.86</u>	<u>1,016,526.86</u>
<b>Expenditures and Other Financing Uses:</b>				
Purchased Professional and Technical Services	98,383.59		98,383.59	98,383.59
Construction Services	915,154.41		915,154.41	915,154.41
Transfer to Debt Service Fund	<u>2,988.86</u>	<u></u>	<u>2,988.86</u>	<u>2,988.86</u>
<b>Total Expenditures and Other Financing Uses</b>	<u>1,016,526.86</u>	<u></u>	<u>1,016,526.86</u>	<u>1,016,526.86</u>
Excess/(Deficiency) of Revenues Over/(Under) Expenditures	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
<b>Additional Project Information:</b>				
Project Number	0980-X02-09-1006			
Grant Date	1/22/2010			
Bond Authorization Date	12/8/2009			
Bonds Authorized	\$602,085.00			
Bonds Issued	\$602,085.00			
Original Authorized Cost	\$1,003,475.00			
Additional Authorized Cost	N/A			
Final Authorized Cost	\$1,016,526.86			
Percentage Increase over Original				
Authorized Cost	1.0%			
Percentage Completion				
Original Target Completion Date	12/31/2011			
Revised Target Completion Date	6/30/2015			

## **Long-Term Debt**

CRANFORD PUBLIC SCHOOL DISTRICT  
 SCHEDULE OF SERIAL BONDS  
 LONG-TERM DEBT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Original Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance June 30, 2020</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>				
2010 School Bonds	11/1/2010	\$ 11,988,000.00	2022	\$ 630,000.00	3.000%	\$ 8,068,000.00	\$ 580,000.00	\$ 7,488,000.00
			2023	670,000.00	3.125%			
			2024	710,000.00	3.250%			
			2025	740,000.00	4.000%			
			2026	780,000.00	4.000%			
			2027	830,000.00	4.000%			
			2028	840,000.00	4.000%			
			2029	840,000.00	4.000%			
			2030	838,000.00	4.000%			
Totals								

CRANFORD PUBLIC SCHOOL DISTRICT  
 SCHEDULE OF OBLIGATIONS UNDER CAPITAL LEASES  
 LONG-TERM DEBT  
JUNE 30, 2021

Series	Interest Rate Payable	Amount of Original Issue	Amount Outstanding June 30, 2020	Issued Current Year	Retired Current Year	Amount Outstanding June 30, 2021
Equipment - Copiers (District Wide)	Various	\$ Various	\$ 190,562.32	\$ 152,308.20	\$ 99,025.97	243,844.55 *
Equipment - Technology Infrastructure	2.326%	332,200.00	68,063.62		68,063.62	
Equipment - District Wide Security Systems	3.100%	413,200.00	248,555.45		80,335.68	168,219.77
Equipment - District Wide Security Systems	3.500%	190,000.00	114,242.36		36,778.52	77,463.84
Equipment - Maintenance Equipment	2.970%	137,322.00	108,512.64		25,949.06	82,563.58
Equipment - Chromebooks	1.630%	569,300.00		569,300.00	116,794.13	452,505.87
			<u>\$ 729,936.39</u>	<u>\$ 721,608.20</u>	<u>\$ 426,946.98</u>	<u>\$ 1,024,597.61</u>

\* Includes principal and interest requirements on monthly lease payments.

CRANFORD PUBLIC SCHOOL DISTRICT  
 BUDGETARY COMPARISON SCHEDULE  
 DEBT SERVICE FUND  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Budget Transfers	Final Budget	Actual (GAAP Basis)	Variance Positive (Negative) Final to Actual
<u>Revenues:</u>					
Local Sources:					
Local Tax Levy	\$ 863,908.00	\$ _____	\$ 863,908.00	\$ 863,908.00	\$ _____
Total Revenues	<u>863,908.00</u>	<u>_____</u>	<u>863,908.00</u>	<u>863,908.00</u>	<u>_____</u>
<u>Expenditures:</u>					
Regular Debt Service:					
Interest	283,910.00	_____	283,910.00	283,907.50	2.50
Redemption of Principal	580,000.00	_____	580,000.00	580,000.00	_____
Total Regular Debt Service	<u>863,910.00</u>	<u>_____</u>	<u>863,910.00</u>	<u>863,907.50</u>	<u>2.50</u>
Total Expenditures	<u>863,910.00</u>	<u>_____</u>	<u>863,910.00</u>	<u>863,907.50</u>	<u>2.50</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2.00)</u>	<u>_____</u>	<u>(2.00)</u>	<u>0.50</u>	<u>2.50</u>
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Sources (Uses)	<u>(2.00)</u>	<u>_____</u>	<u>(2.00)</u>	<u>0.50</u>	<u>2.50</u>
Fund Balance - July 1	<u>5.43</u>	<u>_____</u>	<u>5.43</u>	<u>5.43</u>	<u>_____</u>
Fund Balance - June 30	<u>\$ 3.43</u>	<u>\$ _____</u>	<u>\$ 3.43</u>	<u>\$ 5.93</u>	<u>\$ 2.50</u>

## **Statistical Section**

## **Financial Trends**

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

Unaudited

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020 (Restated)	2021
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 46,755,972.97	\$ 47,580,771.63	\$ 48,363,766.97	\$ 48,323,433.92	\$ 47,740,561.97	\$ 47,684,306.96	\$ 47,719,096.13	\$ 47,285,630.44	\$ 46,832,587.63	\$ 46,465,732.80
Restricted	6,069,457.75	5,249,697.49	4,033,464.70	4,057,374.66	3,717,548.84	2,995,874.17	2,429,708.22	2,060,209.72	2,316,992.13	3,743,225.13
Unrestricted (deficit)	(1,671,432.79)	(1,839,398.87)	(17,719,846.34)	(17,933,121.17)	(17,778,712.46)	(19,339,205.50)	(20,610,149.72)	(20,639,917.70)	(18,844,246.82)	(17,213,695.27)
<b>Total governmental activities net position</b>	<b>\$ 51,153,997.93</b>	<b>\$ 50,991,070.25</b>	<b>\$ 34,677,385.33</b>	<b>\$ 34,447,687.41</b>	<b>\$ 33,679,398.35</b>	<b>\$ 31,340,975.63</b>	<b>\$ 29,538,654.63</b>	<b>\$ 28,705,922.46</b>	<b>\$ 30,305,332.94</b>	<b>\$ 32,995,262.66</b>
<b>Business-type activities</b>										
Investment in capital assets	\$ 61,980.69	\$ 46,084.87	\$ 33,177.53	\$ 21,561.11	\$ 13,030.89	\$ 9,362.86	\$ 6,055.53	\$ 3,386.20	\$ 1,274.46	
Unrestricted (deficit)	6,892.33	(6,272.11)	(3,442.38)	(9,417.37)	(16,881.01)	(9,236.28)	(7,921.78)	(13,578.67)	1,061.56	\$ 677.89
<b>Total business-type activities net position</b>	<b>\$ 68,873.02</b>	<b>\$ 39,812.76</b>	<b>\$ 29,735.15</b>	<b>\$ 12,143.74</b>	<b>\$ (3,850.12)</b>	<b>\$ 126.58</b>	<b>\$ (1,866.25)</b>	<b>\$ (10,192.47)</b>	<b>\$ 2,336.02</b>	<b>\$ 677.89</b>
<b>District-wide</b>										
Invested in capital assets, net of related debt	\$ 46,817,953.66	\$ 47,626,856.50	\$ 48,396,944.50	\$ 48,344,995.03	\$ 47,753,592.86	\$ 47,693,669.82	\$ 47,725,151.66	\$ 47,289,016.64	\$ 46,833,862.09	\$ 46,465,732.80
Restricted	6,069,457.75	5,249,697.49	4,033,464.70	4,057,374.66	3,717,548.84	2,995,874.17	2,429,708.22	2,060,209.72	2,316,992.13	3,743,225.13
Unrestricted (deficit)	(1,664,540.46)	(1,845,670.98)	(17,723,288.72)	(17,942,538.54)	(17,795,593.47)	(19,348,441.78)	(20,618,071.50)	(20,653,496.37)	(18,843,185.26)	(17,213,017.38)
<b>Total district-wide net position</b>	<b>\$ 51,222,870.95</b>	<b>\$ 51,030,883.01</b>	<b>\$ 34,707,120.48</b>	<b>\$ 34,459,831.15</b>	<b>\$ 33,675,548.23</b>	<b>\$ 31,341,102.21</b>	<b>\$ 29,536,788.38</b>	<b>\$ 28,695,729.99</b>	<b>\$ 30,307,668.96</b>	<b>\$ 32,995,940.55</b>

Source: ACFR Exhibit (A-1)

Note: Reflects implementation of GASB 68 for 2014 and subsequent years

Note: GASB 84 was implemented during the 2021 fiscal year, which required the restatement of beginning net position in the amount of \$439,544.77.



