

CRESSKILL BOARD OF EDUCATION
COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Cresskill, New Jersey

**COMPREHENSIVE ANNUAL
FINANCIAL REPORT**

of the

Cresskill Board of Education

County of Bergen, New Jersey

For The Fiscal Year Ended June 30, 2021

Prepared by

Finance Department

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INTRODUCTORY SECTION

CRESSKILL PUBLIC SCHOOLS

*One Lincoln Drive
Cresskill, NJ 07626*

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

March 2, 2022

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

Dear Board Members:

The comprehensive annual financial report of the Cresskill School District (“The District”) for the fiscal year ended June 30, 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 (“The Board”). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and the U.S. Uniform Guidance and the NJ Circular OMB 15-08. Information related to this single audit, including the auditors’ report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

1. REPORTING ENTITY AND ITS SERVICES: (Continued)

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include advanced placement, regular and vocational as well as special education for handicapped youngsters. The District completed the 2020-2021 fiscal year with an enrollment of 1,779 students, which is 65 students less than the previous year's enrollment.

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

<u>Fiscal</u> <u>Year</u>	<u>Student</u> <u>Enrollment</u>	<u>Percent</u> <u>Change</u>
2020-21	1779	-3.52
2019-20	1844	0.49
2018-19	1835	1.78
2017-18	1803	-2.01
2016-17	1840	2.56
2015-16	1794	.61
2014-15	1783	1.94
2013-14	1749	1.16
2012-13	1729	1.37
2011-12	1753	.46

2. ECONOMIC CONDITION AND OUTLOOK: The Borough of Cresskill continues to see economic growth despite the continuing COVID-19 pandemic. There has been a decrease in enrollment due to COVID-19 related restrictions or precautions.

3. MAJOR INITIATIVES: The Cresskill School District established its Diversity, Equity, and Inclusion (DEI) Community Committee in September of 2020. Consisting of over 30 members from our base of alumni, parents, staff, and board of education members, the committee met monthly from September 2020 through June 2021. From March 2021 through the end of the academic year, our administrative team received training in core principles of DEI as a beginning step toward ensuring all students can achieve and succeed, and toward learning to take greater accountability and increased ownership over student achievement with the understanding that all students are here to develop and belong. In grades K-8, we continued our Readers and Writers Workshop initiative. In our work with Words of Advice Literacy Consultants, we continued to see student growth and enhanced differentiation practices as teachers targeted specific students for 1:1 and small group instruction in the effort to address individual needs for all students and focus on differentiating and addressing gaps in achievement caused largely by effects of the pandemic. As an extension of this work we allocated training for and implementation of Leveled Literacy Intervention, along with Fountas and Pinnell Reading Assessments, to K - 8 general and special education teachers. As well, our administrative team spearheaded a district-wide initiative focused on the evaluation/revision of our intervention protocols. Primarily as a result of COVID 19, we adjusted pre-existing plans and educated our K-5 staff beginning September 2020 in the use of a more team-based, data-driven approach to establishing specific, reliable, and effectively tiered support systems to respond to the needs of our at-risk students. Furthermore, in grades 6-12 we expanded our focus on the I&RS process and worked actively to shift teacher mindsets in order to provide and implement layers of in-class support strategies that precede teachers' recommending students to the Child Study Team and rely on monitoring, collecting data, and attempting intervention tactics to assess students' progress. Additionally, we continued to expand our technology inventory initiative, specifically with issuing Chromebooks, and installed web cams in every classroom to support hybrid learning. Our goal was to support students in all grades with Chromebooks for in-school and at-home use as a means of leveraging our implementation of *Google Classroom* in grades 2-12.

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

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

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

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

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

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

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

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

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

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

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

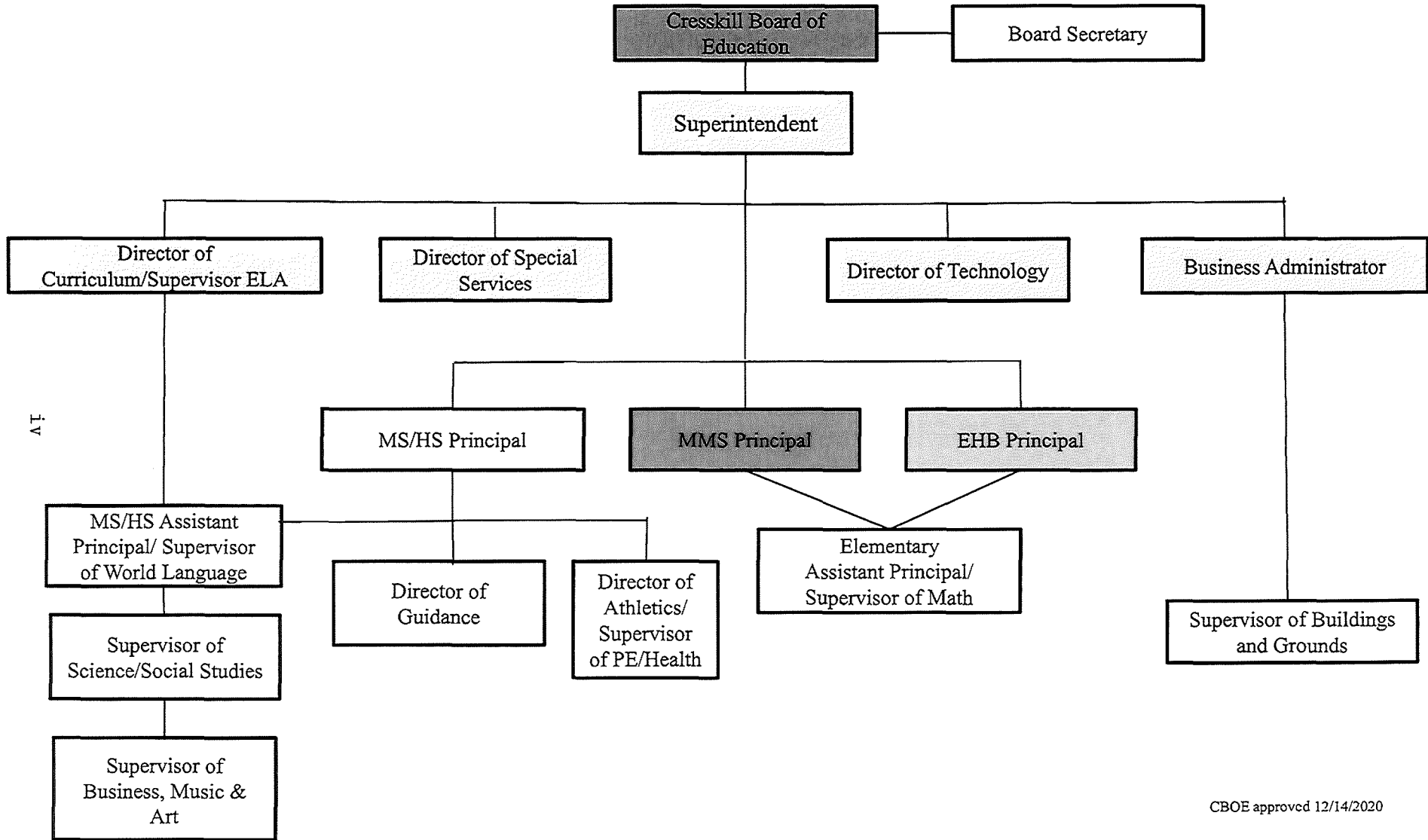
Respectfully submitted,

Dawn Delasandro

Dawn Delasandro
Business Administrator/Board Secretary

Michael Burke

Mr. Michael Burke
Superintendent



AT

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

**ROSTER OF OFFICIALS
JUNE 30, 2021**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Denise Villani, President	Jan. 2024
Stephen Moldt, Vice President	Jan. 2022
Sally Cummings	Jan. 2022
Michael DePalo	Jan. 2023
Eugene Gorfin	Jan. 2022
Dionna Griffin	Jan. 2023
Mary Klein	Jan. 2024
Raffi Odabashian	Jan. 2023
Amy Cusick	Jan. 2024

Other Officials

Michael Burke, Superintendent

Dawn Delasandro, Business Administrator

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

**Consultants and Advisors
June 30, 2021**

Audit Firm

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

Attorney

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

Architect

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

Official Depository

Capital One Bank
710 Rte. 46
Fairfield, NJ 07004

FINANCIAL SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities and each major fund of the Cresskill Board of Education, as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

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

Emphasis of Matter

Adoption of New Accounting Pronouncement

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2021, the Cresskill Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities which provided guidance on identifying fiduciary activities and how they should be reported. The adoption of this standard resulted in a change to how previously reported fiduciary fund activities are currently reported in the financial statements. 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, budgetary comparison information, pension information and other postemployment benefits information be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

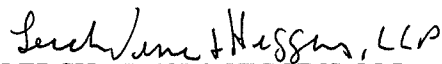
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cresskill Board of Education's basic financial statements. The introductory section, financial schedules, statistical section, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Cresskill Board of Education.


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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated March 2, 2022 on our consideration of the Cresskill Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Cresskill Board of Education's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Cresskill Board of Education's internal control over financial reporting and compliance.


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


Andrew D. Parente
Public School Accountant
PSA Number CS002246

Fair Lawn, New Jersey
March 2, 2022

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

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

This section of Cresskill Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2021. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

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

FINANCIAL HIGHLIGHTS

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

- The assets and deferred outflows of resources of the Cresskill Board of Education exceeded its liabilities at the close of the fiscal year by \$12,327,855.
- The District's total net position increased \$1,384,940.
- Overall District revenues were \$45,446,408. General revenues accounted for \$30,404,845 or 67% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$15,041,563 or 33% of total revenues.
- Overall District expenses were \$44,062,968. Governmental activities expenses accounted for \$44,048,675 or 100% and business-type activities expenses accounted for \$14,293 or less than 1%.
- The school district had \$44,048,675 in expenses for governmental activities; only \$15,041,563 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$30,404,827 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$5,491,889. Of this amount, \$1,260,823 (23%) is restricted for future operating budget expenditures (excess surplus); \$2,834,034 (52%) is restricted for capital projects; \$135,880 is restricted for facility maintenance costs (2%); \$90,488 is restricted for unemployment compensation claims (3%); \$71,240 is restricted for scholarships (1%); \$231,049 is restricted for student activities (4%); \$85,638 is assigned for year end encumbrances and \$782,736 is classified as unassigned fund balance.
- The General Fund unassigned budgetary fund balance at the close of the current fiscal year was \$1,628,922 which represented an increase of \$873,239 from the previous year balance of \$755,683.
- The District's total outstanding long-term liabilities decreased by \$1,953,605 during the current fiscal year, primarily due to the pay down of bond principal (including unamortized premium) and the change in the net pension liability.

CRESSKILL BOARD OF EDUCATION

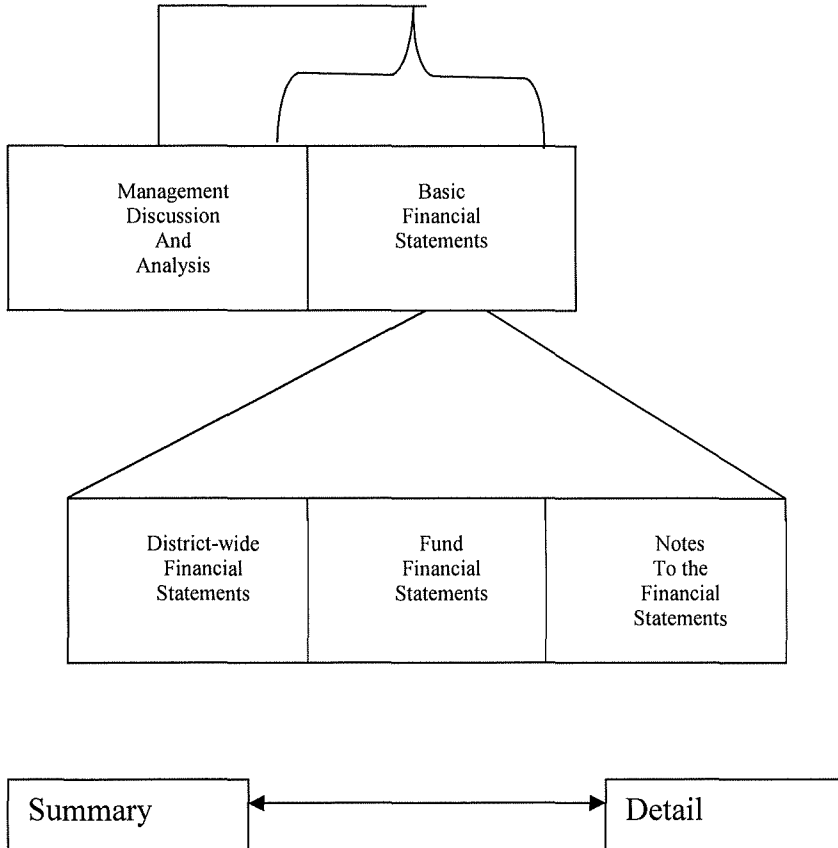
Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



CRESSKILL BOARD OF EDUCATION

**Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2021**

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

MAJOR FEATURES OF THE DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Food Service Enterprise Fund
Required financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows
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 assets/deferred outflows/inflows of resources liability information	All assets, deferred outflows/inflows of resources liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All asset, deferred inflows/outflows of resources and liabilities, both financial and capital, and short-term and long-term
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.

District-wide Statements

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

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

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

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

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

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

Fund Financial Statements

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

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

The District has 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 to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
 - *Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District has one enterprise fund for the food service (cafeteria) program.

Notes to the Financial Statements

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

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

Other Information

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

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

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's *combined* net position were \$12,327,855 and \$10,942,915 on June 30, 2021 and 2020, respectively, as follows:

Net Position As of June 30, 2021 and 2020

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u> Restated	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u> Restated
Current and Other Assets	\$ 6,400,333	\$ 5,670,270	\$ 1,794	\$ 6,910	\$ 6,402,127	\$ 5,677,180
Capital Assets	<u>37,042,820</u>	<u>38,122,329</u>	<u>21,142</u>	<u>24,675</u>	<u>37,063,962</u>	<u>38,147,004</u>
Total Assets	<u>43,443,153</u>	<u>43,792,599</u>	<u>22,936</u>	<u>31,585</u>	<u>43,466,089</u>	<u>43,824,184</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	335,677	423,477			335,677	423,477
Deferred Amounts on Net Pension Liability	<u>424,333</u>	<u>673,526</u>	<u>-</u>	<u>-</u>	<u>424,333</u>	<u>673,526</u>
Total Deferred Outflows of Resources	<u>760,010</u>	<u>1,097,003</u>	<u>-</u>	<u>-</u>	<u>760,010</u>	<u>1,097,003</u>
Total Assets and Deferred Outflow of Resources	<u>44,203,163</u>	<u>44,889,602</u>	<u>22,936</u>	<u>31,585</u>	<u>44,226,099</u>	<u>44,921,187</u>
Long-Term Liabilities	28,266,691	30,220,296			28,266,691	30,220,296
Other Liabilities	<u>1,211,580</u>	<u>1,296,749</u>	<u>18,064</u>	<u>18,707</u>	<u>1,229,644</u>	<u>1,315,456</u>
Total Liabilities	<u>29,478,271</u>	<u>31,517,045</u>	<u>18,064</u>	<u>18,707</u>	<u>29,496,335</u>	<u>31,535,752</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>2,401,909</u>	<u>2,442,520</u>	<u>-</u>	<u>-</u>	<u>2,401,909</u>	<u>2,442,520</u>
Total Deferred Inflows of Resources	<u>2,401,909</u>	<u>2,442,520</u>	<u>-</u>	<u>-</u>	<u>2,401,909</u>	<u>2,442,520</u>
Total Liabilities and Deferred Outflow of Resources	<u>31,880,180</u>	<u>33,959,565</u>	<u>18,064</u>	<u>18,707</u>	<u>31,898,244</u>	<u>33,978,272</u>
Net Investment in Capital Assets	15,516,683	15,551,509	21,142	24,675	15,537,825	15,576,184
Restricted	3,178,690	1,959,960			3,178,690	1,959,960
Unrestricted	<u>(6,372,390)</u>	<u>(6,581,432)</u>	<u>(16,270)</u>	<u>(11,797)</u>	<u>(6,388,660)</u>	<u>(6,593,229)</u>
Total Net Position	<u>\$ 12,322,983</u>	<u>\$ 10,930,037</u>	<u>\$ 4,872</u>	<u>\$ 12,878</u>	<u>\$ 12,327,855</u>	<u>\$ 10,942,915</u>