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

Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental activities</b>										
<b>Instruction</b>										
Regular	\$ 18,082,518.97	\$ 17,718,659.46	\$ 18,098,670.81	\$ 18,090,667.80	\$ 18,543,400.80	\$ 18,565,855.80	\$ 18,814,158.13	\$ 32,387,554.88	\$ 32,208,119.75	\$ 36,688,575.90
Special education	6,130,645.84	6,425,432.37	6,826,194.51	7,066,476.29	7,276,759.81	7,506,295.84	7,292,599.73	13,020,106.04	12,518,016.14	13,588,714.49
Other special instruction	586,876.34	594,031.25	649,676.04	550,785.70	613,849.23	602,629.53	658,954.22	1,182,398.92	1,155,522.36	347,072.22
Other instruction	1,151,697.34	1,217,554.83	1,288,014.35	1,251,106.96	1,307,969.30	1,284,118.38	1,318,967.29	2,007,170.69	1,899,371.52	2,049,829.97
<b>Support Services:</b>										
Tuition	2,400,150.61	2,406,520.59	2,367,775.92	2,496,327.70	2,500,476.95	3,110,579.22	4,079,169.11	4,811,936.46	4,793,730.96	4,565,767.00
Student & instruction related services	6,029,088.86	6,969,451.82	6,729,074.88	6,707,037.37	6,849,663.73	7,122,028.49	7,247,410.74	12,280,765.57	11,912,167.54	14,357,634.65
General administration	765,879.18	719,833.51	807,249.52	834,483.57	794,006.63	771,353.93	835,517.48	2,363,773.68	1,151,102.54	2,503,597.22
School administrative services	2,731,754.26	2,761,069.92	2,793,847.00	2,718,688.49	2,769,743.60	2,878,915.32	2,898,156.49	5,131,190.78	5,142,062.76	5,603,820.00
Central Services	803,924.81	760,040.23	734,881.85	750,114.01	758,988.75	856,191.78	902,248.59			
Administrative information technology	192,856.88	265,381.67	269,263.87	283,069.98	289,703.58	308,088.53	311,382.89			
Plant operations and maintenance	4,599,055.82	4,863,863.73	5,730,929.57	5,514,704.81	5,550,161.59	5,687,367.86	5,733,119.69	8,405,681.63	8,965,251.89	7,855,980.83
Pupil transportation	1,090,840.52	1,325,804.65	1,330,059.43	1,286,174.57	1,337,024.11	1,485,522.75	1,542,601.66	1,994,141.82	1,959,233.32	2,055,307.44
Unallocated benefits	13,633,867.04	15,977,093.50	15,730,745.24	17,432,392.44	19,000,752.54	34,443,135.15	36,584,783.80			
<b>Special schools</b>										
Interest on long-term debt	634,066.92	438,847.50	419,078.33	397,982.92	375,593.75	351,437.50	325,599.16	310,632.50	296,782.50	281,249.17
Unallocated depreciation and amortization	26,816.15	26,816.15	23,818.43	38,663.37	40,561.61	59,042.26	31,920.19			
<b>Total governmental activities expenses</b>	<b>58,860,039.54</b>	<b>62,470,401.18</b>	<b>63,799,279.75</b>	<b>65,418,675.98</b>	<b>68,008,655.98</b>	<b>85,032,562.34</b>	<b>88,576,589.17</b>	<b>83,895,352.97</b>	<b>82,001,361.28</b>	<b>89,897,548.89</b>
<b>Business-type activities:</b>										
Food service	757,730.85	682,680.65	668,532.58	699,127.20	776,270.26	863,681.75	905,142.73	925,004.60	673,800.97	110,812.28
Cranford School District Academy (CSDA)	12,825.00									
<b>Total business-type activities expense</b>	<b>770,555.85</b>	<b>682,680.65</b>	<b>668,532.58</b>	<b>699,127.20</b>	<b>776,270.26</b>	<b>863,681.75</b>	<b>905,142.73</b>	<b>925,004.60</b>	<b>673,800.97</b>	<b>110,812.28</b>
<b>Total district expenses</b>	<b>\$ 59,630,595.39</b>	<b>\$ 63,153,081.83</b>	<b>\$ 64,467,812.33</b>	<b>\$ 66,117,803.18</b>	<b>\$ 68,784,926.24</b>	<b>\$ 85,896,244.09</b>	<b>\$ 89,481,731.90</b>	<b>\$ 84,820,357.57</b>	<b>\$ 82,675,162.25</b>	<b>\$ 90,008,361.17</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Charges for services								\$ 3,595,061.26	\$ 3,646,805.28	\$ 3,750,805.84
Operating grants and contributions	\$ 7,534,791.97	\$ 9,805,667.73	\$ 9,053,578.20	\$ 10,246,099.69	\$ 10,807,575.05	\$ 24,544,381.26	\$ 26,890,249.08	1,219,457.44	1,284,523.24	1,793,719.16
<b>Total governmental activities program revenues</b>	<b>7,534,791.97</b>	<b>9,805,667.73</b>	<b>9,053,578.20</b>	<b>10,246,099.69</b>	<b>10,807,575.05</b>	<b>24,544,381.26</b>	<b>26,890,249.08</b>	<b>4,814,518.70</b>	<b>4,931,328.52</b>	<b>5,544,525.00</b>
<b>Business-type activities:</b>										
Charges for services										
Food service	590,482.68	541,295.89	533,885.21	681,423.36	760,043.35	867,311.93	902,410.15	915,680.94	647,137.16	9,520.76
Operating grants and contributions	126,406.28	112,324.50	124,339.82							
<b>Total business type activities program revenues</b>	<b>716,888.96</b>	<b>653,620.39</b>	<b>658,225.03</b>	<b>681,423.36</b>	<b>760,043.35</b>	<b>867,311.93</b>	<b>902,410.15</b>	<b>915,680.94</b>	<b>647,137.16</b>	<b>9,520.76</b>
<b>Total district program revenues</b>	<b>\$ 8,251,680.93</b>	<b>\$ 10,459,288.12</b>	<b>\$ 9,711,803.23</b>	<b>\$ 10,927,523.05</b>	<b>\$ 11,567,618.40</b>	<b>\$ 25,411,693.19</b>	<b>\$ 27,792,659.23</b>	<b>\$ 5,730,199.64</b>	<b>\$ 5,578,465.68</b>	<b>\$ 5,554,045.76</b>

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

Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense)/Revenue										
Governmental activities	\$ (51,325,247.57)	\$ (52,664,733.45)	\$ (54,745,701.55)	\$ (55,172,576.29)	\$ (57,201,080.93)	\$ (60,488,181.08)	\$ (61,686,340.09)	\$ (79,080,834.27)	\$ (77,070,032.76)	\$ (84,353,023.89)
Business-type activities	(53,666.89)	(29,060.26)	(10,307.55)	(17,703.84)	(16,226.91)	3,630.18	(2,732.58)	(9,323.66)	(26,663.81)	(101,291.52)
<b>Total district-wide net expense</b>	<b>\$ (51,378,914.46)</b>	<b>\$ (52,693,793.71)</b>	<b>\$ (54,756,009.10)</b>	<b>\$ (55,190,280.13)</b>	<b>\$ (57,217,307.84)</b>	<b>\$ (60,484,550.90)</b>	<b>\$ (61,689,072.67)</b>	<b>\$ (79,090,157.93)</b>	<b>\$ (77,096,696.57)</b>	<b>\$ (84,454,315.41)</b>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Property taxes levied for general purposes, net	\$ 46,806,452.00	\$ 47,509,629.00	\$ 48,459,822.00	\$ 49,976,507.00	\$ 51,962,474.00	\$ 53,971,870.00	\$ 55,279,312.00	\$ 57,690,562.00	\$ 58,844,363.00	\$ 60,021,250.00
Taxes levied for debt service	921,875.00	1,163,224.00	1,178,852.00	1,193,078.00	462,703.00	132,770.00	840,545.00	852,647.00	859,233.00	863,908.00
Federal and State aid not restricted	847.09	73,422.80	36,696.00	111.82		10,157.51	6,922.69	18,633,284.53	18,210,652.23	25,991,671.32
Federal and State aid restricted	2,597,112.94	171,260.13	127,560.15							
Tuition Received	3,289,193.81	3,368,207.44	3,318,725.17	3,626,219.24	3,860,792.91	3,876,090.78	3,564,901.64			
Investment earnings	2,949.10	1,303.11	70.25	30.91	21,803.70	31,420.52	29,827.75			
Miscellaneous income	126,831.06	160,759.29	163,571.57	219,834.97	152,825.11	134,350.18	282,728.21	1,071,608.57	216,767.48	265,619.99
Other Restricted Miscellaneous Income										128.25
Transfers									98,882.76	(99,623.95)
Special Item(s)-Insurance Reimbursement	16,678.04									
Special Item(s)- Closeout of SDA Grants							(110,500.42)			
Special Item(s)-Disposal of assets				(72,903.57)	(27,806.85)	(6,900.63)	(9,717.78)			
<b>Total governmental activities</b>	<b>53,761,939.04</b>	<b>52,447,805.77</b>	<b>53,285,297.14</b>	<b>54,942,878.37</b>	<b>56,432,791.87</b>	<b>58,149,758.36</b>	<b>59,884,019.09</b>	<b>78,248,102.10</b>	<b>78,229,898.47</b>	<b>87,042,953.61</b>
Business-type activities:										
Transfers									38,439.24	99,623.95
Investment earnings			229.94	112.43	233.05	346.52	739.75	997.44	753.06	9.44
<b>Total business-type activities</b>			<b>229.94</b>	<b>112.43</b>	<b>233.05</b>	<b>346.52</b>	<b>739.75</b>	<b>997.44</b>	<b>39,192.30</b>	<b>99,633.39</b>
<b>Total district-wide</b>	<b>\$ 53,761,939.04</b>	<b>\$ 52,447,805.77</b>	<b>\$ 53,285,527.08</b>	<b>\$ 54,942,990.80</b>	<b>\$ 56,433,024.92</b>	<b>\$ 58,150,104.88</b>	<b>\$ 59,884,758.84</b>	<b>\$ 78,249,099.54</b>	<b>\$ 78,269,090.77</b>	<b>\$ 87,142,587.00</b>
Change in Net Position/Assets										
Governmental activities	\$ 2,436,691.47	\$ (216,927.68)	\$ (1,460,404.41)	\$ (229,697.92)	\$ (768,289.06)	\$ (2,338,422.72)	\$ (1,802,321.00)	\$ (832,732.17)	\$ 1,159,865.71	\$ 2,689,929.72
Business-type activities	(53,666.89)	(29,060.26)	(10,077.61)	(17,591.41)	(15,993.86)	3,976.70	(1,992.83)	(8,326.22)	12,528.49	(1,658.13)
<b>Total district</b>	<b>\$ 2,383,024.58</b>	<b>\$ (245,987.94)</b>	<b>\$ (1,470,482.02)</b>	<b>\$ (247,289.33)</b>	<b>\$ (784,282.92)</b>	<b>\$ (2,334,446.02)</b>	<b>\$ (1,804,313.83)</b>	<b>\$ (841,058.39)</b>	<b>\$ 1,172,394.20</b>	<b>\$ 2,688,271.59</b>

Source: ACFR Schedule (A-2)

GASB 84 was implemented during the 2021 fiscal year, which required the recognition of student activity revenue reported as charges for services. This amount is not reflected in the June 30th prior revenue balances above.

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

(modified accrual basis of accounting)  
Unaudited

	June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Governmental Funds:</b>									(Restated)	
Restricted For:										
Excess Surplus - Current Year	\$ 441,522.60	\$ -	\$ -	\$ -	\$ 50,454.96	\$ 20,863.58	\$ -	\$ -	\$ 283,395.46	\$ 1,625,374.54
Excess Surplus - Prior Year - Designated										
For Subsequent Year Expenditures	1,204,341.84	441,522.60				50,454.96	20,863.58			283,395.46
Capital Reserve Account	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Capital Projects Fund	4,101,762.60	4,173,082.10	4,003,615.63	2,142,058.57	1,740,069.32	1,740,069.32	1,594,050.90	1,594,050.90	1,594,050.90	1,594,050.90
Debt Service Fund	3.65	5.15	4.65	1,089,595.21	393,355.43	2.93	2.43	2.93	3.43	2.93
Unemployment									90,809.83	
Student Activities									248,734.94	240,403.23
Assigned To:										
Year-End Encumbrances										
General Fund	408,916.98	587,169.36	29,843.42	82,402.88	112,308.13	179,573.34	173,483.89	133,532.89	498,584.41	266,176.08
Capital Projects Fund	321,827.06	47,917.28								
General Fund -Designated										
For Subsequent Year Expenditures	813,627.16	1,032,759.40	736,000.00	743,317.00	1,421,360.00	1,004,909.04	641,306.42	332,622.00	166,556.00	217,442.54
Debt Service Fund -Designated										
For Subsequent Year Expenditures									2.00	3.00
Unassigned:										
General Fund	449,039.49	(254,138.86)	(493,406.29)	296,979.22	520,959.39	563,413.36	55,263.94	321,939.40	1,442,685.65	2,922,611.19
<b>Total Fund Balances</b>	<u>\$7,741,042.38</u>	<u>\$6,028,318.03</u>	<u>\$4,276,058.41</u>	<u>\$4,354,353.88</u>	<u>\$4,238,508.23</u>	<u>\$3,559,287.53</u>	<u>\$2,484,972.16</u>	<u>\$2,382,149.12</u>	<u>\$4,324,823.62</u>	<u>\$7,149,460.87</u>

Source: ACFR Schedule B-1 and District records

GASB 84 was implemented during the 2021 fiscal year, which required the establishment of new restricted fund balances for Unemployment Compensation and Student Activity accounts.

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

(modified accrual basis of accounting)  
 Unaudited

	Year Ended June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Revenues</b>										
Tax levy	\$ 47,728,327.00	\$ 48,672,853.00	\$ 49,638,674.00	\$ 51,169,585.00	\$ 52,425,177.00	\$ 54,104,640.00	\$ 56,119,857.00	\$ 58,543,209.00	\$ 59,703,596.00	\$ 60,885,158.00
Tuition charges	3,289,193.81	3,368,207.44	3,318,725.17	3,626,219.24	3,860,792.91	3,876,090.78	3,564,901.64	3,595,061.26	3,646,805.28	3,464,051.69
Miscellaneous	129,780.16	162,062.40	163,641.49	219,865.88	174,628.81	165,770.70	312,555.96	249,408.57	216,767.48	265,748.24
Local sources	45,269.46	36,859.98	13,133.71	12,054.30	52,943.78	106,732.26	60,924.38	51,626.34	114,990.00	345,487.16
State sources	8,848,004.82	8,783,905.00	8,205,259.79	8,836,416.53	9,685,201.59	10,488,255.78	12,067,782.64	14,025,716.50	14,282,058.81	17,151,475.87
Federal sources	1,239,477.72	1,229,585.68	999,441.18	1,041,207.68	1,069,429.68	1,058,689.73	1,026,393.75	1,034,635.13	1,051,758.66	1,574,016.60
<b>Total revenue</b>	<b>61,280,052.97</b>	<b>62,253,473.50</b>	<b>62,338,875.34</b>	<b>64,905,348.63</b>	<b>67,268,173.77</b>	<b>69,800,179.25</b>	<b>73,152,415.37</b>	<b>77,499,656.80</b>	<b>79,015,976.23</b>	<b>83,685,937.56</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	17,856,645.04	17,743,056.11	17,999,945.34	18,133,809.04	18,510,143.80	18,693,429.72	18,851,218.11	19,218,925.24	19,508,253.61	20,698,428.93
Special education instruction	6,105,820.17	6,388,921.11	6,835,188.61	7,020,006.64	7,323,228.16	7,430,588.10	7,264,012.82	7,550,311.82	7,417,524.40	7,394,188.69
Other special instruction	586,876.34	594,031.25	649,676.04	550,785.70	613,849.23	602,629.53	658,954.22	681,451.01	680,762.04	188,450.23
Other instruction	1,121,443.92	1,182,189.09	1,247,316.48	1,214,319.47	1,273,233.86	1,266,312.32	1,278,676.47	1,293,833.38	1,231,092.15	1,244,768.78
<b>Support Services:</b>										
Tuition	2,400,150.61	2,406,520.59	2,367,775.92	2,496,327.70	2,500,476.95	3,110,579.22	4,079,169.11	4,689,921.46	4,675,253.96	4,450,927.00
Student & inst. related services	6,013,083.86	6,971,990.82	6,731,910.88	6,716,773.29	6,851,377.10	7,182,971.18	7,228,084.77	7,571,640.60	7,460,085.10	8,627,156.75
General administration	702,933.45	719,833.51	730,190.44	805,105.40	818,167.60	756,809.82	785,880.54	859,175.17	894,729.04	847,123.82
School administrative services	2,698,257.14	2,766,153.88	2,777,090.23	2,765,974.13	2,779,113.76	2,899,575.56	2,902,947.53	2,975,677.02	3,052,701.04	3,066,191.66
Central services	803,924.81	765,014.58	734,881.85	750,114.01	758,988.75	856,191.78	902,248.59	890,266.24	893,507.29	921,153.80
Admin. information technology	192,856.88	265,381.67	269,263.87	283,069.98	289,703.58	308,088.53	311,382.89	317,376.36	359,505.87	383,113.32
Plant operations and maintenance	4,337,711.17	5,133,156.17	4,757,216.89	4,563,850.42	4,597,663.19	4,682,211.37	4,751,826.64	5,047,367.36	5,189,192.46	5,161,956.88
Pupil transportation	1,134,938.56	1,322,037.50	1,328,330.44	1,275,632.94	1,328,477.07	1,474,315.48	1,538,903.90	1,872,278.55	1,849,244.26	1,927,744.68
Employee benefits	13,633,967.04	15,977,093.50	15,730,745.24	16,815,371.44	18,483,078.54	19,870,026.15	22,180,886.80	23,650,395.14	23,254,390.58	25,006,580.11
<b>Special Schools</b>										
Capital outlay	4,931,223.84	1,112,208.20	877,381.78	487,225.50	143,056.33	485,332.29	195,964.03	953,402.99	186,254.96	801,592.41
<b>Debt service:</b>										
Principal	285,000.00	720,000.00	755,000.00	790,000.00	825,000.00	865,000.00	902,000.00	540,000.00	560,000.00	580,000.00
Interest and other charges	636,872.39	443,222.50	423,852.50	403,077.50	381,017.50	357,362.50	331,897.50	312,657.50	299,232.50	283,907.50
<b>Total expenditures</b>	<b>63,441,705.22</b>	<b>64,510,810.48</b>	<b>64,215,766.51</b>	<b>65,071,443.16</b>	<b>67,476,575.42</b>	<b>70,841,423.55</b>	<b>74,164,053.92</b>	<b>78,424,679.84</b>	<b>77,511,729.26</b>	<b>81,583,284.56</b>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<b>(2,161,652.25)</b>	<b>(2,257,336.98)</b>	<b>(1,876,891.17)</b>	<b>(166,094.53)</b>	<b>(208,401.65)</b>	<b>(1,041,244.30)</b>	<b>(1,011,638.55)</b>	<b>(925,023.04)</b>	<b>1,504,246.97</b>	<b>2,102,653.00</b>
<b>Other Financing sources (uses)</b>										
Proceeds from bond sale										
Insurance Recovery Related to Other Costs:										
Super Storm Sandy		144,803.00								
Hurricane Irene		333,010.86								
Capital leases (non-budgeted)	76,434.60	66,798.77	124,631.51	244,390.00	92,556.00	362,023.60	47,823.60	822,200.00	137,322.00	721,608.20
Transfer Out - Food Service Fund									(38,439.24)	(99,623.95)
Closure of 2009 SDA Grants							(110,500.42)			
<b>Total other financing sources (uses)</b>	<b>76,434.60</b>	<b>544,612.63</b>	<b>124,631.51</b>	<b>244,390.00</b>	<b>92,556.00</b>	<b>362,023.60</b>	<b>(62,676.82)</b>	<b>822,200.00</b>	<b>98,882.76</b>	<b>621,984.25</b>
<b>Net change in fund balances</b>	<b>\$ (2,085,217.65)</b>	<b>\$ (1,712,724.35)</b>	<b>\$ (1,752,259.66)</b>	<b>\$ 78,295.47</b>	<b>\$ (115,845.65)</b>	<b>\$ (679,220.70)</b>	<b>\$ (1,074,315.37)</b>	<b>\$ (102,823.04)</b>	<b>\$ 1,603,129.73</b>	<b>\$ 2,724,637.25</b>
<b>Debt service as a percentage of noncapital expenditures</b>	<b>1.58%</b>	<b>1.83%</b>	<b>1.86%</b>	<b>1.85%</b>	<b>1.79%</b>	<b>1.74%</b>	<b>1.67%</b>	<b>1.10%</b>	<b>1.11%</b>	<b>1.07%</b>