CRESSKILL BOARD OF EDUCATION

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021**

The District's total net position of \$12,327,855 at June 30, 2021 represents a \$1,384,940 or 13% increase over the prior year. By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Changes in Net Position
For The Fiscal Years Ended June 30, 2021 and 2020**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,718,149	\$ 1,575,202		\$ 216,993	\$ 1,718,149	\$ 1,792,195
Operating Grants and Contributions	13,323,414	9,789,846			13,323,414	9,789,846
General Revenues						
Property Taxes	30,227,768	29,653,319			30,227,768	29,653,319
State Aid	97,193	141,420			97,193	141,420
Miscellaneous	79,866	190,550	\$ 18	200	79,884	190,750
Total Revenues	45,446,390	41,350,337	18	217,193	45,446,408	41,567,530
Expenses						
Instruction						
Regular	\$ 18,850,157	\$ 16,944,911			18,850,157	16,944,911
Special Education	8,736,703	8,055,210			8,736,703	8,055,210
Other Instruction	1,862,878	1,374,351			1,862,878	1,374,351
School Sponsored Activities and Athletics	894,905	771,306			894,905	771,306
Support Services						
Student and Instruction Related Services	4,226,026	3,925,041			4,226,026	3,925,041
General Administration Services	864,384	824,708			864,384	824,708
School Administration Services	2,730,411	2,685,525			2,730,411	2,685,525
Central Services and Admin Info. Tech	878,777	814,213			878,777	814,213
Plant Operations and Maintenance	3,910,199	3,984,036			3,910,199	3,984,036
Pupil Transportation	308,144	393,077			308,144	393,077
Interest on Debt	786,091	832,624			786,091	832,624
Food Services	-	-	14,293	234,957	14,293	234,957
Total Expenses	44,048,675	40,605,002	14,293	234,957	44,062,968	40,839,959
Change in Net Position Before Transfers and Other Special Items	1,397,715	745,335	(14,275)	(17,764)	1,383,440	727,571
Other Special Items	1,500				1,500	
Transfers	(6,269)	(11,336)	6,269	11,336	-	-
Change in Net Position	1,392,946	733,999	(8,006)	(6,428)	1,384,940	727,571
Net Position, Beginning of Year	10,930,037	9,770,479	12,878	19,306	10,942,915	9,789,785
Prior Period Adjustment	-	425,559	-	-	-	425,559
Net Position, End of Year	\$ 12,322,983	\$ 10,930,037	\$ 4,872	\$ 12,878	\$ 12,327,855	\$ 10,942,915

CRESSKILL BOARD OF EDUCATION

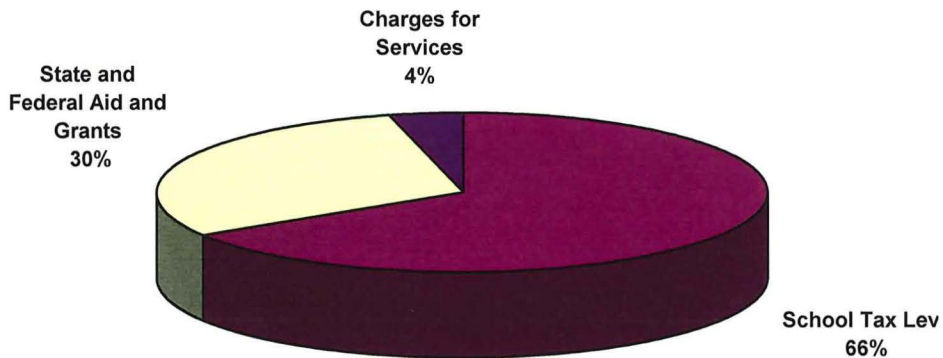
**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021**

Governmental Activities. The District's total governmental activities' revenues, which includes State and Federal grants, were \$45,446,390 for the year ended June 30, 2021. Property taxes of \$30,227,768 represented 66% of revenues. Another significant portion of revenues came from State and Federal aid; total State, Federal and local grants and aid was \$13,420,607 representing 30% of revenues. In addition, charges for services (tuition, related services and rentals) of \$1,718,149 comprised 4% of the total revenues. The remaining revenues are from miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

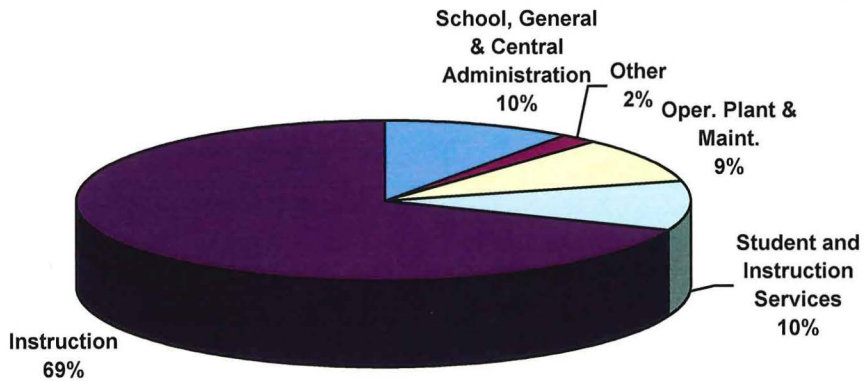
The total cost of all governmental activities programs and services was \$44,048,675. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$30,344,643 (69%) of total expenses. Support services represent \$12,917,941 (29%) of total expenses and interest on debt represents \$786,091 (2%) of total expenses.

Total governmental activities revenues and other special items exceeded expenses, increasing net position by \$1,392,946 over the previous year.

**Revenues by Sources – Governmental Activities
For Fiscal Year 2021**



**Expenses by Use – Governmental Activities
For Fiscal Year 2021**



CRESSKILL BOARD OF EDUCATION

Management’s Discussion and Analysis
Fiscal Year Ended June 30, 2021

Total and Net Cost of Governmental Activities. The District’s total cost of services was \$44,048,675. After applying program revenues, derived from operating grants and contributions of \$13,323,414 and charges for services of \$1,718,149 the net cost of services of the District is \$29,007,112.

**Total and Net Cost of Governmental Activities
For The Fiscal Years Ended June 30, 2021 and 2020**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Instruction				
Regular	\$ 18,850,157	\$ 16,944,911	\$ 12,715,211	\$ 12,294,915
Special Education	8,736,703	8,055,210	3,596,022	3,747,161
Other Instruction	1,862,878	1,374,351	1,079,071	971,251
School Sponsored Activities and Athletics	894,905	771,306	653,681	725,153
Support Services				
Student and Instruction Related Services	4,226,026	3,925,041	2,949,820	3,063,989
General Administration Services	864,384	824,708	739,485	743,600
School Administration Services	2,730,411	2,685,525	1,935,433	2,068,488
Central Services and Admin. Info. Tech.	878,777	814,213	751,875	743,565
Plant Operations and Maintenance	3,910,199	3,984,036	3,629,513	3,825,220
Pupil Transportation	308,144	393,077	225,581	310,664
Interest on Debt	786,091	832,624	731,420	745,948
Total	\$ 44,048,675	\$ 40,605,002	\$ 29,007,112	\$ 29,239,954

Business-Type Activities – The District’s total business-type activities revenues were \$18 for the year ended June 30, 2021. There were no charges for services in 2021 as a resulting COVID-19.

Total cost of all business-type activities programs and services was \$14,293. The District’s expenses are related to Food Service (Cafeteria) operations.

Total business-type activities expenses exceeded revenues, decreasing net position by \$8,006.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

GOVERNMENTAL FUNDS

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$5,491,889 an increase of \$794,028 from last year's fund balance.

Revenues for the District's governmental funds were \$41,501,547 and total expenses were \$40,736,455 for the fiscal year ended June 30, 2021.

GENERAL FUND

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

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

	Fiscal Year Ended		Amount of Increase (Decrease)	Percent Change
	<u>2021</u>	<u>2020</u>		
Local Sources				
Property Taxes	\$ 28,247,166	\$ 27,693,300	\$ 553,866	2%
Tuition/Related Services	1,716,399	1,572,102	144,297	9%
Other	80,709	164,460	(83,751)	-51%
State Sources	<u>8,257,921</u>	<u>6,875,673</u>	<u>1,382,248</u>	20%
Total General Fund Revenues	<u>\$ 38,302,195</u>	<u>\$ 36,305,535</u>	<u>\$ 1,996,660</u>	5%

Local property taxes increased by \$553,866 or 2% over the previous year to support increased operating expenditures. State aid revenue increased \$1,382,248 or 20% due predominantly to an increase in on-behalf TPAF pension contributions made by the State for the District's teaching professionals as well as the receipt of additional state formula aid. Tuition revenues increased \$144,297 or 9%. Other local sources of revenues decreased \$83,751 or 51% due to a decrease in interest earnings.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

GENERAL FUND (Continued)

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

	Fiscal Year Ended		Amount of Increase (Decrease)	Percent Change
	<u>2021</u>	<u>2020</u>		
Instruction	\$ 26,411,738	\$ 24,782,499	\$ 1,629,239	7%
Support Services	10,539,204	10,565,754	(26,550)	0%
Debt Service	114,284	92,641	21,643	23%
Capital Outlay	<u>80,241</u>	<u>488,520</u>	<u>(408,279)</u>	-84%
Total Expenditures	<u>\$ 37,145,467</u>	<u>\$ 35,929,414</u>	<u>\$ 1,216,053</u>	3%

Total General Fund expenditures increased \$1,216,053 or 3% over from the previous year. The majority of this increase can be attributed to increases in instruction costs for regular education and support service costs. Capital outlay expenditures decreased due to costs associated with the high school track resurfacing project and the acquisition of twelve (12) copiers in 2020.

In 2020-2021 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$1,186,571. As a result, total fund balance increased to \$5,005,597 at June 30, 2021. After deducting restricted and assigned fund balances, the unassigned fund balance increased from \$283,493 at June 30, 2020 to \$782,736 at June 30, 2021.

CAPITAL ASSET ADMINISTRATION

At the end of fiscal years 2021 and 2020, the District had \$37,042,820 and \$38,122,329, respectively, net of accumulated depreciation invested in land, land improvements, buildings and building improvements, furniture, equipment and vehicles for the governmental activities and \$21,142 and \$24,675, respectively for business-type activities. The following compares the June 30, 2021 and 2020 balances.

CRESSKILL BOARD OF EDUCATION

**Management's Discussion and Analysis
Fiscal Year Ended June 30, 2021**

CAPITAL ASSET ADMINISTRATION (Continued)

Capital Assets
at June 30, 2021 and 2020

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>	<u>2021</u>	<u>2020</u>
Land	\$ 1,286,701	\$ 1,286,701			\$ 1,286,701	\$ 1,286,701
Buildings and Building Improvements	52,069,369	51,649,857	\$ 14,800	\$ 14,800	52,084,169	51,664,657
Improvements Other Than Buildings	988,641	988,641			988,641	988,641
Machinery and Equipment	<u>2,110,242</u>	<u>2,075,608</u>	<u>159,801</u>	<u>159,801</u>	<u>2,270,043</u>	<u>2,235,409</u>
	56,454,953	56,000,807	174,601	174,601	56,629,554	56,175,408
Less Accumulated Depreciation	<u>(19,412,133)</u>	<u>(17,878,478)</u>	<u>(153,459)</u>	<u>(149,926)</u>	<u>(19,565,592)</u>	<u>(18,028,404)</u>
Total Capital Assets, Net	\$ <u>37,042,820</u>	\$ <u>38,122,329</u>	\$ <u>21,142</u>	\$ <u>24,675</u>	\$ <u>37,063,962</u>	\$ <u>38,147,004</u>

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

LONG TERM LIABILITIES

At June 30, 2021 the District had \$28,266,691 of outstanding long-term liabilities. Of this amount, \$21,828,956 is for bonds payable; \$216,860 is for capital leases payable; \$1,293,522 is for compensated absences and \$4,927,353 is for net pension liability. This is in comparison to long-term liabilities at June 30, 2020 consisting of bonds payable of \$23,250,485 capital leases of \$287,381; compensated absences of \$1,214,452 and net pension liability of \$5,467,978 for a total of \$30,220,296.

Outstanding Long-Term Liabilities
at June 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Bonds Payable (Including Unamortized Premium)	\$ 21,828,956	\$ 23,250,485
Capital Lease Payable	216,860	287,381
Compensated Absences	1,293,522	1,214,452
Net Pension Liability	<u>4,927,353</u>	<u>5,467,978</u>
	\$ <u>28,266,691</u>	\$ <u>30,220,296</u>

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

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis Fiscal Year Ended June 30, 2021

General Fund Budgetary Highlights

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

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

General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance by \$1,560,567 over the previous year. After deducting restricted and assigned fund balances, the unassigned budgetary fund balance increased by \$873,239 from \$755,683 at June 30, 2020 to \$1,628,922 at June 30, 2021. The District increased its restricted fund balances for capital reserve by a net amount of \$1,201,262 at June 30, 2021 and increased its maintenance reserve by a net amount of \$50,250.

FACTORS BEARING ON THE DISTRICT'S FUTURE

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

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

These indicators were considered when adopting the budget for fiscal year 2021-2022. Budgeted expenditures in the General Fund increased 5 percent to \$34,261,203 in fiscal year 2021-2022. Increases in contractual payroll and special education costs are the primary reasons for the increase.

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

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

BASIC FINANCIAL STATEMENTS

CRESSKILL BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2021

	Governmental Activities	Business-Type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 5,878,072	\$ 167	\$ 5,878,239
Receivables, net	522,261		522,261
Inventories		1,627	1,627
Capital Assets			
Capital Assets, Not Being Depreciated	1,286,701		1,286,701
Capital Assets, Being Depreciated	<u>35,756,119</u>	<u>21,142</u>	<u>35,777,261</u>
Total Assets	<u>43,443,153</u>	<u>22,936</u>	<u>43,466,089</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	335,677	-	335,677
Deferred Amounts on Net Pension Liability	<u>424,333</u>	<u>-</u>	<u>424,333</u>
Total Deferred Outflows of Resources	<u>760,010</u>	<u>-</u>	<u>760,010</u>
Total Assets and Deferred Outflows of Resources	<u>44,203,163</u>	<u>22,936</u>	<u>44,226,099</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	877,243	-	877,243
Payable to Other Governments	284		284
Accrued Interest Payable	303,136		303,136
Unearned Revenue	30,917	18,064	48,981
Noncurrent Liabilities			
Due Within One Year	1,471,059		1,471,059
Due Beyond One Year	<u>26,795,632</u>	<u>-</u>	<u>26,795,632</u>
Total Liabilities	<u>29,478,271</u>	<u>18,064</u>	<u>29,496,335</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>2,401,909</u>	<u>-</u>	<u>2,401,909</u>
Total Deferred Inflows of Resources	<u>2,401,909</u>	<u>-</u>	<u>2,401,909</u>
Total Liabilities and Deferred Inflows of Resources	<u>31,880,180</u>	<u>18,064</u>	<u>31,898,244</u>
NET POSITION			
Net Investment in Capital Assets	15,516,683	21,142	15,537,825
Restricted for			
Capital Projects	2,650,032		2,650,032
Plant Maintenance	135,880		135,880
Other Purposes	392,778		392,778
Unrestricted	<u>(6,372,390)</u>	<u>(16,270)</u>	<u>(6,388,660)</u>
Total Net Position	<u>\$ 12,322,983</u>	<u>\$ 4,872</u>	<u>\$ 12,327,855</u>

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

**CRESSKILL BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental Activities:							
Instruction:							
Regular	\$ 18,850,157	\$ 187,820	\$ 5,947,126		\$ (12,715,211)		\$ (12,715,211)
Special Education	8,736,703	1,528,579	3,612,102		(3,596,022)		(3,596,022)
Other Instruction	1,862,878		783,807		(1,079,071)		(1,079,071)
School Sponsored Activities and Athletics	894,905		241,224		(653,681)		(653,681)
Support Services:							
Student & Instruction Related Services	4,226,026		1,276,206		(2,949,820)		(2,949,820)
General Administration Services	864,384		124,899		(739,485)		(739,485)
School Administration Services	2,730,411		794,978		(1,935,433)		(1,935,433)
Central Services and Admin Info. Tech.	878,777		126,902		(751,875)		(751,875)
Plant Operations and Maintenance	3,910,199	1,750	278,936		(3,629,513)		(3,629,513)
Pupil Transportation	308,144		82,563		(225,581)		(225,581)
Interest on Long-Term Debt	786,091	-	54,671	-	(731,420)	-	(731,420)
Total Governmental Activities	44,048,675	1,718,149	13,323,414	-	(29,007,112)	-	(29,007,112)
Business-Type Activities:							
Food Service	14,293	-	-	-	-	\$ (14,293)	(14,293)
Total Business-Type Activities	14,293	-	-	-	-	(14,293)	(14,293)
Total Primary Government	\$ 44,062,968	\$ 1,718,149	\$ 13,323,414	\$ -	(29,007,112)	(14,293)	(29,021,405)
General Revenues:							
Taxes:							
Property Taxes, levied for General Purposes					28,247,166		28,247,166
Property Taxes Levied for Debt Service					1,980,602		1,980,602
State Aid Restricted for Debt Service Principal					97,193		97,193
Investment Earnings					18,466	18	18,484
Miscellaneous Income					61,400	-	61,400
Special Items							
Change in Net Pension Liability					1,500		1,500
Transfers					(6,269)	6,269	-
Total General Revenues					30,400,058	6,287	30,406,345
Change in Net Position					1,392,946	(8,006)	1,384,940
Net Position, Beginning of Year (Restated)					10,930,037	12,878	10,942,915
Net Position, End of Year					\$ 12,322,983	\$ 4,872	\$ 12,327,855

FUND FINANCIAL STATEMENTS

**CRESSKILL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 5,255,959	\$ 302,289	\$ 319,823	\$ 1	\$ 5,878,072
Receivables, Net					
Intergovernmental Receivables	50,375	404,136			454,511
Other Receivables	4,879	62,871			67,750
Due from Other Funds	<u>565,834</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>565,834</u>
 Total Assets	 <u>\$ 5,877,047</u>	 <u>\$ 769,296</u>	 <u>\$ 319,823</u>	 <u>\$ 1</u>	 <u>\$ 6,966,167</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable and Other Liabilities	\$ 871,450	\$ 5,793			\$ 877,243
Due to Other Funds		430,013	\$ 135,821		565,834
Payable to Other Governments		284			284
Unearned Revenue	<u>-</u>	<u>30,917</u>	<u>-</u>	<u>-</u>	<u>30,917</u>
 Total Liabilities	 <u>871,450</u>	 <u>467,007</u>	 <u>135,821</u>	 <u>-</u>	 <u>1,474,278</u>
Fund Balances:					
Restricted Fund Balance					
Capital Reserve	1,750,032				1,750,032
Capital Reserve- Designated for Subsequent Year's Expenditures	900,000				900,000
Maintenance Reserve	135,880				135,880
Excess Surplus	339,725				339,725
Excess Surplus- Designated for Subsequent Year's Expenditures (2022/2023 budget)	921,098				921,098
Unemployment Compensation Reserve	90,488				90,488
Scholarships		71,240			71,240
Student Activities		231,049			231,049
Capital Projects			184,002		184,002
Debt Service				\$ 1	1
Assigned Fund Balance					
Year End Encumbrances	85,638				85,638
Unassigned Fund Balance	<u>782,736</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>782,736</u>
 Total Fund Balances	 <u>5,005,597</u>	 <u>302,289</u>	 <u>184,002</u>	 <u>1</u>	 <u>5,491,889</u>
 Total Liabilities and Fund Balances	 <u>\$ 5,877,047</u>	 <u>\$ 769,296</u>	 <u>\$ 319,823</u>	 <u>\$ 1</u>	 <u>\$ 6,966,167</u>

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

CRESSKILL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2021

EXHIBIT B-1

Total Fund Balance (Exhibit B-1) \$ 5,491,889

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$56,454,953 and the accumulated depreciation is \$19,412,133. 37,042,820

Amounts resulting from the refunding of debt are reported as deferred outflows of resources on the statement of net position and amortized over the life of the debt. 335,677

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

	Deferred Outflows of Resources	\$ 424,333	
	Deferred Inflow of Resources	<u>(2,401,909)</u>	
			(1,977,576)

The District has financed capital assets through the issuance of bonds and long-term lease obligations. The interest accrual at year end is: (303,136)

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

	Bonds Payable (Including Unamortized Premium)	(21,828,956)	
	Capital Lease Payable	(216,860)	
	Compensated Absences Payable	(1,293,522)	
	Net Pension Liability	<u>(4,927,353)</u>	
			<u>(28,266,691)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 12,322,983

**CRESSKILL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 28,247,166			\$ 1,980,602	\$ 30,227,768
Tuition and Related Services Fees	1,716,399				1,716,399
Rentals	1,750				1,750
Interest and Investment Income	17,559		\$ 907		18,466
Miscellaneous	61,400	\$ 254,760	-	-	316,160
Total - Local Sources	30,044,274	254,760	907	1,980,602	32,280,543
State Sources	8,257,921	-		151,864	8,409,785
Federal Sources	-	811,219	-	-	811,219
Total Revenues	38,302,195	1,065,979	907	2,132,466	41,501,547
EXPENDITURES					
Current					
Instruction					
Regular Instruction	16,550,869	192,732			16,743,601
Special Education Instruction	7,721,271	349,163			8,070,434
Other Instruction	1,460,174	190,702			1,650,876
School-Sponsored Activities and Athletics	679,424	197,027			876,451
Support Services					
Student and Instruction Related Services	3,681,197	150,033			3,831,230
General Administration Services	824,411				824,411
School Administration Services	2,455,076				2,455,076
Central Services and Admin Info. Tech.	843,907				843,907
Plant Operations and Maintenance	2,426,469		4,960		2,431,429
Pupil Transportation	308,144				308,144
Debt Service					
Principal	105,726			1,360,000	1,465,726
Interest	8,558			772,466	781,024
Capital Outlay	80,241	19,298	354,607	-	454,146
Total Expenditures	37,145,467	1,098,955	359,567	2,132,466	40,736,455
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,156,728	(32,976)	(358,660)	-	765,092
OTHER FINANCING SOURCES (USES)					
Lease Proceeds	35,205				35,205
Transfers In	907	-			907
Transfers Out	(6,269)	-	(907)	-	(7,176)
Total Other Financing Sources and Uses	29,843	-	(907)	-	28,936
Net Change in Fund Balances	1,186,571	(32,976)	(359,567)	-	794,028
Fund Balance, Beginning of Year (Restated)	3,819,026	335,265	543,569	1	4,697,861
Fund Balance, End of Year	\$ 5,005,597	\$ 302,289	\$ 184,002	\$ 1	\$ 5,491,889

**CRESSKILL BOARD OF EDUCATION
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ 794,028**

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 expense exceeded capital outlay in the period.

Capital outlays	\$ 454,146	
Depreciation expense	<u>(1,533,655)</u>	(1,079,509)

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

Capital Lease Proceeds		(35,205)
Capital Lease Principal Repayment		105,726
Repayment of Bond Principal		1,360,000

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

Amortization of Deferred Amount on Refunding of Debt	(87,800)	
Amortization of Original Issuance Premium	<u>61,529</u>	(26,271)

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

Decrease in Accrued Interest		21,204
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In the statement of activities, certain operating expenses, e.g., compensated absences, pension costs are measured by the amounts earned or incurred during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.

Net Increase in Compensated Absences	(79,070)	
Decrease in Net Pension Expense	330,543	
Decrease in Net Pension Liability	<u>1,500</u>	252,973

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 1,392,946**

**CRESSKILL BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2021**

	Business-Type Activities Enterprise <u>Food Services</u>
ASSETS	
Current Assets	
Cash	\$ 167
Inventories	<u>1,627</u>
Total Current Assets	<u>1,794</u>
Capital Assets	
Building Improvements	14,800
Furniture, Machinery and Equipment	159,801
Less: Accumulated Depreciation	<u>(153,459)</u>
Total Capital Assets, Net	<u>21,142</u>
Total Assets	<u>22,936</u>
LIABILITIES	
Current Liabilities	
Unearned Revenue	<u>18,064</u>
Total Current Liabilities	<u>18,064</u>
NET POSITION	
Investment in Capital Assets	21,142
Unrestricted	<u>(16,270)</u>
Total Net Position	<u>\$ 4,872</u>

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

**CRESSKILL BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise <u>Food Services</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ <u> -</u>
Total Operating Revenues	<u> -</u>
OPERATING EXPENSES	
Cost of Sales	10,760
Depreciation	<u> 3,533</u>
Total Operating Expenses	<u> 14,293</u>
Operating Loss	<u> (14,293)</u>
NONOPERATING REVENUES	
Interest	<u> 18</u>
Total Nonoperating Revenues	<u> 18</u>
Loss Before Transfers	(14,275)
Transfer from General Fund	<u> 6,269</u>
Change in Net Position	(8,006)
Total Net Position - Beginning of Year	<u> 12,878</u>
Total Net Position - End of Year	<u><u> \$ 4,872</u></u>

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

**CRESSKILL BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Business-Type Activities Enterprise <u>Food Services</u>
Cash Flows from Operating Activities	
Cash Payments to Suppliers for Goods and Services	\$ (6,464)
Net Cash Used by Operating Activities	<u>(6,464)</u>
Cash Flows from Non Capital Financing Activates	
Transfers from Other Funds	<u>6,269</u>
Net Cash Used by Capital and Related Financing Activities	<u>6,269</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>18</u>
Net Cash Provided by Investing Activities	<u>18</u>
Net Decrease in Cash and Cash Equivalents	(177)
Cash and Cash Equivalents, Beginning of Year	<u>344</u>
Cash and Cash Equivalents, End of Year	<u>\$ 167</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ (14,293)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	3,533
Change in Assets and Liabilities	
(Increase)/Decrease in Inventories	4,939
Increase/(Decrease) in Accounts Payable	(98)
Increase/(Decrease) in Unearned Revenue	<u>(545)</u>
Total Adjustments	<u>7,829</u>
Net Cash Used by Operating Activities	<u>\$ (6,464)</u>

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

NOTES TO THE FINANCIAL STATEMENTS

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

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

B. New Accounting Standards

During fiscal year 2021, the District adopted the following GASB statement:

- GASB No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement established criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

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

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as either governmental activities or business-type activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds while business-type activities incorporate data from the District's enterprise funds. Fiduciary funds are excluded from the district-wide financial statements. Currently the District has no fiduciary funds.

District-Wide Financial Statements

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

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

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

Fund Financial Statements

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

The District reports the following major governmental funds:

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

Fund Financial Statements (Continued)

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

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

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

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

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

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

Reclassifications

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

D. Measurement Focus and Basis of Accounting

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

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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

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

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

1. Cash, Cash Equivalents and Investments

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

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

2. Receivables

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

3. Inventories

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

Food Service Fund inventories, exclusive of the federal commodities, are valued at cost, using the first-in first-out (FIFO) method and consist of food and expendable supplies. The cost of such inventories is recorded as expenses when consumed rather than when purchased. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities inventory at year-end is reported as deferred inflows of resources.

4. Capital Assets

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

Major outlays for capital assets and improvements are capitalized as projects are constructed.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. Capital Assets (Continued)

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

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

5. Deferred Outflows/Inflows of Resources

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

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

6. Compensated Absences

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

7. Pensions

In the district-wide financial statements and proprietary fund types in the fund financial statements, for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the retirement systems sponsored and administered by the State of New Jersey and additions to/deductions from these retirement systems' fiduciary net position have been determined on the same basis as they are reported by the retirement systems. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

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

8. Long-Term Obligations

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

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

9. Net Position/Fund Balance

District-Wide Statements

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

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

Governmental Fund Statements

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. Net Position/Fund Balance (Continued)

Governmental Fund Statements (Continued)

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

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

Capital Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of capital reserve fund balance appropriated in the adopted 2021/2022 District budget certified for taxes.

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

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that is required to be appropriated in the 2022/2023 original budget certified for taxes.

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

Unemployment Compensation Reserve – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4).

Scholarships – This restriction was created to represent the accumulation of donor restricted funds specifically earmarked for student scholarship awards.

Student Activities – This restriction was created in accordance with NJAC 6A:23A-16.12 to represent the accumulation of funds derived from athletic events and other student organizations reserved for the payment of student group activities.

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

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

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

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

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

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

10. Fund Balance Policies

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

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

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

F. Revenues and Expenditures/Expenses

1. Program Revenues

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

2. Property Taxes

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

3. Tuition Revenues and Expenditures

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

Tuition Expenditures - Tuition charges for the fiscal years 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 certified by the State Department of Education.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

F. Revenues and Expenditures/Expenses (Continued)

4. *Proprietary Funds, Operating and Nonoperating Revenues and Expenses*

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Federal and State subsidies for the food service operation are considered nonoperating revenues.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Information

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

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

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2020/2021. Also, during 2020/2021 the Board increased the original budget by \$709,505. The increase was funded by the additional grant awards, student activity revenues, scholarship donations and the reappropriation of prior year general fund encumbrances.

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

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

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

B. Deficit Fund Equity

The Food Service Enterprise Fund has a deficit in unrestricted net position of \$16,270 as of June 30, 2021. This deficit will be provided for in the 2021/2022 General Fund budget

C. Capital Reserve

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 1,448,770
Increased by		
Interest earnings	\$ 1,262	
Deposits Approved by Board Resolution	<u>1,200,000</u>	
Total Increases		<u>1,201,262</u>
Balance, June 30, 2021		<u>\$ 2,650,032</u>

\$900,000 of the capital reserve balance at June 30, 2021 was designated and appropriated for use in the 2021/2022 original budget certified for taxes.

D. Maintenance Reserve

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

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

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Maintenance Reserve (Continued)

The activity of the maintenance reserve for the fiscal year ended June 30, 2021 is as follows:

Balance, July 1, 2020		\$ 85,630
Increased by:		
Interest Earned	\$ 250	
Deposit Approved by Board Resolution	<u>100,000</u>	
		<u>100,250</u>
		185,880
Decreased by:		
Withdrawals Approved by District Budget		<u>50,000</u>
Balance, June 30, 2021		<u>\$ 135,880</u>

The June 30, 2021 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,394,816. The withdrawals from the maintenance reserve were for use in required maintenance activities for school facilities.

E. Calculation of Excess Surplus

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2021 is \$1,260,823. Of this amount, \$921,098 was designated and appropriated in the 2021/2022 original budget certified for taxes and the remaining amount of \$339,725 will be appropriated in the 2022/2023 original budget certified for taxes.

NOTE 3 DETAILED NOTES ON ALL FUNDS

A. Cash Deposits and Investments

Cash Deposits

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Cash Deposits (Continued)

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2021, the book value of the Board's deposits were \$5,878,239 and bank and brokerage firm balances of the Board's deposits amounted to \$6,847,992. The Board's deposits which are displayed on the various fund balance sheets as "cash" or "cash and cash equivalents" are categorized as:

Depository Account

Insured	\$ <u>6,847,992</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2021 none of the Board's bank balances were exposed to custodial credit risk.

Investments

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

As of June 30, 2021, the Board had no outstanding investments.