Source: ACFR Schedule B-2

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

Fiscal Year Ending June 30,	Tuition	Interest on Investments	Admissions	Rentals	Misc.	Annual Totals
2012	\$ 3,289,193.81	\$ 2,949.10	\$ 21,658.00	\$ 33,265.00	\$ 71,908.06	\$ 3,418,973.97
2013	3,368,207.44	1,303.11	21,200.00	22,510.00	117,049.29	3,530,269.84
2014	3,318,725.17	70.25	16,410.00	63,935.88	83,225.36	3,482,366.66
2015	3,626,129.24	30.91	18,457.00	31,940.12	169,437.85	3,845,995.12
2016	3,860,792.91	21,803.70	17,526.00	36,559.75	98,739.36	4,035,421.72
2017	3,876,090.78	31,420.52	21,287.00	38,416.50	74,646.68	4,041,861.48
2018	3,564,901.64	79,165.87	15,997.00	42,587.75	174,805.34	3,877,457.60
2019	3,595,061.26	109,573.74	19,094.00	27,777.00	92,963.83	3,844,469.83
2020	3,646,805.28	87,984.84	18,643.00	24,687.50	85,452.14	3,863,572.76
2021	3,464,051.69	11,708.10	3,939.00	10,000.00	240,101.14	3,729,799.93

Source: District records

## **Revenue Capacity**

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm	Commercial	Industrial	Apartment	Total Assessed Value	Business Personal Property <sup>a</sup>	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>b</sup>
2012	\$ 8,777,300	\$ 1,359,211,800	\$ 105,200	\$ 207,036,500	\$ 48,467,200	\$ 6,371,500	\$ 1,629,969,500	\$ 3,411,227	\$ 1,633,380,727	\$ 4,067,973,887	\$ 2.959
2013	8,165,300	1,356,874,600	105,200	212,569,900	46,354,200	6,166,500	1,630,235,700	2,982,603	1,633,218,303	3,982,200,942	3.010
2014	6,158,700	1,366,160,400	4,600	208,837,900	45,506,700	6,140,700	1,632,809,000	2,775,905	1,635,584,905	3,781,700,160	3.083
2015	6,710,000	1,358,821,400	202,100	221,903,700	45,728,000	6,140,700	1,639,505,900	2,570,536	1,642,076,436	3,855,098,315	3.132
2016	3,982,700	1,363,423,500	202,100	220,678,000	46,192,400	21,732,500	1,656,211,200	2,613,267	1,658,824,467	4,058,688,905	3.202
2017	7,050,000	1,367,533,800	207,100	210,576,300	44,730,700	22,383,700	1,652,481,600	2,540,191	1,655,021,791	4,240,302,912	3.352
2018	6,920,200	1,373,673,600	207,100	205,640,500	44,224,400	22,383,700	1,653,049,500	2,367,905	1,655,417,405	4,559,643,354	3.464
2019	11,464,100	1,378,740,900	207,100	205,914,200	43,224,400	21,183,700	1,660,734,400	2,372,411	1,663,106,811	4,690,459,030	3.556
2020	11,974,400	1,380,494,800	207,100	204,978,100	43,136,100	22,404,700	1,663,195,200	2,364,517	1,665,559,717	4,760,144,059	3.621
2021	4,027,100	1,386,146,700	207,100	209,724,700	44,736,100	22,437,200	1,667,278,900	2,183,718	1,669,462,618	4,718,136,552	3.684

Source: Municipal Tax Assessor and Union County Abstract of Ratables

Note: Real property is required to be assessed at some percentage of true value (fair or market value) established by each county board of taxation.

Reassessment occurs when the County Board of Taxation requests Treasury to order a reassessment

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

b Tax rates are per \$100

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

Calendar Year	Cranford School District Direct Rate			Overlapping Rates		Total Direct and Overlapping Tax Rate
	Basic Rate <sup>a</sup>	General Obligation Debt Service <sup>b</sup>	(From J-6) Total Direct School Tax Rate	Township of Cranford	Union County	
2012	\$ 2.888	\$ 0.071	\$ 2.959	\$ 1.363	\$ 1.135	\$ 5.457
2013	2.938	0.072	3.010	1.390	1.212	5.612
2014	3.010	0.073	3.083	1.394	1.205	5.682
2015	3.104	0.028	3.132	1.413	1.256	5.801
2016	3.193	0.009	3.202	1.435	1.320	5.957
2017	3.301	0.051	3.352	1.459	1.371	6.182
2018	3.413	0.051	3.464	1.484	1.454	6.402
2019	3.505	0.051	3.556	1.501	1.463	6.520
2019	3.570	0.051	3.621	1.503	1.438	6.562
2020	3.633	0.051	3.684	1.521	1.378	6.583

Source: Municipal Tax Collector and Union County Abstract of Ratables

Note: NJSA 18A:7F-5d limits the amount that the district can submit for a general fund tax levy. The levy when added to other components of the district's net budget may not exceed the prebudget year net budget by more than the spending growth limitation calculated as follows: the prebudget year net budget increased by the cost of living or 2.5 percent, whichever is greater, plus any spending growth adjustments.