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

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board's investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

Investment and interest earnings in the Capital Projects Fund are assigned to the General Fund in accordance with Board policy.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

B. Receivables

Receivables as of June 30, 2021 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Total</u>
Receivables:			
Accounts	\$ 4,879		\$ 4,879
Intergovernmental			
Federal		\$ 404,136	404,136
Local	50,375	-	50,375
Other	<u>-</u>	<u>62,871</u>	<u>62,871</u>
 Total Receivables	 <u>\$ 55,254</u>	 <u>\$ 467,007</u>	 <u>\$ 522,261</u>

C. Unearned Revenue

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

	<u>Total</u>
Special Revenue Fund	
Unencumbered Grant Draw Downs	\$ 28,714
Grant Draw Downs Reserved for Encumbrances	<u>2,203</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 30,917</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021 was as follows:

	<u>Balance, July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2021</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,286,701			\$ 1,286,701
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>1,286,701</u>	<u>-</u>	<u>-</u>	<u>1,286,701</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	51,649,857	\$ 419,512		52,069,369
Improvements Other Than Buildings	988,641			988,641
Machinery and Equipment	<u>2,075,608</u>	<u>34,634</u>	<u>-</u>	<u>2,110,242</u>
Total Capital Assets Being Depreciated	<u>54,714,106</u>	<u>454,146</u>	<u>-</u>	<u>55,168,252</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(15,477,598)	(1,429,279)		(16,906,877)
Improvements Other Than Buildings	(620,429)	(24,947)		(645,376)
Machinery and Equipment	<u>(1,780,451)</u>	<u>(79,429)</u>	<u>-</u>	<u>(1,859,880)</u>
Total Accumulated Depreciation	<u>(17,878,478)</u>	<u>(1,533,655)</u>	<u>-</u>	<u>(19,412,133)</u>
Total Capital Assets, Being Depreciated, Net	<u>36,835,628</u>	<u>(1,079,509)</u>	<u>-</u>	<u>35,756,119</u>
Governmental Activities Capital Assets, Net	<u>\$ 38,122,329</u>	<u>\$ (1,079,509)</u>	<u>\$ -</u>	<u>\$ 37,042,820</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	Balance, <u>July 1, 2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2021</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Building Improvements	\$ 14,800			\$ 14,800
Machinery and Equipment	159,801	-	-	159,801
Total Capital Assets Being Depreciated	<u>174,601</u>	<u>-</u>	<u>-</u>	<u>174,601</u>
Less Accumulated Depreciation for:				
Building Improvements	(2,420)	\$ (470)		(2,890)
Machinery and Equipment	(147,506)	(3,063)	-	(150,569)
Total Accumulated Depreciation	<u>(149,926)</u>	<u>(3,533)</u>	<u>-</u>	<u>(153,459)</u>
Total Capital Assets, Being Depreciated, Net	<u>24,675</u>	<u>(3,533)</u>	<u>-</u>	<u>21,142</u>
Business-Type Activities Capital Assets, Net	<u>\$ 24,675</u>	<u>\$ (3,533)</u>	<u>\$ -</u>	<u>\$ 21,142</u>

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

Governmental activities:

Instruction	
Regular	\$ 56,575
Total Instruction	<u>56,575</u>

Support Services

Student and Instruction Related Services	3,637
School Administration Services	2,316
General Administration Services	686
Plant Operations and Maintenance	<u>1,470,461</u>
Total Support Services	<u>1,477,100</u>

Total Depreciation Expense - Governmental Activities \$ 1,533,675

Business-Type Activities:

Food Service Fund	\$ 3,533
Total Depreciation Expense-Business-Type Activities	<u>\$ 3,533</u>

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2021, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 430,013
General Fund	Capital Project Fund	<u>135,821</u>
Total		<u>\$ 565,834</u>

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

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

Interfund Transfers

	<u>Transfer In:</u>		
	<u>General Fund</u>	<u>Enterprise Food Service</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 6,269	\$ 6,269
Capital Projects Fund	<u>\$ 907</u>	<u>-</u>	<u>907</u>
	<u>\$ 907</u>	<u>\$ 6,269</u>	<u>\$ 7,176</u>

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases

Operating Leases

The District leases two properties for school purposes from the Borough of Cresskill under noncancelable operating leases. Lease payments for the fiscal year ended June 30, 2021 were \$55,714. The future minimum lease payments for these operating leases are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Amount</u>
2022	\$ 55,714
2023	55,714
2024	55,714
2025	55,714
2026	55,714
2027-2031	278,570
2032-2036	278,570
2037-2041	278,570
2042-2046	278,570
2047	<u>55,714</u>
Total	<u>\$ 1,448,564</u>

Capital Leases

The District is leasing a LED lighting project and copiers totaling \$581,994 under capital leases. The leases are for terms of 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Building Improvements	\$ 392,429
Copiers	<u>189,565</u>
	<u>\$ 581,994</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

F. Leases (Continued)

Capital Leases (Continued)

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2021 were as follows:

<u>Fiscal Year Ending June 30</u>	<u>Governmental Activities</u>
2022	\$ 117,679
2023	41,928
2024	41,928
2025	25,038
2026	<u>3,395</u>
Total minimum lease payments	229,968
Less: amount representing interest	<u>(13,108)</u>
 Present value of minimum lease payments	 <u>\$ 216,860</u>

G. Long-Term Debt

General Obligation Bonds

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

Bonds payable at June 30, 2021 are comprised of the following issues:

\$8,960,000, 2012 Bonds, due in annual installments of \$720,000 to \$965,000 through February 1, 2025 interest at 3.0% to 4.0%	\$3,610,000
\$6,700,000, 2013 Bonds, due in annual installments of \$45,000 to \$1,040,000 through February 1, 2031, interest at 2.0% to 3.0%	6,350,000
\$12,446,000, 2018 Bonds, due in annual installments of \$350,000 to \$700,000 through February 1, 2043 interest at 3.0% to 3.5%	<u>11,746,000</u>
Total	<u>\$21,706,000</u>

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

G. Long-Term Debt (Continued)

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

Governmental Activities:

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2022	\$ 1,360,000	\$ 721,578	\$ 2,081,578
2023	1,365,000	670,691	2,035,691
2024	1,360,000	619,903	1,979,903
2025	1,355,000	568,878	1,923,878
2026	1,390,000	521,578	1,911,578
2027-2031	6,630,000	2,025,666	8,655,666
2032-2036	3,375,000	1,206,800	4,581,800
2037-2041	3,500,000	607,425	4,107,425
2042-2043	<u>1,371,000</u>	<u>71,470</u>	<u>1,442,470</u>
Total	<u>\$ 21,706,000</u>	<u>\$ 7,013,989</u>	<u>\$ 28,719,989</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2021 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 92,685,553
Less: Net Debt Issued and Authorized But Not Issued	<u>21,706,400</u>
Remaining Borrowing Power	<u>\$ 70,979,153</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

H. Other Long-Term Liabilities

Changes in Long-Term Liabilities

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

	Balance <u>July 1, 2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2021</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 23,066,000		\$ 1,360,000	\$ 21,706,000	\$ 1,360,000
Add:					
Unamortized Premiums	<u>184,485</u>	-	<u>61,529</u>	<u>122,956</u>	-
Bonds Payable, Net	23,250,485	-	1,421,529	21,828,956	1,360,000
Capital Lease Payable	287,381	\$ 35,205	105,726	216,860	111,059
Compensated Absences	1,214,452	79,070		1,293,522	
Net Pension Liability	<u>5,467,978</u>	-	<u>540,625</u>	<u>4,927,353</u>	-
Governmental Activities Long-Term Liabilities	<u>\$ 30,220,296</u>	<u>\$ 114,275</u>	<u>\$ 2,067,880</u>	<u>\$ 28,266,691</u>	<u>\$ 1,471,059</u>

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

NOTE 4 OTHER INFORMATION

A. Risk Management

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

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

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

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

A. Risk Management (Continued)

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

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

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

Fiscal Year Ended <u>June 30,</u>	District <u>Contributions</u>	Employee <u>Contributions</u>	Interest <u>Earnings</u>	Amount <u>Reimbursed</u>	Ending <u>Balance</u>
2021	NONE	\$ 66,658	\$ 194	\$ 66,658	\$ 90,488
2020	NONE	62,950		43,993	90,294
2019	NONE	40,431		35,147	70,545

B. Contingent Liabilities

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

Federal and State Awards – The Board participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the Board may be required to reimburse the grantor government. As of June 30, 2021, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

C. Federal Arbitrage Regulations

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2021 the District has not estimated its arbitrage earnings due to the IRS, if any.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans

Plan Descriptions and Benefits Provided

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

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

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

The following represents the membership tiers for PERS:

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

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

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

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

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

The following represent the membership tiers for TPAF:

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

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

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

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

Other Pension Funds

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

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

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

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32%. The collective net pension liability of the State funded TPAF at June 30, 2020 is \$66.0 billion and the plan fiduciary net position as a percentage of total pension liability is 24.60%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 which were rolled forward to June 30, 2020.

Actuarial Methods and Assumptions

In the July 1, 2019 PERS and TPAF actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation with the amount of contributions by the State of New Jersey contingent upon the Annual Appropriations Act. As defined, the retirement systems require employee contributions based on 7.50% for PERS, 7.50% for TPAF and 5.50% for DCRP of the employee's annual compensation for fiscal year 2021.

PERS employers' and TPAF State's nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2021 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State's annual pension contribution was less than the actuarial determined amount. For local PERS, which is a cost sharing multiple employer defined benefit pension plan, the annual pension contributions were equal to the actuarial determined amounts. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board. PERS employer contributions are made annually by the Board to the pension system in accordance with Chapter 114, P.L. 1997. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All PERS and DCRP contributions made by the Board for fiscal years 2021, 2020 and 2019 were equal to the required contributions.

During the fiscal years ended June 30, 2021, 2020 and 2019 the Board was required to contribute for PERS and DCRP and the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF, respectively for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	<u>PERS</u>	On-behalf <u>TPAF</u>	<u>DCRP</u>
2021	\$ 330,543	\$ 4,158,143	\$ 7,448
2020	295,184	3,063,891	6,489
2019	314,260	2,760,009	12,281

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2021, 2020 and 2019 the District contributed \$0, \$1,192 and \$1,424, respectively for PERS and the State contributed \$2,377, \$2,628 and \$3,003, respectively for TPAF for Long Term Disability Insurance Premium (LTDD).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,208,088 during the fiscal year ended June 30, 2021 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

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

Public Employees Retirement System (PERS)

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No. 68) requires participating employers in PERS to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS during the measurement period July 1, 2019 through June 30, 2020. Employer allocation percentages have been rounded for presentation purposes.

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

To facilitate the separate (sub) actuarial valuations, the Division maintains separate accounts to identify additions, deductions, and fiduciary net position applicable to each group. The allocation percentages are presented for each group. The allocation percentages for each group as of June 30, 2020 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2020.

At June 30, 2021, the District reported in the statement of net position (accrual basis) a liability of \$4,927,353 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The District's proportionate share of the net pension liability was based on the ratio of the District's share of contributions to the pension plan relative to the total contributions of all participating governmental entities, for the year ended June 30, 2020. At June 30, 2020, the District's proportionate share was .03022 percent, which was a decrease of .00013 percent from its proportionate share measured as of June 30, 2019 of .03035 percent.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$1,500 for PERS. The pension contribution made by the District during the current 2020/2021 fiscal year is the contribution that is applied to the net pension liability reported at the end of the current fiscal year of June 30, 2021 with a measurement date of the prior fiscal year end of June 30, 2020. Since the State of New Jersey applies the current year pension contribution towards the calculation of the net pension liability reported at the end of the current fiscal year, which has a measurement date of the preceding fiscal year end, there is no deferred outflows of resources reported as of June 30, 2021 for contributions made subsequent to the measurement date. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 89,719	\$ 17,425
Changes of Assumptions	159,849	2,063,129
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	168,421	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>6,344</u>	<u>321,355</u>
Total	<u>\$ 424,333</u>	<u>\$ 2,401,909</u>

At June 30, 2021, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2022	\$ (763,723)
2023	(672,510)
2024	(378,095)
2025	(135,208)
2026	(28,040)
Thereafter	<u>-</u>
	<u>\$ (1,977,576)</u>

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The District's 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 in the measurement.

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

Assumptions for mortality improvements are based on Society of Actuaries Scale MP-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, 2014 to June 30, 2018.

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the PERS's target asset allocation as of June 30, 2020 are summarized in the following table:

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

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	7.00%
2020	June 30, 2019	6.28%

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

There was no crossover period for the PERS defined benefit plan. 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 Net Pension Liability

The following presents the District's proportionate share of the PERS net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>6,202,715</u>	\$ <u>4,927,353</u>	\$ <u>3,845,173</u>

The sensitivity analysis was based on the proportionate share of the District's net pension liability as of the measurement date of June 30, 2020. A sensitivity analysis specific to the District's net pension liability at June 30, 2020 was not provided by the pension system.

Pension Plan Fiduciary Net Position

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF)

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2019 through June 30, 2020. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2020, the State's pension contribution was less than the actuarial determined amount.

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$5,619,167 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the net pension liability attributable to the District is \$90,363,170. The net pension liability was measured as of June 30, 2020 and was determined by an actuarial valuation as of July 1, 2019. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2020. At June 30, 2020, the State's share of the net pension liability attributable to the District was .13723 percent, which was a decrease of .00023 percent from its proportionate share measured as of June 30, 2019 of .13746 percent.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Actuarial Assumptions

The total pension liability for the June 30, 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 in the measurement.

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

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 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 actuaries. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the TPAF's target asset allocation as of June 30, 2020 are summarized in the following table:

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

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

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Discount Rate

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

Fiscal Year	Measurement Date	Discount Rate
2021	June 30, 2020	5.40%
2020	June 30, 2019	5.60%

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

Period of Projected Benefit

Payments for which the Following
Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2062
Municipal Bond Rate *	From July 1, 2062 and Thereafter

* The municipal bond return rate used is 2.21% as of the measurement date of June 30, 2020. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 5.40%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (4.40 percent) or 1-percentage-point higher (6.40 percent) than the current rate:

	1% Decrease (4.40%)	Current Discount Rate (5.40%)	1% Increase (6.40%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 106,142,126</u>	<u>\$ 90,363,170</u>	<u>\$ 77,261,395</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2020. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2020 was not provided by the pension system.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Pension Plan Fiduciary Net Position

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

E. Post-Retirement Medical Benefits

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

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in an Agency Fund in the New Jersey Comprehensive Annual Financial Report for the fiscal year ended June 30, 2020. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

Plan Description and Benefits Provided

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

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

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

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

E. Post-Retirement Medical Benefits (Continued)

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

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2019:

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	<u> -</u>
Total	<u>366,108</u>

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2020 is \$67.8 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2019 which were rolled forward to June 30, 2020.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Actuarial Methods and Assumptions

In the June 30, 2019 OPEB actuarial valuation, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Post-Retirement Medical Benefits Contributions

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.18 billion to the OPEB plan in fiscal year 2020.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2021, 2020 and 2019 were \$1,303,097, \$1,136,647 and \$1,251,935, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

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

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2019 through June 30, 2020. Nonemployer allocation percentages have been rounded for presentation purposes.

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

For the fiscal year ended June 30, 2021, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$3,786,916. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2021 the State's proportionate share of the OPEB liability attributable to the District is \$67,336,783. The nonemployer allocation percentages are based on the ratio of the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2020. At June 30, 2020, the state's share of the OPEB liability attributable to the District was .09930 percent, which was an increase of .00127 percent from its proportionate share measured as of June 30, 2019 of .09803 percent.

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

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions

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

Inflation Rate	2.50%
Salary Increases*	
PERS:	
Initial Fiscal Year Applied Through	2026
Rate	2.00% to 6.00%
Rate Thereafter	3.00% to 7.00%
TPAF:	
Initial Fiscal Year Applied Through	2026
Rate	1.55% to 4.45%
Rate Thereafter	1.55% to 4.45%
Mortality:	
PERS	Pre-retirement and Post-retirement based on Pub-2010 Healthy "General" classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2020.
TPAF	Pre-retirement and Post-retirement based on Pub-2010 Healthy "Teachers" and "General" classifications respectively, headcount-weighted mortality tables with fully generational mortality improvement projections from the central year using Scale MP-2020.

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

For the June 30, 2020 measurement date healthcare cost trend rates for pre-Medicare medical benefits, the trend is initially 5.6% and decreases to a 4.5% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2021 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 the Medicare Part B reimbursement, the trend rate is 5.0%.

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NOTES TO THE FINANCIAL STATEMENTS
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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Actuarial Assumptions (Continued)

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

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

Discount Rate

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

<u>Fiscal Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2021	June 30, 2020	2.21%
2020	June 30, 2019	3.50%

The discount rate represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

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NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Changes in the Total OPEB Liability

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2021 (measurement date June 30, 2020) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2019 Measurement Date	\$ <u>40,909,038</u>
Changes Recognized for the Fiscal Year:	
Service Cost	2,028,798
Interest on the Total OPEB Liability	1,483,102
Differences Between Expected and Actual Experience	11,752,475
Changes of Assumptions	12,300,116
Gross Benefit Payments	(1,172,278)
Contributions from the Member	35,532
Net Changes	<u>\$ 26,427,745</u>
Balance, June 30, 2020 Measurement Date	\$ <u>67,336,783</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 3.50 % percent in 2019 to 2.21% percent in 2020.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2020.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State's proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.21%, as well as what the State's proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.21 percent) or 1-percentage-point higher (3.21 percent) than the current rate:

	1% Decrease <u>(1.21%)</u>	Current Discount Rate <u>(2.21%)</u>	1% Increase <u>(3.21%)</u>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>81,177,968</u>	\$ <u>67,336,783</u>	\$ <u>56,514,310</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability (School Retirees)	\$ <u>54,356,522</u>	\$ <u>67,336,783</u>	\$ <u>82,793,389</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2020 were not provided by the pension system.

F. Subsequent Events

Referendum

On January 25, 2022 the voters of the Cresskill Board of Education approved a \$21,663,200 referendum authorizing the District to issue bonds and/or notes to finance various capital improvements and upgrades to the middle/high school. The improvements and upgrades to the middle/high school include the acquisition and installation of fixtures, furniture, equipment and any site work. The referendum project includes \$8,665,280 of project costs eligible for State of New Jersey debt service aid. As of the date of the audit, the Board has not sold Bonds or Notes in conjunction with these projects.

Project Notes

On February 24, 2022, the District bid and awarded the issuance of \$16,200,000 of project notes to temporarily finance expenditures related to the 2022 referendum for various capital improvements and upgrades to the middle/high school. The District awarded the sale of said notes to Oppenheimer & Co. at an interest rate of 2%. These notes dated March 10, 2022 will mature on March 9, 2023.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 OTHER INFORMATION (Continued)

G. Hurricane Ida

On September 1, 2021 Hurricane Ida arrived in New Jersey and resulted in severe damage in numerous communities and a federal disaster was declared throughout the State. The District has incurred significant costs in the clean up and recovery from this federal disaster. In addition there was severe damage to the middle/high school that materially impaired the value of the middle/high school. The Federal Emergency Management Agency (“FEMA”) provides emergency grant assistance (voluntary nonexchange transaction) to help government’s cope with losses. Although the District has and will apply for reimbursement from FEMA, the total amount to be received in conjunction with this event is not considered to be measurable with sufficient reliability and therefore has not been recognized in the financial statements as of June 30, 2021. As of June 30, 2021, the District has not received any in FEMA reimbursements relating to Hurricane Ida which have been reflected in the financial statements.

H. Tax Abatements

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

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

NOTE 5 RESTATEMENT

On July 1, 2020, the Cresskill Board of Education implemented GASB Statement No. 84 “Fiduciary Activities”. The Cresskill Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2020 are as follows:

Governmental Activities

The financial statements of the governmental activities as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll related activities which were previously reported as fiduciary activities to governmental activities. The effect of this restatement is to increase net position of governmental activities by \$425,559 from \$10,504,478 as previously reported to \$10,930,037 as of June 30, 2020.

Governmental Funds

The financial statements of the governmental funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities related to unemployment compensation, student activities, scholarships and payroll activities previously reported as fiduciary funds to governmental funds. The effect of this restatement is to increase fund balances of governmental funds by \$425,559 from \$4,272,302 as previously reported to \$4,697,861 as of June 30, 2020. General Fund fund balance increased \$90,294 from \$3,728,732 as previously reported to \$3,819,026 as of June 30, 2020. Special Revenue Fund fund balance increased \$335,265 from \$0 as previously reported to \$335,265 as of June 30, 2020.

Fiduciary Funds

The financial statements of the fiduciary funds as of June 30, 2020 have been restated to reflect the reclassification of certain activities to governmental funds as noted above. The effect of this restatement is to decrease total fiduciary net position by \$156,764 from \$156,764 as previously reported to \$0 as of June 30, 2020.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

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

Governor Phil Murphy (the “Governor”) of the State of New Jersey (the “State”) declared a state of emergency and a public health emergency on March 9, 2020 due to the outbreak of COVID-19, which spread to the State and to all counties within the State. The Governor also instituted mandatory measures via various executive orders to contain the spread of the virus. These measure, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

Recently, the United States Congress has passed relief and stimulus legislations including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the School District. It is too early to predict if the legislation will have its intended affect.

The largest portion of the School District’s revenues is derived from local tax revenues levied by the Borough. In that regard, under applicable State statutes, the Borough annually is required to pay 100% of the amount levied for operations and debt service to the School District regardless of delinquencies in applicable property tax collections. The ability of the Borough to fully collect property taxes on a timely basis may be affected by the economic impact of the Pandemic; however, the District does not anticipate an interruption in the timely collection of property taxes from the Borough.

Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Board cannot predict how the outbreak will impact the financial condition or operations of the School District, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The Board cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain it facilities either before or after an outbreak of an infectious disease.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 28,247,166		\$ 28,247,166	\$ 28,247,166	
Tuition- Individuals (Regular)	233,391		233,391	165,565	\$ (67,826)
Tuition- Other LEAs (Spec. Ed.)	1,459,851		1,459,851	1,550,834	90,983
Interest				16,047	16,047
Interest on Capital Reserve Funds	250		250	1,262	1,012
Interest on Maintenance Reserve Funds	250		250	250	-
Rentals	10,000		10,000	1,750	(8,250)
Miscellaneous	40,000	-	40,000	61,400	21,400
Total Local Sources	29,990,908	-	29,990,908	30,044,274	53,366
State Sources					
Special Education Aid	1,131,168	\$ (131,649)	999,519	999,519	
Transportation Aid	82,508		82,508	82,508	
Security Aid	143,116		143,116	143,116	
Extraordinary Special Education Costs Aid - FY 2021	323,689		323,689	735,069	411,380
On-behalf TPAF Contributions (Non-budgeted)				77,637	77,637
Pension - Non-Contributory Group Life Insurance				4,080,506	4,080,506
Pension - Normal Cost & Accrued Liab. Contribution				2,377	2,377
Long Term Disability Insurance				1,303,097	1,303,097
Post Retirement Medical Benefit Contribution				-	-
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,208,088	1,208,088
Total State Sources	1,680,481	(131,649)	1,548,832	8,631,917	7,083,085
Total Revenues	31,671,389	(131,649)	31,539,740	38,676,191	7,136,451
EXPENDITURES					
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	540,235	(1,468)	538,767	487,075	51,692
Grades 1-5	3,771,150	113,669	3,884,819	3,863,727	21,092
Grades 6-8	2,325,061	(105,215)	2,219,846	2,212,155	7,691
Grades 9-12	3,247,306	2,881	3,250,187	3,249,388	799
Regular Programs - Home Instruction					
Salaries of Teachers	20,500	(1,650)	18,850	1,424	17,426
Purchased Professional-Educational Services	4,400	-	4,400	1,441	2,959
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	279,000	(21,891)	257,109	163,124	93,985
Other Purchased Services	132,651	27,773	160,424	141,794	18,630
General Supplies	608,587	(1,654)	606,933	426,527	180,406
Textbooks	16,400	(537)	15,863	7,379	8,484
Total Regular Programs	10,945,290	11,908	10,957,198	10,554,034	403,164
Special Education					
Cognitive-Mild					
Salaries of Teachers	182,982	651	183,633	183,633	-
Other Salaries for Instruction	86,345	(651)	85,694	85,547	147
Purchased Professional- Educational Services	20,000	-	20,000	17,850	2,150
Other Purchased Services	2,000	-	2,000	-	2,000
General Supplies	18,666	-	18,666	7,480	11,186
Total Cognitive Mild	309,993	-	309,993	294,510	15,483

CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 458,081	\$ 16,176	\$ 474,257	\$ 469,756	\$ 4,501
Other Salaries for Instruction	34,599	863	35,462	33,091	2,371
Purchased Professional- Educational Services	95,047	-	95,047	91,378	3,669
General Supplies	5,312	-	5,312	2,023	3,289
Textbooks	800	-	800	-	800
Total Learning and/or Language Disabilities	<u>593,839</u>	<u>17,039</u>	<u>610,878</u>	<u>596,248</u>	<u>14,630</u>
Multiple Disabilities					
Salaries of Teachers	307,086	(8,801)	298,285	273,052	25,233
Other Salaries for Instruction	71,461	(9,673)	61,788	60,374	1,414
Purchased Professional- Educational Services	206,605	-	206,605	167,007	39,598
General Supplies	5,109	-	5,109	2,765	2,344
Total Multiple Disabilities	<u>590,261</u>	<u>(18,474)</u>	<u>571,787</u>	<u>503,198</u>	<u>68,589</u>
Resource Room/Resource Center					
Salaries of Teachers	1,373,811	74,527	1,448,338	1,444,640	3,698
Purchased Professional- Educational Services	126,728	(74,527)	52,201	12,236	39,965
General Supplies	17,233	-	17,233	12,805	4,428
Total Resource Room/Resource Center	<u>1,517,772</u>	<u>-</u>	<u>1,517,772</u>	<u>1,469,681</u>	<u>48,091</u>
Autism					
Salaries of Teachers	643,833	845	644,678	602,175	42,503
Other Salaries for Instruction	201,259	6,953	208,212	200,767	7,445
Purchased Professional-Educational Services	1,009,311	(48,298)	961,013	685,546	275,467
General Supplies	19,950	-	19,950	18,086	1,864
Total Autism	<u>1,874,353</u>	<u>(40,500)</u>	<u>1,833,853</u>	<u>1,506,574</u>	<u>327,279</u>
Preschool Disabled- Part Time					
Salaries of Teachers	204,364	-	204,364	202,721	1,643
Other Salaries for Instruction	4,522	-	4,522	1,434	3,088
Purchased Professional-Educational Services	28,650	-	28,650	22,843	5,807
General Supplies	3,900	-	3,900	2,574	1,326
Total Preschool Disabled-Part Time	<u>241,436</u>	<u>-</u>	<u>241,436</u>	<u>229,572</u>	<u>11,864</u>
Total Special Education	<u>5,127,654</u>	<u>(41,935)</u>	<u>5,085,719</u>	<u>4,599,783</u>	<u>485,936</u>
Basic Skills/Remedial					
Salaries of Teachers	514,834	-	514,834	512,077	2,757
General Supplies	4,600	-	4,600	4,160	440
Total Basic Skills/Remedial	<u>519,434</u>	<u>-</u>	<u>519,434</u>	<u>516,237</u>	<u>3,197</u>
Bilingual Education					
Salaries of Teachers	377,881	-	377,881	366,479	11,402
Textbooks	7,000	-	7,000	-	7,000
General Supplies	8,610	-	8,610	709	7,901
Total Bilingual Education	<u>393,491</u>	<u>-</u>	<u>393,491</u>	<u>367,188</u>	<u>26,303</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	87,191	-	87,191	77,621	9,570
Supplies and Materials	33,225	-	33,225	23,787	9,438
Other Objects	9,835	-	9,835	1,999	7,836
Total School Sponsored Co/Extra Curricular Activ.	<u>130,251</u>	<u>-</u>	<u>130,251</u>	<u>103,407</u>	<u>26,844</u>

CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School Sponsored Athletics					
Salaries	\$ 350,672	-	\$ 350,672	\$ 300,035	\$ 50,637
Purchased Services	63,000	(8,951)	54,049	50,808	3,241
Supplies and Materials	38,500	4,575	43,075	38,672	4,403
Other Objects	41,763	(4,575)	37,188	20,025	17,163
Transfer to Cover Deficit (Agency Funds)	50,000	-	50,000	-	50,000
Total School Sponsored Athletics	543,935	(8,951)	534,984	409,540	125,444
Total - Instruction	17,660,055	(38,978)	17,621,077	16,550,189	1,070,888
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	179,240	(22,937)	156,303	156,228	75
Tuition to County Voc. School Districts - Regular	394,272	(5,402)	388,870	386,041	2,829
Tuition to CSSD & Regional Day Schools	-	-	-	-	-
Tuition to Priv.Sch. For the Disabled W/ State	974,393	51,308	1,025,701	992,313	33,388
Tuition to Priv.Sch. For the Disabled & Oth LEAS - Spl	57,000	(44,300)	12,700	12,639	61
Tuition to APSSD and Other LEAs-Special - Outside of State	-	-	-	-	-
Total Undistributed Expenditures - Instruction	1,604,905	(21,331)	1,583,574	1,547,221	36,353
Attendance & Social Work					
Purchased Professional & Technical Services	22,642	-	22,642	18,977	3,665
Total Attendance & Social Work	22,642	-	22,642	18,977	3,665
Health Services					
Salaries	247,827	-	247,827	233,076	14,751
Purchased Professional & Technical Services	14,050	-	14,050	7,600	6,450
Supplies and Materials	5,380	-	5,380	3,414	1,966
Total Health Services	267,257	-	267,257	244,090	23,167
Speech, OT, PT & Related Services					
Salaries	248,310	-	248,310	246,910	1,400
Purchased Professional-Educational Services	124,500	-	124,500	50,134	74,366
Supplies and Materials	8,517	-	8,517	4,683	3,834
Total Speech, OT, PT & Related Services	381,327	-	381,327	301,727	79,600
Other Support Services - Students - Extra Services					
Salaries	270,538	-	270,538	162,880	107,658
Purchased Professional-Educational Services	226,260	(59,500)	166,760	163,633	3,127
Supplies and Material	4,987	-	4,987	4,914	73
Total Other Support Services-Students-Extra Svcs	501,785	(59,500)	442,285	331,427	110,858
Guidance					
Salaries of Other Professional Staff	622,623	3,700	626,323	623,443	2,880
Salaries of Secretarial and Clerical Assistants	46,425	-	46,425	46,425	-
Purchased Professional-Educational Services	8,500	(2,000)	6,500	4,455	2,045
Other Purchased Services	7,200	(2,700)	4,500	516	3,984
Supplies and Materials	3,650	1,000	4,650	3,662	988
Total Guidance	688,398	-	688,398	678,501	9,897

CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Child Study Team					
Salaries of Other Professional Staff	\$ 585,859	-	\$ 585,859	\$ 564,945	\$ 20,914
Salaries of Secretarial and Clerical Assistants	58,720	-	58,720	58,720	-
Purchased Professional-Educational Services	64,502	-	64,502	46,285	18,217
Misc Purchased Services	1,200	-	1,200	-	1,200
Supplies and Materials	2,600	-	2,600	1,778	822
Total Child Study Team	712,881	-	712,881	671,728	41,153
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	152,000	\$ (67,500)	84,500	76,000	8,500
Salaries of Other Professional Staff	22,950	(10,000)	12,950	3,773	9,177
Purchased Professional-Educational Services	45,932	18,000	63,932	56,578	7,354
Other Purchased Services	2,010	-	2,010	430	1,580
Supplies and Materials	1,750	(94)	1,656	297	1,359
Other Objects	700	94	794	319	475
Total Improvement of Inst. Serv.	225,342	(59,500)	165,842	137,397	28,445
Educational Media Services/School Library					
Salaries	114,852	-	114,852	114,852	-
Supplies and Materials	13,880	-	13,880	7,767	6,113
Total Educational Media Services/School Library	128,732	-	128,732	122,619	6,113
Instructional Staff Training Services					
Purchased Professional- Educational Services	2,000	5,802	7,802	6,445	1,357
Other Purchased Professional & Technical Services	19,955	(2,248)	17,707	275	17,432
Total Instructional Staff Training Services	21,955	3,554	25,509	6,720	18,789
Support Services General Administration					
Salaries	348,534	-	348,534	348,533	1
Legal Services	75,000	(6,230)	68,770	38,870	29,900
Audit Fees	30,000	600	30,600	30,371	229
Other Purchased Professional Services	63,896	3,422	67,318	63,753	3,565
Misc. Purchased Services	-	15,350	15,350	15,071	279
Communications/Telephone	20,250	8,977	29,227	20,752	8,475
BOE Other Purchased Services	2,500	(400)	2,100	900	1,200
General Supplies	1,000	5,616	6,616	6,203	413
BOE In-House Training/Meeting Supplies	2,000	-	2,000	-	2,000
Judgements Against the School District	4,000	-	4,000	-	4,000
Miscellaneous Expenditures	4,000	20,000	24,000	22,740	1,260
BOE Membership Dues and Fees	12,350	(9)	12,341	11,969	372
Total Support Services General Administration	563,530	47,326	610,856	559,162	51,694

CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original <u>Budget</u>	<u>Adjustments</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final Budget <u>To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	\$ 910,726	\$ (22,267)	\$ 888,459	\$ 888,456	\$ 3
Salaries of Other Prof. Staff	366,614	51,207	417,821	417,064	757
Salaries of Secretarial and Clerical Assistants	268,342	-	268,342	262,792	5,550
Other Purchased Services	2,950	-	2,950	377	2,573
Supplies and Materials	50,500	(208)	50,292	27,768	22,524
Other Objects	10,894	-	10,894	9,545	1,349
Total Support Services School Administration	1,610,026	28,732	1,638,758	1,606,002	32,756
Central Services					
Salaries	261,830	1,560	263,390	249,670	13,720
Purchased Technical Services	85,737	26,396	112,133	104,575	7,558
Misc. Purchased Services	4,000	2,000	6,000	2,303	3,697
Supplies and Materials	10,500	(4,119)	6,381	5,913	468
Miscellaneous Expenditures	1,240	146	1,386	1,386	-
Total Central Services	363,307	25,983	389,290	363,847	25,443
Admin. Info. Tech					
Salaries	252,294	33,385	285,679	197,324	88,355
Purchased Technical Services	105,725	(250)	105,475	71,109	34,366
Other Purchased Services	500	-	500	100	400
Supplies and Materials	6,000	750	6,750	4,106	2,644
Total Admin. Info. Tech	364,519	33,885	398,404	272,639	125,765
Required Maintenance for School Facilities					
Salaries	100,000	-	100,000	100,000	-
Cleaning, Repair and Maintenance Services	235,950	(4,180)	231,770	211,173	20,597
General Supplies	15,000	7,358	22,358	21,661	697
Total Required Maintenance for School Facilities	350,950	3,178	354,128	332,834	21,294
Custodial Services					
Salaries	896,917	-	896,917	874,326	22,591
Salaries of Non-Instructional Aides	107,349	(32,021)	75,328	54,845	20,483
Purchased Professional and Technical Services	5,750	4,000	9,750	4,000	5,750
Cleaning, Repair and Maintenance Services	16,000	(566)	15,434	8,006	7,428
Rental of Land & Bldg Oth. Than Lease Pur Agrmt	65,000	-	65,000	65,000	-
Lease Purchase Payments- Energy Savings	75,751	-	75,751	75,751	-
Other Purchased Property Services	38,560	-	38,560	27,380	11,180
Insurance	157,410	9,896	167,306	167,306	-
General Supplies	84,500	(16,484)	68,016	48,410	19,606
Energy (Natural Gas)	100,480	-	100,480	74,455	26,025
Energy (Electricity)	250,250	5,415	255,665	212,277	43,388
Energy (Gasoline)	3,000	-	3,000	1,377	1,623
Other Objects	1,875	217	2,092	2,092	-
Total Custodial Services	1,802,842	(29,543)	1,773,299	1,615,225	158,074
Care and Upkeep of Grounds					
Salaries	90,736	-	90,736	84,002	6,734
Purchased Professional and Technical Services	2,000	931	2,931	2,930	1
Cleaning, Repair, and Maintenance Svc.	15,100	10,913	26,013	24,086	1,927
General Supplies	5,000	7,076	12,076	7,785	4,291
Total Care and Upkeep of Grounds	112,836	18,920	131,756	118,803	12,953

CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Security					
Cleaning, Repair and Maintenance Services	\$ 6,500	\$ 1,000	\$ 7,500	\$ 7,500	
General Supplies	-	1,000	1,000	1,000	-
Total Security	<u>6,500</u>	<u>2,000</u>	<u>8,500</u>	<u>8,500</u>	<u>-</u>
Student Transportation Services					
Contracted Services (Other Than Between Home and School) - Vendors	130,000	(6,000)	124,000	40,042	\$ 83,958
Contracted Services (Between Home and School) - Joint Agreements	29,500	-	29,500	25,420	4,080
Contracted Services (Sp Ed Stds)-Joint Agreements	275,000	-	275,000	242,682	32,318
Total Student Transportation Services	<u>434,500</u>	<u>(6,000)</u>	<u>428,500</u>	<u>308,144</u>	<u>120,356</u>
Unallocated Benefits					
Social Security Contributions	282,000	-	282,000	270,637	11,363
Other Retirement Contributions- PERS	315,000	15,543	330,543	330,543	-
Other Retirement Contributions - Deferred PERS	37,000	-	37,000	10,607	26,393
Workmens Compensation	80,328	(388)	79,940	79,939	1
Health Benefits	3,864,143	(30,727)	3,833,416	3,620,240	213,176
Tuition Reimbursement	5,000	-	5,000	1,500	3,500
Other Employee Benefits	116,300	11,205	127,505	122,482	5,023
Unused Sick Payment to Terminated/Retired Staff	30,000	-	30,000	23,600	6,400
Total Employee Benefits	<u>4,729,771</u>	<u>(4,367)</u>	<u>4,725,404</u>	<u>4,459,548</u>	<u>265,856</u>
On-behalf Contributions					
On-behalf TPAF Contributions (Non-Budgeted)					
Pension - Non-Contributory Group Life Insurance				77,637	(77,637)
Pension - Normal Cost & Accrued Liab.				4,080,506	(4,080,506)
Post Retirement Medical Benefit Contribution				1,303,097	(1,303,097)
Long Term Disability Insurance				2,377	(2,377)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,208,088	(1,208,088)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,671,705</u>	<u>(6,671,705)</u>
Total Undistributed Expenditures	<u>14,894,005</u>	<u>(16,663)</u>	<u>14,877,342</u>	<u>20,376,816</u>	<u>(5,499,474)</u>
Interest Earned on Maintenance Reserve	250	-	250	-	250
Total Expenditures - Current Expenditures	<u>32,554,310</u>	<u>(55,641)</u>	<u>32,498,669</u>	<u>36,927,005</u>	<u>(4,428,336)</u>
CAPITAL OUTLAY					
Equipment					
Undistributed					
Required Maintenance for School Facilities	-	29,220	29,220	9,200	20,020
Total Equipment	<u>-</u>	<u>29,220</u>	<u>29,220</u>	<u>9,200</u>	<u>20,020</u>
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	-	47,500	47,500	47,228	272
Construction Services	-	-	-	-	-
Assessment for Debt Service on SDA Funding	92,970	-	92,970	92,970	-
Total Facilities Acquisition and Construction Services	<u>92,970</u>	<u>47,500</u>	<u>140,470</u>	<u>140,198</u>	<u>272</u>
Interest Deposit to Capital Reserve	250	-	250	-	250
Assets Acquired Under Capital Leases (Nonbudgeted)					
Equipment					
School Administration	-	-	-	35,205	(35,205)
Total Assets Acquired Under Capital Leases	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,205</u>	<u>(35,205)</u>
Total Capital Outlay	<u>93,220</u>	<u>76,720</u>	<u>169,940</u>	<u>184,603</u>	<u>(14,663)</u>
Transfer of Funds to Charter Schools	33,859	-	33,859	33,859	-
Total Expenditures	<u>32,681,389</u>	<u>21,079</u>	<u>32,702,468</u>	<u>37,145,467</u>	<u>(4,442,999)</u>

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	\$ (1,010,000)	\$ (152,728)	\$ (1,162,728)	\$ 1,530,724	\$ 2,693,452
Other Financing Sources (Uses)					
Lease Proceeds	-	-	-	35,205	35,205
Transfer In - Capital Projects Fund	-	-	-	907	907
Transfer Out-Food Service Enterprise Fund	-	(8,662)	(8,662)	(6,269)	2,393
Total Other Financing Sources	-	(8,662)	(8,662)	29,843	38,505
Net Change in Fund Balances	(1,010,000)	(161,390)	(1,171,390)	1,560,567	2,731,957
Fund Balances, Beginning of Year (Restated)	4,291,216	-	4,291,216	4,291,216	-
Fund Balances, End of Year	<u>\$ 3,281,216</u>	<u>\$ (161,390)</u>	<u>\$ 3,119,826</u>	<u>\$ 5,851,783</u>	<u>\$ 2,731,957</u>
Recapitulation					
Restricted Fund Balance					
Capital Reserve				\$ 1,750,032	
Capital Reserve- Designated for Subsequent Year's Expenditures				900,000	
Maintenance Reserve				135,880	
Excess Surplus - (2022/2023 Budget)				339,725	
Excess Surplus - Designated for Subsequent Year's Expenditures (2021/2022 Budget)				921,098	
Unemployment Compensation Reserve				90,488	
Assigned Fund Balance					
Year End Encumbrances				85,638	
Unassigned Fund Balance				<u>1,628,922</u>	
				5,851,783	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Revenue Not Recognized on GAAP Basis				<u>(846,186)</u>	
Fund Balance per Governmental Funds (GAAP)				<u>\$ 5,005,597</u>	

**CRESSKILL BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State	\$ 93,619		\$ 93,619		\$ (93,619)
Federal	459,132	\$ 392,920	852,052	\$ 797,668	(54,384)
Local Sources					
Miscellaneous	<u>88,250</u>	<u>286,844</u>	<u>375,094</u>	<u>254,760</u>	<u>(120,334)</u>
Total Revenues	<u>641,001</u>	<u>679,764</u>	<u>1,320,765</u>	<u>1,052,428</u>	<u>(268,337)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	107,160	57,135	164,295	136,352	27,943
Purchased Professional and Technical Services	79,297	37,814	117,111	91,161	25,950
Other Purchased Services - Tuition	289,009	24,123	313,132	306,474	6,658
General Supplies	109,759	162,130	271,889	176,546	95,343
Textbooks	4,749	-	4,749	-	4,749
Co-Curricular Activities	<u>-</u>	<u>197,027</u>	<u>197,027</u>	<u>197,027</u>	<u>-</u>
Total Instruction	<u>589,974</u>	<u>478,229</u>	<u>1,068,203</u>	<u>907,560</u>	<u>160,643</u>
Support Services					
Salaries	3,000	5,700	8,700	-	8,700
Purchased Professional and Technical Services	-	28,750	28,750	27,625	1,125
Purchased Professional-Educational Services	21,089	30,709	51,798	-	51,798
Other Purchased Services	-	6,812	6,812	-	6,812
Travel	-	2,500	2,500	-	2,500
Supplies and Materials	500	74,473	74,973	74,358	615
Scholarship Awards	<u>-</u>	<u>48,050</u>	<u>48,050</u>	<u>48,050</u>	<u>-</u>
Total Support Services	<u>24,589</u>	<u>196,994</u>	<u>221,583</u>	<u>150,033</u>	<u>71,550</u>
Unallocated Benefits					
Employee Benefits	<u>26,438</u>	<u>(14,757)</u>	<u>11,681</u>	<u>8,513</u>	<u>3,168</u>
Facilities Acquisition and Construction					
Noninstructional Equipment	<u>-</u>	<u>19,298</u>	<u>19,298</u>	<u>19,298</u>	<u>-</u>
Total Facilities Acquisition and Construction	<u>-</u>	<u>19,298</u>	<u>19,298</u>	<u>19,298</u>	<u>-</u>
Total Expenditures	<u>641,001</u>	<u>679,764</u>	<u>1,320,765</u>	<u>1,085,404</u>	<u>235,361</u>
Net Change in Fund Balances	-	-	-	(32,976)	(32,976)
Fund Balances, Beginning of Year (Restated)	<u>335,265</u>	<u>-</u>	<u>335,265</u>	<u>335,265</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 335,265</u>	<u>\$ -</u>	<u>\$ 335,265</u>	<u>\$ 302,289</u>	<u>\$ (32,976)</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Student Activities				\$ 231,049	
Scholarships				<u>71,240</u>	
				<u>\$ 302,289</u>	

**CRESSKILL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

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

	<u>General Fund</u>	<u>Special Revenue Fund</u>
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 38,676,191	\$ 1,052,428
Difference - Budget to GAAP		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2020		15,754
Encumbrances, June 30, 2021		(2,203)
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2019-2020)	472,190	
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2020-2021)	<u>(846,186)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 38,302,195</u>	<u>\$ 1,065,979</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total expenditures from the budgetary comparison schedule	\$ 37,145,467	\$ 1,085,404
Differences - Budget to GAAP		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes		
Encumbrances, June 30, 2020	-	15,754
Encumbrances, June 30, 2021	<u>-</u>	<u>(2,203)</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 37,145,467</u>	<u>\$ 1,098,955</u>

REQUIRED SUPPLEMENTARY INFORMATION - PART III

PENSION INFORMATION
AND
OTHER POST-EMPLOYMENT BENEFITS INFORMATION

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

Public Employees Retirement System

Last Seven Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03022%	0.03035%	0.03159%	0.03163%	0.03366%	0.03335%	0.03304%	0.03270%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,927,353	\$ 5,467,978	\$ 6,220,736	\$ 7,362,778	\$ 9,970,006	\$ 7,486,627	\$ 6,186,083	\$ 6,250,411
District's Covered Payroll	\$ 2,243,622	\$ 2,198,080	\$ 2,167,338	\$ 2,195,403	\$ 2,270,291	\$ 2,359,577	\$ 2,229,278	\$ 2,251,432
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	220%	249%	287%	335%	439%	317%	277%	278%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	58.32%	56.27%	53.60%	48.10%	40.14%	47.93%	52.08%	48.72%

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

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

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

Public Employees Retirement System

Last Seven Fiscal Years

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 330,543	\$ 295,184	\$ 314,260	\$ 293,011	\$ 299,057	\$ 286,729	\$ 272,381	\$ 246,419
Contributions in Relation to the Contractually Required Contribution	<u>330,543</u>	<u>295,184</u>	<u>314,260</u>	<u>293,011</u>	<u>299,057</u>	<u>286,729</u>	<u>272,381</u>	<u>246,419</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 2,174,570	\$ 2,243,622	\$ 2,198,080	\$ 2,167,338	\$ 2,195,405	\$ 2,270,291	\$ 2,359,577	\$ 2,229,278
Contributions as a Percentage of Covered Payroll	15.20%	13.16%	14.30%	13.52%	13.62%	12.63%	11.54%	10.94%

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

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

Teachers Pension and Annuity Fund

Last Seven Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 90,363,170</u>	<u>\$ 84,357,804</u>	<u>\$ 87,621,932</u>	<u>\$ 90,170,838</u>	<u>\$ 101,475,040</u>	<u>\$ 81,650,274</u>	<u>\$ 66,031,518</u>	<u>\$ 65,387,289</u>
Total	<u>\$ 90,363,170</u>	<u>\$ 84,357,804</u>	<u>\$ 87,621,932</u>	<u>\$ 90,170,838</u>	<u>\$ 101,475,040</u>	<u>\$ 81,650,274</u>	<u>\$ 66,031,518</u>	<u>\$ 65,387,289</u>
District's Covered Payroll	\$ 16,020,070	\$ 15,319,050	\$ 14,818,859	\$ 14,443,153	\$ 14,107,227	\$ 13,695,726	\$ 12,962,278	\$ 12,584,942
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	24.60%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**CRESSKILL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY
AND SCHEDULE OF DISTRICT CONTRIBUTIONS
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Change of Benefit Terms: None.