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

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



Cranford Public School District  
Principal Property Taxpayers,  
Current Year and Ten Years Ago

Taxpayer	2021			2011		
	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value	Taxable Assessed Value	Rank [Optional]	% of Total District Net Assessed Value
Riverfront Developers LLC	\$ 16,155,600	1	0.97%			
WP Cranford LLC	14,630,000	2	0.88%			
Commerce Drive LLC	10,242,800	3	0.61%	\$ 12,421,300	2	0.75%
Cranford Development LLC	7,200,000	4	0.43%	9,747,800	4	0.59%
US Real Estate Holdings LLC	6,393,100	5	0.38%			
Cranford Business Park	5,871,000	6	0.35%			
H-Cranford Credit Ltd. Partnership	5,862,000	7	0.35%	8,263,800	5	0.50%
JRS Properties LLC	5,800,000	8	0.35%			
The Cranford Property LLC	4,500,000	9	0.27%			
The Moen Organization Inc	4,342,200	10	0.26%			
H-Cranford Credit Ltd. Partnership				16,287,600	1	0.98%
Cranford Crossing				11,171,000	3	0.68%
LB 745 LLC				7,393,100	6	0.45%
Ashley Business Park LLC				6,595,300	7	0.40%
Bell Atlantic - New Jersey, Inc.				6,000,000	8	0.36%
Excel-Care, Inc.				5,700,000	9	0.34%
11 Commerce Drive Assoc.				5,700,000	10	0.34%
<b>Total</b>	<b>\$ 80,996,700</b>		<b>4.85%</b>	<b>\$ 89,279,900</b>		<b>5.40%</b>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy <sup>a</sup>		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 47,728,327.00	\$ 47,728,327.00	100.00%	\$ -
2013	48,672,853.00	48,672,853.00	100.00%	-
2014	49,638,674.00	49,638,674.00	100.00%	-
2015	51,169,585.00	51,169,585.00	100.00%	-
2016	52,425,177.00	52,425,177.00	100.00%	-
2017	54,104,640.00	54,104,640.00	100.00%	-
2018	56,119,857.00	56,119,857.00	100.00%	-
2019	58,543,209.00	58,543,209.00	100.00%	-
2020	59,703,596.00	59,703,596.00	100.00%	-
2021	60,885,158.00	60,885,158.00	100.00%	-

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

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

## **Debt Capacity**

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

Fiscal Year Ended June 30,	Governmental Activities			Percentage of Personal Income <sup>a</sup>	Per Capita <sup>a</sup>
	General Obligation Bonds	Capital Leases	Total District		
2012	\$ 14,025,000.00	\$ 585,122.73	\$ 14,610,122.73	0.38%	\$ 208.31
2013	13,305,000.00	437,921.79	13,742,921.79	0.41%	229.41
2014	12,550,000.00	338,204.30	12,888,204.30	0.46%	272.47
2015	11,760,000.00	375,517.17	12,135,517.17	0.51%	310.10
2016	10,935,000.00	323,742.85	11,258,742.85	0.56%	349.14
2017	10,070,000.00	501,631.10	10,571,631.10	0.62%	401.25
2018	9,168,000.00	375,634.42	9,543,634.42	0.72%	488.98
2019	8,628,000.00	879,099.94	9,507,099.94	0.75%	528.22
2020	8,068,000.00	729,936.39	8,797,936.39	0.84%	614.17
2021	7,488,000.00	1,024,597.61	8,512,597.61	N/A	N/A

Source: ACFR Schedules I-1, I-2, and District records

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

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

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

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

Fiscal Year Ended June 30,	General Bonded Debt Outstanding		Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value <sup>a</sup> of Property	Per Capita <sup>b</sup>
	General Obligation Bonds	Deductions			
2012	\$ 14,025,000.00		\$ 14,025,000.00	0.86%	\$ 473.69
2013	13,305,000.00		13,305,000.00	0.81%	457.43
2014	12,550,000.00		12,550,000.00	0.77%	454.70
2015	11,760,000.00		11,760,000.00	0.72%	439.33
2016	10,935,000.00		10,935,000.00	0.66%	413.30
2017	10,070,000.00		10,070,000.00	0.61%	396.28
2018	9,168,000.00		9,168,000.00	0.55%	378.33
2019	8,628,000.00		8,628,000.00	0.52%	367.64
2020	8,068,000.00		8,068,000.00	0.48%	356.07
2021	7,488,000.00		7,488,000.00	0.45%	N/A

Source: ACFR Schedule I-1 and District records

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

a See Exhibit J-6 for property tax data.

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

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

Cranford Public School District  
 Direct and Overlapping Governmental Activities Debt  
 As of June 30, 2021  
 Unaudited

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable<sup>a</sup></u>	<u>Estimated Share of Overlapping Debt</u>
Debt Repaid with Property Taxes			
Township of Cranford	\$ 52,296,902.15	100.00%	\$ 52,296,902.15
County of Union	551,314,136.44	6.07%	<u>33,464,768.08</u>
Subtotal, Overlapping Debt			85,761,670.23
Cranford School District Direct Debt			<u>7,488,000.00</u>
Total Direct and Overlapping Debt			<u><u>\$ 93,249,670.23</u></u>

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

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

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

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

Legal Debt Margin Calculation for Fiscal Year 2021:

	Equalized valuation basis	
	2020	\$ 4,687,697,858.00
	2019	4,734,134,550.00
	2018	<u>4,649,928,270.00</u>
	[A]	<u>\$ 14,071,760,678.00</u>
Average equalized valuation of taxable property	[A/3]	\$ 4,690,586,892.67
Debt limit (4% of average equalized value)	[B]	187,623,475.71 a
Total Debt Applicable to Limit	[C]	<u>7,488,000.00</u>
Legal Debt Margin	[B-C]	<u>\$ 180,135,475.71</u>

	Fiscal Year									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 166,043,202.04	\$ 162,221,775.88	\$ 157,261,608.63	\$ 153,847,615.49	\$ 154,363,971.36	\$ 160,699,996.81	\$ 170,280,805.49	\$ 178,949,576.67	\$ 185,651,299.13	\$ 187,623,475.71
Total net debt applicable to limit	<u>14,025,763.00</u>	<u>13,305,763.00</u>	<u>12,550,763.00</u>	<u>11,760,000.00</u>	<u>10,935,000.00</u>	<u>10,070,000.00</u>	<u>9,168,000.00</u>	<u>8,628,000.00</u>	<u>8,068,000.00</u>	<u>7,488,000.00</u>
Legal debt margin	<u>\$ 152,017,439.04</u>	<u>\$ 148,916,012.88</u>	<u>\$ 144,710,845.63</u>	<u>\$ 142,087,615.49</u>	<u>\$ 143,428,971.36</u>	<u>\$ 150,629,996.81</u>	<u>\$ 161,112,805.49</u>	<u>\$ 170,321,576.67</u>	<u>\$ 177,583,299.13</u>	<u>\$ 180,135,475.71</u>
Total net debt applicable to the limit as a percentage of debt limit	8.45%	8.20%	7.98%	7.64%	7.08%	6.27%	5.38%	4.82%	4.35%	3.99%

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

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

## **Demographic and Economic Information**



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

Year	Population <sup>a</sup>	Personal Income <sup>b</sup>	Per Capita Personal Income <sup>c</sup>	Unemployment Rate <sup>d</sup>
2012	22,863	\$ 1,261,283,121	\$ 55,167	5.50%
2013	23,136	1,299,086,400	56,150	4.60%
2014	23,332	1,382,630,988	59,259	4.70%
2015	23,900	1,466,145,500	61,345	3.80%
2016	23,984	1,503,724,848	62,697	3.50%
2017	24,047	1,566,181,110	65,130	3.20%
2018	24,101	1,646,411,613	68,313	2.90%
2019	24,065	1,705,366,225	70,865	2.40%
2020	24,028	1,766,256,579	73,508	6.60%
2021	N/A	N/A	N/A	N/A

Source: <sup>a</sup> Population information provided by the US Bureau of the Census,  
Population Division - Estimates.

<sup>b</sup> Personal income has been estimated based upon the municipal population and  
per capita personal income presented.

<sup>c</sup> Per capita personal income represents County of Union provided by the Regional  
Economic Information System, Bureau of Economic Analysis through 2019  
and estimated for 2020.

<sup>d</sup> Unemployment data provided by the NJ Department of Labor and  
Workforce Development.