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

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

Postemployment Health Benefit Plan

Last Three Fiscal Years*

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability				
Service Cost	\$ 2,028,798	\$ 1,922,770	\$ 2,182,791	\$ 2,648,039
Interest on Total OPEB Liability	1,483,102	1,761,590	1,900,990	1,629,774
Differences between Expected and Actual Experiences	11,752,475	(6,366,570)	(5,153,729)	
Changes of Assumptions	12,300,116	609,957	(5,072,154)	(6,801,648)
Gross Benefit Payments	(1,172,278)	(1,255,785)	(1,181,888)	(1,509,756)
Contribution from the Member	<u>35,532</u>	<u>37,225</u>	<u>40,848</u>	<u>55,593</u>
Net Change in Total OPEB Liability	26,427,745	(3,290,813)	(7,283,142)	(3,977,998)
Total OPEB Liability - Beginning	<u>40,909,038</u>	<u>44,199,851</u>	<u>51,482,993</u>	<u>55,460,991</u>
Total OPEB Liability - Ending	<u>\$ 67,336,783</u>	<u>\$ 40,909,038</u>	<u>\$ 44,199,851</u>	<u>\$ 51,482,993</u>
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	<u>67,336,783</u>	<u>40,909,038</u>	<u>44,199,851</u>	<u>51,482,993</u>
Total OPEB Liability - Ending	<u>\$ 67,336,783</u>	<u>\$ 40,909,038</u>	<u>\$ 44,199,851</u>	<u>\$ 51,482,993</u>
District's Covered Payroll	<u>\$ 18,263,692</u>	<u>\$ 17,517,130</u>	<u>\$ 16,986,197</u>	<u>\$ 16,638,556</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%

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

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**CRESSKILL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Changes in Benefit Terms:

None.

Changes of Assumptions

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

SCHOOL LEVEL SCHEDULES

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

NOT APPLICABLE

SPECIAL REVENUE FUND

CRESSKILL BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

	Every Student Succeeds Act (ESEA)					IDEA Part B- Basic	IDEA Part B- Preschool	Total Page 2	Grand Total
	Title I	Title II-A	Title III Immigrant	Title III	Title IV				
REVENUES									
Intergovernmental									
Federal	\$ 159,305	\$ 27,125	\$ 16,899	\$ 32,636	\$ 7,297	\$ 351,118	\$ 9,045	\$ 194,243	\$ 797,668
Local	-	-	-	-	-	-	-	254,760	254,760
Total Revenues	<u>159,305</u>	<u>27,125</u>	<u>16,899</u>	<u>32,636</u>	<u>7,297</u>	<u>351,118</u>	<u>9,045</u>	<u>449,003</u>	<u>1,052,428</u>
EXPENDITURES									
Instruction									
Salaries of Teachers	111,287			25,065				-	136,352
Purchased Professional and Technical Services	29,880	27,125	16,899	2,257				15,000	91,161
Other Purchased Services				1,196		296,233	9,045	-	306,474
General Supplies				4,118		43,885	-	128,543	176,546
Textbooks								-	-
Co-Curricular Activities	-	-	-	-	-	-	-	197,027	197,027
Total Instruction	<u>141,167</u>	<u>27,125</u>	<u>16,899</u>	<u>32,636</u>	<u>-</u>	<u>340,118</u>	<u>9,045</u>	<u>340,570</u>	<u>907,560</u>
Support Services									
Salaries								-	-
Employee Benefits	8,513							-	8,513
Purchased Professional and Technical Services	9,625				7,000	11,000		-	27,625
Supplies and Materials					297			74,061	74,358
Scholarship Awards	-	-	-	-	-	-	-	48,050	48,050
Total Support Services	<u>18,138</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,297</u>	<u>11,000</u>	<u>-</u>	<u>122,111</u>	<u>158,546</u>
Facilities Acquisition and Construction									
Instructional Equipment		-		-				-	-
Noninstructional Equipment	-	-	-	-	-	-	-	19,298	19,298
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,298</u>	<u>19,298</u>
Total Expenditures	<u>159,305</u>	<u>27,125</u>	<u>16,899</u>	<u>32,636</u>	<u>7,297</u>	<u>351,118</u>	<u>9,045</u>	<u>481,979</u>	<u>1,085,404</u>
Net Change in Fund Balances	-	-	-	-	-	-	-	(32,976)	(32,976)
Fund Balance, Beginning of Year (Restated)	-	-	-	-	-	-	-	335,265	335,265
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 302,289</u>	<u>\$ 302,289</u>

**CRESSKILL BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Cares Act Esser I</u>	<u>Cares Act Esser II</u>	<u>Covid Relief Bergen County</u>	<u>Corona Virus Relief Fund</u>	<u>Local Revenue</u>	<u>Student Activities Scholarship</u>	<u>Total (Carried Forward)</u>
REVENUES							
Intergovernmental							
Federal	\$ 81,008	\$ 36,912	\$ 29,572	\$ 46,751			\$ 194,243
Local	-	-	-	-	\$ 42,659	\$ 159,281	\$ 254,760
Total Revenues	<u>81,008</u>	<u>36,912</u>	<u>29,572</u>	<u>46,751</u>	<u>42,659</u>	<u>159,281</u>	<u>449,003</u>
EXPENDITURES							
Instruction							
Salaries of Teachers							-
Purchased Professional Technical Services	15,000						15,000
Other Purchased Services							-
General Supplies	19,400	36,912	29,572		42,659		128,543
Textbooks							-
Co-Curricular Activities	-	-	-	-	-	197,027	197,027
Total Instruction	<u>34,400</u>	<u>36,912</u>	<u>29,572</u>	<u>-</u>	<u>42,659</u>	<u>197,027</u>	<u>340,570</u>
Support Services							
Salaries							-
Employee Benefits							-
Purchased Professional and Technical Services							-
Supplies and Materials	27,310			46,751			74,061
Scholarship Awards	-	-	-	-	-	48,050	48,050
Total Support Services	<u>27,310</u>	<u>-</u>	<u>-</u>	<u>46,751</u>	<u>-</u>	<u>48,050</u>	<u>122,111</u>
Facilities Acquisition and Construction							
Instructional Equipment							-
Noninstructional Equipment	19,298	-	-	-	-	-	19,298
Total Facilities Acquisition and Construction	<u>19,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>19,298</u>
Total Expenditures	<u>81,008</u>	<u>36,912</u>	<u>29,572</u>	<u>46,751</u>	<u>42,659</u>	<u>197,027</u>	<u>481,979</u>
Net Change in Fund Balances	-	-	-	-	-	(37,746)	4,770
Fund Balance, Beginning of Year (Restated)	-	-	-	-	-	268,795	66,470
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 231,049</u>	<u>\$ 71,240</u>
							<u>\$ 302,289</u>

**CRESSKILL BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION PROGRAM AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOT APPLICABLE

CAPITAL PROJECTS FUND

CRESSKILL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021

<u>Project</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance,</u>
		<u>Prior Year</u>	<u>Current Year</u>	<u>June 30, 2021</u>
2017 Referendum Projects - Various Renovations, Alterations and Improvements to All District Schools	\$ 12,446,400	\$ 11,902,431	\$ 359,567	\$ 184,402
	<u>\$ 12,446,400</u>	<u>\$ 11,902,431</u>	<u>\$ 359,567</u>	<u>\$ 184,402</u>
<u>Reconciliation to GAAP</u>				
Project Balance (Budgetary Basis)				\$ 184,402
Bonds Authorized But Not Issued				<u>(400)</u>
Fund Balance, GAAP Basis				<u>\$ 184,002</u>
<u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects:				
Year-End Encumbrances				\$ 4,007
Available for Capital Projects				<u>179,995</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ 184,002</u>

**CRESSKILL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES AND
CHANGES IN FUND BALANCE - BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Revenues and Other Financing Sources

Revenues	
Interest	\$ <u>907</u>
 Total Revenues and Other Financing Sources	 <u>907</u>

Expenditures and Other Financing Uses

Expenditures	
Legal Services	857
Architectural/Engineering Services	
Other Purchased Prof. and Tech. Services	90,018
Construction Services	251,801
Materials and Supplies	3,101
Instructional Equipment	13,790
 Other Financing Uses	
Transfer to General Fund	<u>907</u>
 Total Expenditures and Other Financing Uses	 <u>360,474</u>

Deficiency of Revenues and Other Financing Sources under Expenditures and Other Financing Uses	(359,567)
--	-----------

Fund Balance, Beginning of Year	<u>543,569</u>
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Fund Balance, End of Year	<u><u>\$ 184,002</u></u>
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Reconciliation to GAAP

Fund Balance-End of Year-Budgetary Basis	\$ <u>184,002</u>
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Fund Balance- End of Year GAAP Basis	<u><u>\$ 184,002</u></u>
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**CRESSKILL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE
AND PROJECT STATUS - BUDGETARY BASIS
2017 REFERENDUM PROJECTS - VARIOUS RENOVATIONS, ALTERATIONS, AND IMPROVEMENTS-
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 12,446,000	-	\$ 12,446,000	\$ 12,446,400
 Total Revenues	 12,446,000	 -	 12,446,000	 12,446,400
Expenditures and Other Financing Uses				
Legal Services	24,754	\$ 857	25,611	26,848
Architectural/Engineering Services	1,144,087		1,144,087	899,000
Other Purchased Prof. and Tech. Services	248,285	90,018	338,303	246,152
Construction Services	9,076,473	251,801	9,328,274	10,016,400
Land Acquisition	1,238,071		1,238,071	1,238,000
Materials and Supplies	148,027	3,101	151,128	10,000
Instructional Equipment	22,734	13,790	36,524	10,000
 Total Expenditures	 11,902,431	 359,567	 12,261,998	 12,446,400
 Excess of Revenue Over Expenditures	 \$ 543,569	 \$ (359,567)	 \$ 184,002	 \$ -

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	9/26/2017
Bonds Authorized	\$ 12,446,400
Bonds Issued	12,446,000
Original Authorized Cost	12,446,400
Additional Authorized Cost	-
Revised Authorized Cost	-
 Percentage Increase Over Original Authorized Cost	 0%
Percentage Completion	63.00%
Original Target Completion Date	2018/2019
Revised Target Completion Date	2019/2020

ENTERPRISE FUNDS

EXHIBIT G-1

**CRESSKILL BOARD OF EDUCATION
ENTERPRISE FUND
COMBINING STATEMENT OF NET POSITION
AS OF JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

EXHIBIT G-2

**COMBINING STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

INTERNAL SERVICE FUND

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

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**CRESSKILL BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF BONDS PAYABLE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2020</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
			<u>Date</u>	<u>Amount</u>				
Refunding School Bonds	8/15/2012	\$ 8,960,000	2/1/2022-23	\$ 965,000	3.0-4.0%	\$ 4,575,000	\$ 965,000	\$ 3,610,000
			2/1/2024	960,000				
			2/1/2025	720,000				
Refunding School Bonds	2/22/2013	6,700,000	2/1/2022	45,000	2.0-3.0%	6,395,000	45,000	6,350,000
			2/1/2023-24	50,000				
			2/1/2025	285,000				
			2/1/2026	1,040,000				
			2/1/2027	1,020,000				
			2/1/2028	1,005,000				
			2/1/2029	990,000				
			2/1/2030	975,000				
			2/1/2031	890,000				
			School Bonds	2/27/2018				
2/1/2032-36	675,000							
2/1/2037-42	700,000							
2/1/2043	671,000							
						<u>\$ 23,066,000</u>	<u>\$ 1,360,000</u>	<u>\$ 21,706,000</u>
Paid by Budget Appropriation							<u>\$ 1,360,000</u>	

**CRESSKILL BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF CAPITAL LEASES PAYABLE
FOR THE FISCAL YEAR JUNE 30, 2021**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2020</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2021</u>
LED Lighting Project	1.924%	\$ 392,429	\$ 147,239		\$ 72,918	\$ 74,321
2020 Atlantic Copier Lease	3.600%	154,360	140,142		29,214	110,928
2021 Atlantic Copier Lease	3.600%	35,205	-	\$ 35,205	3,594	31,611
			<u>\$ 287,381</u>	<u>\$ 35,205</u>	<u>\$ 105,726</u>	<u>\$ 216,860</u>

**CRESSKILL BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 1,980,602		\$ 1,980,602	\$ 1,980,602	
Intergovernmental State Debt Service Aid Type II	<u>151,864</u>	<u>-</u>	<u>151,864</u>	<u>151,864</u>	<u>-</u>
Total Revenues	<u>2,132,466</u>	<u>-</u>	<u>2,132,466</u>	<u>2,132,466</u>	<u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	1,330,292	\$ 29,708	1,360,000	1,360,000	-
Interest	<u>802,174</u>	<u>(29,708)</u>	<u>772,466</u>	<u>772,466</u>	<u>\$ -</u>
Total Expenditures	<u>2,132,466</u>	<u>-</u>	<u>2,132,466</u>	<u>2,132,466</u>	<u>-</u>
Net Changes in Fund Balance	-	-	-	-	-
Fund Balance, Beginning of Year	<u>1</u>	<u>-</u>	<u>1</u>	<u>1</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>	<u>\$ -</u>
<u>Recapitulation of Fund Balance</u>					
Restricted for Debt Service			<u>\$ 1</u>		
Total Fund Balance - Restricted for Debt Service			<u>\$ 1</u>		

STATISTICAL SECTION

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

Contents

Exhibits

Financial Trends

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

J-1 to J-5

Revenue Capacity

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

J-6 to J-9

Debt Capacity

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

J-10 to J-13

Demographic and Economic Information

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

J-14 and J-15

Operating Information

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

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

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental Activities										
Net Investment in Capital Assets	\$ 12,847,635	\$ 12,826,527	\$ 13,249,466	\$ 13,583,569	\$ 14,141,986	\$ 14,317,166	\$ 14,996,636	\$ 15,867,265	\$ 15,551,509	\$ 15,516,683
Restricted	195,769	364,709	413,870	929,245	646,274	1,315,072	1,514,654	1,452,620	1,959,960	3,178,690
Unrestricted	(190,479)	(232,308)	(6,635,207)	(6,811,314)	(6,950,121)	(7,780,872)	(8,165,212)	(7,549,406)	(6,581,432)	(6,372,390)
Total Governmental Activities Net Position	\$ 12,852,925	\$ 12,958,928	\$ 7,028,129	\$ 7,701,500	\$ 7,838,139	\$ 7,851,366	\$ 8,346,078	\$ 9,770,479	\$ 10,930,037	\$ 12,322,983
Business-Type Activities										
Net Investment in Capital Assets	\$ 16,361	\$ 18,893	\$ 16,677	\$ 16,616	\$ 14,161	\$ 25,766	\$ 22,571	\$ 25,879	\$ 24,675	\$ 21,142
Unrestricted	70,202	73,516	67,281	54,663	44,422	13,131	10,909	(6,573)	(11,797)	(16,270)
Total Business-Type Activities Net Position	\$ 86,563	\$ 92,409	\$ 83,958	\$ 71,279	\$ 58,583	\$ 38,897	\$ 33,480	\$ 19,306	\$ 12,878	\$ 4,872
District-Wide										
Net Investment in Capital Assets	\$ 12,863,996	\$ 12,845,420	\$ 13,266,143	\$ 13,600,185	\$ 14,156,147	\$ 14,342,932	\$ 15,019,207	\$ 15,893,144	\$ 15,576,184	\$ 15,537,825
Restricted	195,769	364,709	413,870	929,245	646,274	1,315,072	1,514,654	1,452,620	1,959,960	3,178,690
Unrestricted	(120,277)	(158,792)	(6,567,926)	(6,756,651)	(6,905,699)	(7,767,741)	(8,154,303)	(7,555,979)	(6,593,229)	(6,388,660)
Total District Net Position	\$ 12,939,488	\$ 13,051,337	\$ 7,112,087	\$ 7,772,779	\$ 7,896,722	\$ 7,890,263	\$ 8,379,558	\$ 9,789,785	\$ 10,942,915	\$ 12,327,855

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

Note 2 - Net Position at June 30, 2020 was restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities" and a correction of an error for compensated absences liability.