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

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

Employer	2021			2012		
	Employees *	Rank [Optional]	Percentage of Total Municipal Employment	Employees *	Rank [Optional]	Percentage of Total Municipal Employment
Cranford Public School District	1,253 **	1	10.90%	560	2	4.61%
Union County College	750	2	6.52%	1,000	1	8.23%
All-State Legal Supply	350	3	3.04%	200	5	1.65%
Ascend Hospice	350	4	3.04%			0.00%
Township of Cranford	350	5	3.04%	300	3	2.47%
Cranford Health & Extended Care	250	6	2.17%	200	6	1.65%
EII Inc.	250	7	2.17%	250	4	2.06%
Weeks Marine Inc.	250	8	2.17%			0.00%
All State International, Inc	150	9	1.30%			
Atria Cranford	150	10	1.30%	100	9	0.82%
Centennial Avenue Pool	150	11	1.30%	100	11	0.82%
Proaccess LLC	150	12	1.30%			
Partners Healthcare Inc.				200	7	1.65%
Registrar & Transfer Company				200	8	1.65%
Birdsall Services Group				100	10	0.82%
Damon G. Douglass Co.				100	12	0.82%
Graber-Rogg Inc.				100	13	0.82%
Paragon Computer Professionals				100	14	0.82%
Willis of New Jersey Inc.				100	15	0.82%
	<u>4,403</u>		<u>38.30%</u>	<u>3,610</u>		<u>29.72%</u>

\* Number of employees are estimated.

\*\* Number of Active Employees

Source: Union County Economic Development Corporation and other sources.

## **Operating Information**

Cranford Public School District  
 Full-time Equivalent District Employees by Function/Program,  
 Last Ten Fiscal Years  
 Unaudited

<u>Function/Program</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>	<u>2021</u>
Instruction										
Regular	252	250	248	243	247	245	246	248	247	250
Special education	113	122	130	134	137	130	125	127	125	126
Other instruction	10	11	11	9	10	10	10	10	10	2
Support Services:										
Student & instruction related services	79	91	91	91	93	94	103	104	107	105
General administration	4	3	3	3	3	3	3	3	3	3
School administrative services	36	38	38	38	38	38	38	38	38	38
Central services	8	8	8	8	8	8	8	8	8	8
Administrative Information Technology	3	4	4	4	4	4	4	4	4	2
Plant operations and maintenance	66	66	66	66	65	63	64	64	65	58
Pupil transportation	1	1	1	1	1	1	1	1	1	1
Total	<u>572</u>	<u>594</u>	<u>600</u>	<u>597</u>	<u>606</u>	<u>596</u>	<u>602</u>	<u>607</u>	<u>608</u>	<u>593</u>

Source: District Personnel Records

Cranford Public School District  
 Operating Statistics,  
 Last Ten Fiscal Years  
 Unaudited

Fiscal Year	Enrollment	Operating Expenditures <sup>a</sup>	Cost Per Pupil	Percentage Change	Teaching Staff <sup>b</sup>	Pupil/Teacher Ratio			Average Daily Enrollment (ADE) <sup>c</sup>	Average Daily Attendance (ADA) <sup>c</sup>	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2012	3,906.40	\$ 56,277,733.35	\$ 14,406.55	5.63%	322.00	13.1	10.7	9.9	3,906.40	3,778.80	-0.32%	96.73%
2013	3,898.00	60,897,638.45	15,622.79	8.44%	332.00	13.2	10.6	10.5	3,898.00	3,740.30	-0.22%	95.95%
2014	3,875.30	61,037,842.65	15,750.48	0.82%	332.00	15.5	11.5	11.0	3,875.30	3,725.41	-0.58%	96.13%
2015	3,793.20	62,210,417.11	16,400.51	4.13%	330.00	14.5	11.0	11.0	3,793.20	3,655.60	-2.12%	96.37%
2016	3,851.80	64,866,848.48	16,840.66	2.68%	340.00	14.0	11.5	11.0	3,851.80	3,676.41	1.54%	95.45%
2017	3,825.06	67,901,980.31	17,751.87	5.41%	332.00	11.9	10.1	10.1	3,825.06	3,644.93	-0.69%	95.29%
2018	3,806.80	71,536,764.17	18,791.84	5.86%	333.00	11.9	10.1	12.1	3,806.80	3,664.00	-0.48%	96.25%
2019	3,868.00	75,401,226.91	19,493.60	3.73%	336.00	11.6	10.1	12.1	3,868.00	3,700.20	1.61%	95.66%
2020	3,799.93	75,192,388.56	19,787.84	1.51%	335.00	12.6	9.6	11.1	3,799.93	3,689.41	-1.76%	97.09%
2021	3,692.23	77,733,779.63	21,053.34	6.40%	337.00	13.1	8.6	12.1	3,692.23	3,590.82	-2.83%	97.25%

Sources: District records

Note: Enrollment based on Average Daily Enrollment.

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

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

District Buildings	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Elementary Bloomngdale Avenue (1957)	Square Feet 26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
	Capacity (students) 225	225	225	225	225	225	225	225	225	225
	Enrollment 249	247	225	224	222	253	250	253	253	229
Brookside Place School (1953)	Square Feet 39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080	39,080
	Capacity (students) 377	377	377	377	377	377	377	377	377	377
	Enrollment 427	407	397	363	348	340	365	358	372	372
Livingston Avenue School (1957)	Square Feet 29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915	29,915
	Capacity (students) 274	274	274	274	274	274	274	274	274	274
	Enrollment 262	261	263	239	238	250	258	250	259	258
Walnut Avenue School (1954)	Square Feet 36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595	36,595
	Capacity (students) 304	304	304	304	304	304	304	304	304	304
	Enrollment 312	305	300	340	332	325	315	326	318	296
Middle Schools Hillside Avenue School (1960)	Square Feet 99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070
	Capacity (students) 863	863	863	863	863	863	863	863	863	863
	Enrollment 701	718	682	729	738	718	678	663	665	662
Orange Avenue School (1963)	Square Feet 99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070	99,070
	Capacity (students) 859	859	859	859	859	859	859	859	859	859
	Enrollment 739	762	795	800	766	766	760	743	704	724
High School Cranford Senior High School (1937)	Square Feet 247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000	247,000
	Capacity (students) 1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751	1,751
	Enrollment 1,133	1,117	1,139	1,127	1,159	1,170	1,178	1,189	1,162	1,129
Other Lincoln School (1913)	Square Feet 59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185	59,185
	Capacity (students) 120	120	120	120	120	120	120	120	120	120
	Enrollment 88	79	88	81	83	75	81	74	63	73

Number of Schools at June 30, 2021:  
 Elementary = 4  
 Middle School = 2  
 Senior High School = 1  
 Other = 1

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

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

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

*School Facilities Project # (s)	Cranford Senior High School	Hillside Avenue School	Orange Avenue School	Bloomington Avenue School	Brookside Place School	Lincoln School	Livingston Avenue School	Walnut Avenue School	Total
2012	\$ 226,997	\$ 58,009	\$ 54,382	\$ 17,601	\$ 17,703	\$ 93,642	\$ 21,916	\$ 21,703	\$ 511,953
2013	384,581	115,224	132,264	31,882	270,382	115,431	62,826	73,311	1,185,901
2014	340,676	65,037	73,422	30,156	20,074	62,391	17,438	85,067	694,261
2015	169,428	65,138	57,666	16,041	38,661	65,836	35,807	33,757	482,334
2016	256,631	80,632	69,924	43,787	24,392	41,174	46,705	27,864	591,109
2017	208,835	58,100	56,880	44,329	21,588	38,355	49,785	58,490	536,362
2018	170,678	68,784	85,019	20,899	20,706	56,984	140,288	33,217	596,575
2019	189,608	70,875	122,678	20,427	23,032	41,920	21,128	30,959	520,627
2020	376,386	112,468	77,910	25,964	28,624	85,539	29,410	36,556	772,857
2021	315,922	77,053	89,134	20,499	28,501	118,322	71,222	27,729	748,382
<b>Total School Facilities</b>	<b>\$ 2,639,742</b>	<b>\$ 771,320</b>	<b>\$ 819,279</b>	<b>\$ 271,585</b>	<b>\$ 493,663</b>	<b>\$ 719,594</b>	<b>\$ 496,525</b>	<b>\$ 428,653</b>	<b>\$ 6,640,361</b>

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

Source: District records

Cranford Public School District  
Insurance Schedule  
June 30, 2021  
Unaudited

	<u>Coverage</u>	<u>Deductible</u>
Blanket Building & Contents including		
Personal Property of Others	\$136,600,606.00	\$5,000.00
Program Blanket Limit	500,000,000.00	
Excess Liability Policy CAP (shared)	25,000,000.00	
Excess Liability Policy CAP (unshared)	30,000,000.00	
Food Spoilage (within Blanket Limit)		
Electronic Data Processing (within Blanket Limit)		
Automobile and General Liability Each Occurrence	10,000,000.00	
Employee Benefits Liability*	10,000,000.00	1,000.00
Automobile Liability*	10,000,000.00	
Uninsured Motorist Liability	15,000.00/30,000.00/5,000.00	
Boiler and Machinery (within Blanket Limit)	100,000,000 per occurrence	5,000.00
Crime:		
Blanket Employee Dishonesty - Per Loss	500,000.00	1,000.00
Forgery and Alteration	50,000.00	1,000.00
Theft, Disappearance & Destruction	2,500,000.00	1,000.00
Workers Compensation:		
Limit per Accident	5,000,000.00	
Disease per Policy Limit	5,000,000.00	
Disease Each Employee Limit	5,000,000.00	
School Professional Legal Liability*	10,000,000.00	10,000.00
Public Officials Bond:		
Treasurer of School Monies/ Business Administrator/Board Secretary	350,000.00	

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

Source: District Records



## **Single Audit Section**

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

**Independent Auditors' Report**

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

We have audited, in accordance with auditing standards generally accepted in the United States of America; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, and each major fund of the Cranford Public School District ("District"), in the County of Union, State of New Jersey, as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated March 14, 2022.

**Internal Control Over Financial Reporting**

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

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

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

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

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**Compliance and Other Matters**

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

**Purpose of this Report**

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

*PKF O'Connor Davies, LLP*

March 14, 2022  
Cranford, New Jersey

*David J. Gannon*

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

**Report on Compliance For Each Major Federal and State Program and  
on Internal Control Over Compliance Required by the  
Uniform Guidance and New Jersey OMB Circular 15-08**

**Independent Auditors' Report**

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

**Report on Compliance for Each Major Federal and State Program**

We have audited the Cranford Public School District's, in the County of Union, New Jersey (the "District"), compliance with the types of compliance requirements described in the *OMB Compliance Supplement* and the *New Jersey State Aid/Grant Compliance Supplement* that could have a direct and material effect on each of the District's major federal and state programs for the year ended June 30, 2021. The District's major federal and state programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

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

***Auditors' Responsibility***

Our responsibility is to express an opinion on compliance for each of the District's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; the audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance); and New Jersey OMB Circular 15-08, *Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid*. Those standards, the OMB Uniform Guidance and New Jersey OMB Circular 15-08 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred.

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

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An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal and state program. However, our audit does not provide a legal determination on the District's compliance.

***Opinion on Each Major Federal and State Program***

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the year ended June 30, 2021.

**Report on Internal Control Over Compliance**

Management of the Cranford Public School District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal and state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal and state program and to test and report on internal control over compliance in accordance with the OMB Uniform Guidance and NJ OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the District's internal control over compliance.

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

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

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

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**Purpose of this Report**

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

*PKF O'Connor Davies, LLP*

March 14, 2022  
Cranford, New Jersey

*David J. Gannon*

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

CRANFORD PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal Grantor/Pass-Through Grantor/Program Title	Federal AL Number	Federal FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020		Cash Received	Budgetary Expenditures	Repayment Prior Years Balances	Balance at June 30, 2021		
							Adjustments				Accounts Receivable	Unearned Revenue	Due to Grantor
U.S. Department of Education:													
Passed-through State Department of Education:													
General Fund:													
Medical Assistance Program (SEMI)	93.778	2105NJ5MAP	N/A	7/1/20-6/30/21	\$ 10,630.16	\$	\$	\$ 10,630.16	\$ (10,630.16)	\$	\$	\$	
Total U.S. Department of Education								10,630.16	(10,630.16)				
U.S. Department of Labor:													
Passed-through State Department of Labor:													
Trust Fund													
CARES Act DOL Unemployment Grant	17.225	N/A	N/A	7/1/19-6/30/20	35,263.47	(35,253.47)		35,253.47					
Total General Fund						(35,253.47)	-	45,883.63	(10,630.16)	-	-	-	
U.S. Department of Education:													
Passed-through State Department of Education:													
Special Revenue Fund:													
Special Education Cluster (IDEA)													
I.D.E.A. Part B, Basic Regular	84.027A	H027A200100	N/A	7/1/20-9/30/21	875,812.00			782,220.00	(882,388.00)		(100,168.00)		
I.D.E.A. Part B, Preschool	84.173	H173A200114	N/A	7/1/20-9/30/21	29,543.00			21,167.00	(29,543.00)		(8,376.00)		
I.D.E.A. Part B, Basic Regular	84.027	H027A170100	N/A	7/1/19-6/30/20	838,014.00	(1,860.00)		1,860.00					
I.D.E.A. Part B, Preschool	84.173	H173A170114	N/A	7/1/19-6/30/20	29,589.00	(5,403.00)		5,403.00					
Total Special Education Cluster (IDEA)						(7,263.00)	-	810,650.00	(911,931.00)	-	(108,544.00)	-	
Title I, Part A Cluster													
ESEA - Title I, Part A	84.010	S010A170030	N/A	7/1/19-6/30/20	92,294.00	(29,217.05)	0.05	29,217.00					
Total Title I, Part A Cluster						(29,217.05)	0.05	29,217.00	-	-	-		
Title II, Part A													
ESEA - Title II, Part A	84.367A	S367A200029	N/A	7/1/20-9/30/21	59,215.00			27,999.43	(50,011.50)		(22,012.07)		
ESEA - Title II, Part A	84.367A	S367A170029	N/A	7/1/19-6/30/20	59,215.00	(17,995.57)		17,995.57					
Total Title II, Part A						(17,995.57)	-	45,995.00	(50,011.50)	-	(22,012.07)	-	
COVID-19 Emergency Relief/ESSER													
COVID-19 Emergency Relief/ESSER	84.425D	S425D200027	N/A	3/13/20-9/30/22	74,205.00	(32,157.51)		78,259.00	(46,101.49)				
COVID-19 Emergency Relief/ESSER II	84.425D	S425D210027	N/A	3/13/20-9/30/22	562,393.00				(256,828.45)		(256,828.45)		
Total CARES Emergency Relief/ESSER						(32,157.51)	-	78,259.00	(302,929.94)	-	(256,828.45)	-	
COVID-19 Nonpublic Digital Divide													
COVID-19 Nonpublic Digital Divide	21.019	S377A130031	N/A	7/16/20-10/31/20	9,831.00			9,831.00	(9,831.00)				
COVID-19 Coronavirus Relief Fund	21.019	S377A130031	N/A	3/1/20-12/31/20	101,733.00			101,733.00	(101,733.00)				
COVID-19 Coronavirus Relief Fund - Union County School District Grant	21.019	S377A130031	N/A	3/1/20-12/31/21	186,950.00			128,478.48	(186,950.00)		(58,471.52)		
Total Coronavirus Relief Fund						-	-	240,042.48	(298,514.00)	-	(58,471.52)	-	
Total Special Revenue Fund						(86,633.13)	0.05	1,204,163.48	(1,563,386.44)	-	(445,856.04)	-	
Total Federal Awards						(121,886.60)	0.05	1,250,047.11	(1,574,016.60)		(445,856.04)		

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

CRANFORD PUBLIC SCHOOL DISTRICT  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance at June 30, 2020			Cash Received	Budgetary Expenditures	Adjustments/ Repayment Prior Years Balances	Balance at June 30, 2021		Memo	
				Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Adjustments				Unearned Revenue/ (Accounts Receivable)	Due to Grantor	Budgetary Receivable	Cumulative Total Expenditures
State Department of Education:													
General Fund:													
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 2,411,376.00	\$	\$	\$	2,175,979.88	\$ (2,411,376.00)	\$	\$	\$	(235,396.12)	(2,411,376.00)
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	2,304,623.00	(224,808.80)			224,808.80						
Categorical Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	354,868.00				320,226.14	(354,868.00)				(34,641.86)	(354,868.00)
Categorical Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	354,868.00	(34,616.27)			34,616.27						
Equalization Aid	21-495-034-5120-078	7/1/20-6/30/21	88,682.00				80,024.95	(88,682.00)				(8,657.05)	(88,682.00)
Equalization Aid	20-495-034-5120-078	7/1/19-6/30/20	88,682.00	(8,650.65)			8,650.65						
Categorical Security Aid	21-495-034-5120-084	7/1/20-6/30/21	92,830.00				83,768.03	(92,830.00)				(9,061.97)	(92,830.00)
Categorical Security Aid	20-495-034-5120-084	7/1/19-6/30/20	92,830.00	(9,055.28)			9,055.28						
Extraordinary Aid	21-495-034-5120-044	7/1/20-6/30/21	1,025,135.00					(1,025,135.00)		(1,025,135.00)			(1,025,135.00)
Extraordinary Aid	20-495-034-5120-044	7/1/19-6/30/20	861,714.00	(861,714.00)			861,714.00						
Nonpublic Transportation Cost Reimb.	21-495-034-5120-014	7/1/20-6/30/21	31,030.00					(31,030.00)		(31,030.00)			(31,030.00)
Nonpublic Transportation Cost Reimb.	20-495-034-5120-014	7/1/19-6/30/20	2,585.00	(2,585.00)			2,585.00						
On Behalf T.P.A.F. Pension Contributions	21-495-034-5095-002	7/1/20-6/30/21	7,994,507.00				7,994,507.00	(7,994,507.00)					(7,994,507.00)
On Behalf Post Retirement Medical Contrib.	21-495-034-5095-001	7/1/20-6/30/21	2,553,022.00				2,553,022.00	(2,553,022.00)					(2,553,022.00)
On Behalf T.P.A.F. Non-Contributory Group Insurance	21-495-034-5095-004	7/1/20-6/30/21	152,106.00				152,106.00	(152,106.00)					(152,106.00)
On Behalf T.P.A.F. Long Term Disability Insurance	21-495-034-5095-004	7/1/20-6/30/21	5,169.00				5,169.00	(5,169.00)					(5,169.00)
Reimb. T.P.A.F. Social Security Contrib.	21-495-034-5095-003	7/1/20-6/30/21	2,281,777.60				2,281,777.16	(2,281,777.16)					(2,281,777.16)
Reimb. T.P.A.F. Social Security Contrib.	20-495-034-5095-003	7/1/19-6/30/20	2,166,680.15	(106,567.48)			106,567.48						
<b>Total General Fund</b>				<b>(1,247,997.48)</b>			<b>16,894,577.64</b>	<b>(16,990,502.16)</b>		<b>(1,056,165.00)</b>		<b>(287,757.00)</b>	<b>(16,990,502.16)</b>
Special Revenue Fund:													
N.J. Nonpublic Aid:													
Textbook Aid	21-100-034-5120-064	7/1/20-6/30/21	13,806.00				13,806.00	(13,214.32)			591.68		(13,214.32)
Textbook Aid	20-100-034-5120-064	7/1/19-6/30/20	10,858.00		458.41				(458.41)				
Auxiliary Services:													
Compensatory Education	21-100-034-5120-067	7/1/20-6/30/21	64,186.00				64,186.00	(63,924.06)			261.94		(63,924.06)
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	29,690.00	(3,299.00)	324.56		3,299.00		(324.56)				
English as a Second Language	21-100-034-5120-067	7/1/20-6/30/21	444.00				444.00	(443.24)			0.76		(443.24)
Transportation	21-100-034-5120-067	7/1/20-6/30/21	6,181.00				6,181.00				6,181.00		
Transportation	20-100-034-5120-067	7/1/19-6/30/20	5,645.00	(564.00)			564.00						
Handicapped Services:													
Supplemental Instruction	21-100-034-5120-066	7/1/20-6/30/21	10,361.00				10,361.00	(9,712.80)			648.20		(9,712.80)
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	25,094.00	(2,514.00)	19,751.30		2,514.00		(19,751.30)				
Examination & Classification	21-100-034-5120-066	7/1/20-6/30/21	19,874.00				19,874.00	(15,603.30)			4,270.70		(15,603.30)
Examination & Classification	20-100-034-5120-066	7/1/19-6/30/20	9,105.00	(906.00)	4,643.70		906.00		(4,643.70)				
Corrective Speech	21-100-034-5120-066	7/1/20-6/30/21	10,025.00				10,025.00	(8,658.30)			1,366.70		(8,658.30)
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	11,848.00	(1,184.00)			1,184.00						
Nursing Services	21-100-034-5120-070	7/1/20-6/30/21	23,052.00				23,052.00	(13,075.08)			9,976.92		(13,075.08)
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	19,982.00		2,158.37				(2,158.37)				
Security Aid	21-100-034-5120-509	7/1/20-6/30/21	39,550.00				39,550.00	(39,000.00)			550.00		(39,000.00)
Technology Initiative	20-100-034-5120-373	7/1/19-6/30/20	7,416.00		4,605.19				(4,605.19)				
New Jersey Tiered System of Supports - Early Reading (NJSS-ER)	N/A	7/1/20-6/30/21	7,218.61	750.00			7,218.61	(7,968.61)					(7,968.61)
<b>Total Special Revenue Fund</b>				<b>(7,717.00)</b>	<b>31,941.53</b>	<b>-</b>	<b>203,164.61</b>	<b>(171,599.71)</b>	<b>(31,941.53)</b>	<b>-</b>	<b>23,847.90</b>	<b>-</b>	<b>(171,599.71)</b>
<b>Total State Financial Assistance</b>			<b>\$ (1,255,714.48)</b>	<b>\$ 31,941.53</b>	<b>\$ -</b>	<b>\$ 17,097,742.25</b>	<b>\$ (17,162,101.87)</b>	<b>\$ (31,941.53)</b>	<b>\$ (1,056,165.00)</b>	<b>\$ 23,847.90</b>	<b>\$ (287,757.00)</b>	<b>\$ (17,162,101.87)</b>	
State Financial Assistance Not Subject to Audit Determination:													
General Fund:													
On Behalf T.P.A.F. Pension Contributions	21-495-034-5095-002	7/1/20-6/30/21	7,997,507.00				(7,994,507.00)						7,994,507.00
On Behalf Post Retirement Medical Contrib.	21-495-034-5095-001	7/1/20-6/30/21	2,553,022.00				(2,553,022.00)						2,553,022.00
On Behalf T.P.A.F. Non-Contributory Group Insurance	21-495-034-5095-004	7/1/20-6/30/21	152,106.00				(152,106.00)						152,106.00
On Behalf T.P.A.F. Long Term Disability Insurance	21-495-034-5095-004	7/1/20-6/30/21	5,169.00				(5,169.00)						5,169.00
<b>Total State Financial Assistance Subject to Audit Determination</b>			<b>\$ (1,255,714.48)</b>	<b>\$ 31,941.53</b>	<b>\$ -</b>	<b>\$ 6,392,938.25</b>	<b>\$ (6,457,297.87)</b>	<b>\$ (31,941.53)</b>	<b>\$ (1,056,165.00)</b>	<b>\$ 23,847.90</b>	<b>\$ (287,757.00)</b>	<b>\$ (6,457,297.87)</b>	

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



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

**YEAR ENDED JUNE 30, 2021**

NOTE 1. GENERAL

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

NOTE 2. BASIS OF ACCOUNTING

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

NOTE 3. RELATIONSHIP TO GENERAL PURPOSE FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the District's basic financial statements. The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the fiscal year, whereas for GAAP reporting, revenue is not recognized until the subsequent year or when expenditures have been made.

The general fund is presented in the accompanying schedules on the modified accrual basis of accounting with the exception of the revenue recognition of the last two state aid payments in the current year, which is mandated pursuant to N.J.S.A. 18A: 22-44.2. For GAAP purposes, those payments are not recognized until the subsequent budget year due to the state deferral and recording of the

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

**YEAR ENDED JUNE 30, 2021**

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

last two state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis, which recognizes encumbrances as expenditures and also recognizes the related revenues, whereas the GAAP basis does not. The special revenue fund also recognizes the last state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2

The net adjustment to reconcile from the budgetary basis to the GAAP basis is \$(10,626) for the general fund and \$0 for the special revenue fund. See note to required supplementary information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds (C-3).

Federal and State award revenues are reported in the District's basic financial statements on a GAAP basis as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund	\$ 10,630.16	\$ 16,979,876.16	\$ 16,990,506.32
Special Revenue Fund	<u>1,563,386.44</u>	<u>171,599.71</u>	<u>1,734,986.15</u>
 Total Assistance	 <u>\$ 1,574,016.60</u>	 <u>\$ 17,151,475.87</u>	 <u>\$ 18,725,492.47</u>

NOTE 4. RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

Amounts reported in the accompanying schedules agree with the amounts reported in the related federal and state financial reports

NOTE 5. OTHER

TPAF Social Security Contributions represent the amount reimbursed by the State for the employer's share of the Social Security for TPAF members for the year ended June 30, 2021. The post-retirement pension, medical and disability insurance benefits received on behalf of the District for the year ended June 30, 2021 amounted to \$10,704,804. Since on-behalf post retirement, medical and disability insurance benefits are paid by the State directly, these expenditures are not subject to a single audit in accordance with New Jersey OMB Circular 15-08, however they are reported on the Schedule of Expenditures of State Financial Assistance, as directed by the funding agency.

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

**YEAR ENDED JUNE 30, 2021**

NOTE 6. INDIRECT COSTS

The District elected not use the 10% de minimis indirect cost rate as allowed by the Uniform Guidance.



CRANFORD PUBLIC SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

**Part 1 - Summary of Auditors' Results**

**State Financial Assistance**

Internal control over major state programs:

Are any material weaknesses identified? \_\_\_\_\_ Yes            X       No

Are any significant deficiencies identified? \_\_\_\_\_ Yes            X       No

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

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

Identification of major state programs:

<u>GMIS/Program Number</u>	<u>Name of State Program or Cluster</u>
21-495-034-5095-003	Reimbursed T.P.A.F. Social Security Contributions

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

Auditee qualified as low-risk auditee?       X       Yes      \_\_\_\_\_ No

**Part II - Financial Statement Findings**

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

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

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

CRANFORD PUBLIC SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2021

No prior year findings were noted.