Source: District financial statements

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 11,284,312	\$ 11,808,805	\$ 12,152,470	\$ 14,020,663	\$ 15,940,432	\$ 17,856,975	\$ 18,832,667	\$ 17,225,661	\$ 16,944,911	\$ 18,850,157
Special Education	4,384,782	5,241,978	5,530,491	7,227,329	7,325,828	8,155,710	8,029,425	7,529,952	8,055,210	8,736,703
Other Instruction	827,881	1,104,577	748,546	918,970	1,063,352	1,401,524	1,450,619	1,399,111	1,374,351	1,862,878
School Sponsored Activities And Athletics	669,459	719,481	741,117	811,390	904,425	1,005,498	975,125	786,069	771,306	894,905
Support Services:										
Student & Instruction Related Services	3,749,932	3,400,194	3,223,379	3,236,916	3,501,128	3,494,100	3,538,010	3,939,191	3,925,041	4,226,026
General Administration Services	565,124	791,756	670,510	652,965	648,006	710,738	735,828	782,521	824,708	864,384
School Administration Services	1,730,730	1,984,158	1,948,526	2,284,712	2,505,272	2,648,043	2,876,419	2,821,716	2,685,525	2,730,411
Central Services/Business Services	641,300	601,111	643,264	678,291	682,143	669,237	798,100	808,375	814,213	878,777
Plant Operations And Maintenance	3,052,524	3,144,420	3,220,274	3,276,427	3,218,382	3,341,624	3,551,209	3,487,792	3,984,036	3,910,199
Pupil Transportation	310,171	310,917	322,389	340,074	385,357	418,144	456,471	454,426	393,077	308,144
Interest On Long-Term Debt	833,201	664,229	602,569	580,644	542,990	514,990	607,871	870,109	832,624	786,091
Total Governmental Activities Expenses	28,049,416	29,771,626	29,803,535	34,028,381	36,717,315	40,216,583	41,851,744	40,104,923	40,605,002	44,048,675
Business-Type Activities:										
Food Service	364,366	341,879	349,623	355,614	336,671	338,082	347,883	355,719	234,957	14,293
CSI Program	-	-	-	-	-	-	-	-	-	-
Total Business-Type Activities Expense	364,366	341,879	349,623	355,614	336,671	338,082	347,883	355,719	234,957	14,293
Total District Expenses	\$ 28,413,782	\$ 30,113,505	\$ 30,153,158	\$ 34,383,995	\$ 37,053,986	\$ 40,554,665	\$ 42,199,627	\$ 40,460,642	\$ 40,839,959	\$ 44,062,968
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 481,169	\$ 395,221	\$ 306,004	\$ 274,131	\$ 247,599	\$ 257,635	\$ 283,190	\$ 286,592	\$ 215,957	\$ 187,820
Special Education Instruction	670,641	651,839	889,452	1,120,012	1,008,845	1,093,015	1,110,133	1,108,166	1,356,145	1,528,579
Student & Instruction Related Services							97,150	101,276		
Plant Operations And Maintenance		8,960	21,400	9,820	9,567	10,700	10,700	6,525	3,100	1,750
Operating Grants And Contributions	3,578,231	4,378,651	3,948,049	7,428,995	9,142,412	11,854,014	12,859,141	10,591,119	9,789,846	13,323,414
Capital Grants And Contributions	-	-	50,576	115,399	157,961	4,350	17,013	-	-	-
Total Governmental Activities Program Revenues	4,730,041	5,434,671	5,215,481	8,948,357	10,566,384	13,219,714	14,377,327	12,093,678	11,365,048	15,041,563
Business-Type Activities:										
Charges For Services										
Food Service	350,302	345,410	340,680	342,634	323,646	318,162	341,968	341,057	216,993	-
CSI Program										
Operating Grants And Contributions	23,583	1,789	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	373,885	347,199	340,680	342,634	323,646	318,162	341,968	341,057	216,993	-
Total District Program Revenues	\$ 5,103,926	\$ 5,781,870	\$ 5,556,161	\$ 9,290,991	\$ 10,890,030	\$ 13,537,876	\$ 14,719,295	\$ 12,434,735	\$ 11,582,041	\$ 15,041,563
Net (Expense)/Revenue										
Governmental Activities	\$ (23,319,375)	\$ (24,336,955)	\$ (24,588,054)	\$ (25,080,024)	\$ (26,150,931)	\$ (26,996,869)	\$ (27,474,417)	\$ (28,011,245)	\$ (29,239,954)	\$ (29,007,112)
Business-Type Activities	9,519	5,320	(8,943)	(12,980)	(13,025)	(19,920)	(5,915)	(14,662)	(17,964)	(14,293)
Total District-Wide Net Expense	\$ (23,309,856)	\$ (24,331,635)	\$ (24,596,997)	\$ (25,093,004)	\$ (26,163,956)	\$ (27,016,789)	\$ (27,480,332)	\$ (28,025,907)	\$ (29,257,918)	\$ (29,021,405)

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 22,249,000	\$ 22,693,980	\$ 23,280,958	\$ 24,102,843	\$ 24,615,287	\$ 25,339,664	\$ 26,280,248	\$ 27,150,294	\$ 27,693,300	\$ 28,247,166
Property Taxes Levied For Debt Service, Net	1,635,267	1,642,982	1,513,767	1,541,868	1,558,430	1,557,669	1,570,291	2,050,290	1,960,019	1,980,602
State Aid Restricted for Debt Service		18,237	18,681	18,485	18,560	17,694	23,761	19,059	141,420	97,193
Unrestricted State Aid							-			
Investment Earnings	18,067	14,826	14,474	11,026	12,157	16,250	47,901	175,532	86,221	18,466
Miscellaneous Income	120,476	72,933	79,786	79,173	83,136	78,819	46,928	40,471	104,329	61,400
Special Items										1,500
Transfers	-	-	-	-	-	-	-	-	(11,336)	(6,269)
Total Governmental Activities	24,022,810	24,442,958	24,907,666	25,753,395	26,287,570	27,010,096	27,969,129	29,435,646	29,973,953	30,400,058
Business-Type Activities:										
Investment Earnings	395	526	492	301	329	234	498	488	200	18
Transfers	-	-	-	-	-	-	-	-	11,336	6,269
Total Business-Type Activities	395	526	492	301	329	234	498	488	11,536	6,287
Total District-Wide	\$ 24,023,205	\$ 24,443,484	\$ 24,908,158	\$ 25,753,696	\$ 26,287,899	\$ 27,010,330	\$ 27,969,627	\$ 29,436,134	\$ 29,985,489	\$ 30,406,345
Change in Net Position										
Governmental Activities	\$ 703,435	\$ 106,003	\$ 319,612	\$ 673,371	\$ 136,639	\$ 13,227	\$ 494,712	\$ 1,424,401	\$ 733,999	\$ 1,392,946
Business-Type Activities	9,914	5,846	(8,451)	(12,679)	(12,696)	(19,686)	(5,417)	(14,174)	(6,428)	(8,006)
Total District	\$ 713,349	\$ 111,849	\$ 311,161	\$ 660,692	\$ 123,943	\$ (6,459)	\$ 489,295	\$ 1,410,227	\$ 727,571	\$ 1,384,940

Source: School District's financial statements

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

	Fiscal Year Ending June 30,										
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund											
Restricted	\$ 225,000	\$ 536,307	\$ 748,529	\$ 497,305	\$ 703,528	\$ 687,028	\$ 1,575,384	\$ 1,708,274	\$ 2,477,619	\$ 3,505,792	\$ 4,137,223
Committed	33,731										
Assigned	243,467	232,873	20,200	177,320	177,320	277,729	171,773	161,800	409,737	29,741	85,638
Unassigned	<u>316,743</u>	<u>353,822</u>	<u>345,108</u>	<u>360,425</u>	<u>338,202</u>	<u>338,549</u>	<u>260,093</u>	<u>312,160</u>	<u>293,041</u>	<u>283,493</u>	<u>782,736</u>
Total General Fund	<u>\$ 818,941</u>	<u>\$ 1,123,002</u>	<u>\$ 1,113,837</u>	<u>\$ 1,035,050</u>	<u>\$ 1,219,050</u>	<u>\$ 1,303,306</u>	<u>\$ 2,007,250</u>	<u>\$ 2,182,234</u>	<u>\$ 3,180,397</u>	<u>\$ 3,819,026</u>	<u>\$ 5,005,597</u>
All Other Governmental Funds											
Restricted	\$ 1,725	\$ 5,000	\$ 58,041	\$ 113,297	\$ 326,126	\$ 91,202	\$ 266	\$ 10,843,272	\$ 4,620,302	\$ 878,835	\$ 486,292
Total All Other Governmental Funds	<u>\$ 1,725</u>	<u>\$ 5,000</u>	<u>\$ 58,041</u>	<u>\$ 113,297</u>	<u>\$ 326,126</u>	<u>\$ 91,202</u>	<u>\$ 266</u>	<u>\$ 10,843,272</u>	<u>\$ 4,620,302</u>	<u>\$ 878,835</u>	<u>\$ 486,292</u>

Note 1 - Fund Balances as of June 30, 2020 have been restated to reflect the implementation of GASB Statement No. 84 "Fiduciary Activities".

Source: District financial statements

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

	Fiscal Year Ending June 30,									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Tax Levy	\$ 23,884,267	\$ 24,336,962	\$ 24,794,725	\$ 25,644,711	\$ 26,173,717	\$ 26,897,333	\$ 27,850,539	\$ 29,200,584	\$ 29,653,319	\$ 30,227,768
Tuition Charges	1,151,810	1,047,060	1,195,456	1,394,143	1,256,444	1,350,650	1,490,473	1,496,034	1,572,102	1,716,399
Interest Earnings	8,976	14,826	21,400	11,026	12,157	16,250	47,901	175,532	86,221	18,466
Miscellaneous	226,805	173,016	174,654	168,855	185,535	174,410	125,681	126,808	200,633	317,910
State Sources	3,064,824	3,914,408	3,543,141	4,191,567	4,741,899	5,196,899	5,898,368	6,610,106	7,185,389	8,409,785
Federal Sources	416,169	391,357	393,771	406,754	531,495	474,118	541,414	505,934	520,080	811,219
Total Revenue	28,752,851	29,877,629	30,123,147	31,817,056	32,901,247	34,109,660	35,954,376	38,114,998	39,217,744	41,501,547
Expenditures										
Instruction										
Regular Instruction	11,225,725	11,731,571	12,008,586	12,276,821	13,373,181	13,938,213	15,018,657	15,363,113	15,689,827	16,743,601
Special Education Instruction	4,389,309	5,241,547	5,515,584	6,335,823	6,356,881	6,692,017	6,757,318	6,938,359	7,675,428	8,070,434
Other Instruction	829,120	1,104,449	745,794	800,594	882,335	1,070,505	1,134,871	1,234,927	1,266,967	1,650,876
School Sponsored Activities and Athletics	670,216	719,420	739,173	733,150	785,938	819,829	796,898	754,622	769,635	876,451
Support Services:										
Student and Inst. Related Services	3,727,091	3,372,175	3,201,071	3,200,859	3,381,591	3,175,132	3,204,423	3,583,059	3,706,577	3,831,230
General Administrative Services	565,719	791,713	669,020	649,309	633,126	663,886	683,916	739,582	807,538	824,411
School Administrative Services	1,724,065	1,974,713	1,940,029	2,123,104	2,226,331	2,175,473	2,384,819	2,515,659	2,502,727	2,455,076
Central Services/Business Services	643,287	600,945	641,394	673,758	663,041	608,022	703,440	779,572	804,034	843,907
Plant Operations And Maintenance	2,242,087	2,333,120	2,385,625	2,415,359	2,300,433	2,297,383	2,523,373	2,500,946	2,569,305	2,431,429
Pupil Transportation	310,171	310,917	322,389	340,074	385,357	418,144	456,471	454,426	393,077	308,144
Capital Outlay	382,364	215,365	383,905	280,377	468,152	437,422	2,005,582	6,318,385	4,423,294	454,146
Debt Service:										
Principal	894,206	906,017	990,000	1,015,000	1,060,000	1,090,000	1,237,606	1,346,042	1,450,760	1,465,726
Interest and Other Charges	842,155	758,463	604,208	575,999	535,549	503,055	475,012	811,113	829,996	781,024
Advance Refunding Escrow										
Cost of Issuance	-	-	-	-	-	-	-	-	-	-
Total Expenditures	28,445,515	30,060,415	30,146,778	31,420,227	33,051,915	33,889,081	37,382,386	43,339,805	42,889,165	40,736,455
Excess (Deficiency) of Revenues										
Over (Under) Expenditures	307,336	(182,786)	(23,631)	396,829	(150,668)	220,579	(1,428,010)	(5,224,807)	(3,671,421)	765,092
Other Financing Sources (Uses)										
Bond Sale Proceeds		15,660,000					12,446,000			
Capital Leases (Non-Budgeted)										
Premium on Sale of Bonds		1,052,504								
Payment to Refunded Bond Escrow Agent		(16,485,842)								
Lease Purchase Proceeds						392,429			154,360	35,205
Transfers In	109,970	134,765	306,817	398,653	50,209	121,300	367,674	105,724	29,190	907
Transfers Out	(109,970)	(134,765)	(306,817)	(398,653)	(50,209)	(121,300)	(367,674)	(105,724)	(40,526)	(7,176)
Total Other Financing Sources (Uses)	-	226,662	-	-	-	392,429	12,446,000	-	143,024	28,936
Net Change in Fund Balances	\$ 307,336	\$ 43,876	\$ (23,631)	\$ 396,829	\$ (150,668)	\$ 613,008	\$ 11,017,990	\$ (5,224,807)	\$ (3,528,397)	\$ 794,028
Debt Service as a Percentage of										
Noncapital Expenditures	6.19%	5.58%	5.36%	5.11%	4.90%	4.76%	4.84%	5.83%	5.93%	5.58%

* Noncapital expenditures are total expenditures less capital outlay.

Source: School District's financial statements

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Related Services Provided to Other LEAs</u>	<u>Interest on Invest.</u>	<u>Rentals</u>	<u>E-Rate Reimbursement</u>	<u>Miscellaneous</u>	<u>Total</u>
2012	\$ 1,072,039	\$ 79,771	\$ 8,856	\$ 3,585		\$ 107,915	\$ 1,272,166
2013	965,788	81,272	14,561	8,960	\$ 47,791	25,142	1,143,514
2014	1,078,131	117,325	14,474	21,400	50,995	28,791	1,311,116
2015	1,217,848	176,295	10,460	9,820	49,432	29,741	1,493,596
2016	1,155,289	101,155	11,948	9,567	46,484	36,652	1,361,095
2017	1,250,497	100,153	15,985	10,700	32,973	45,846	1,456,154
2018	1,393,323	97,150	24,552	10,700	26,733	20,195	1,572,653
2019	1,394,758	101,276	69,808	6,525	34,465	6,006	1,612,838
2020	1,493,118	78,984	86,221	3,100	35,254	39,885	1,736,562
2021	1,716,399	-	17,559	1,750	29,940	31,460	1,797,108

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Source School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
2012	\$ 17,877,000	\$ 1,641,269,000	\$ 138,099,100	\$ 2,336,100	\$ 5,684,500	\$ 1,805,265,700	\$ 738,164	\$ 1,806,003,864	\$ 1,994,212,751	1.35
2013	18,665,100	1,622,930,800	136,905,200	2,336,100	5,663,400	1,786,563,600	738,200	1,787,301,800	2,056,298,706	1.39
2014	17,654,200	1,622,421,300	134,294,800	2,138,100	5,663,400	1,782,171,800	423,986	1,782,595,786	2,000,038,733	1.44
2015	18,947,600	1,622,807,600	127,766,400	2,138,100	5,663,400	1,777,323,100	407,914	1,777,731,014	2,075,667,633	1.47
2016	21,820,400	1,623,946,700	124,731,700	2,138,100	5,663,400	1,778,300,300	-	1,778,300,300	2,145,106,430	1.51
2017	21,008,400	1,640,487,300	123,015,200	2,138,100	5,669,500	1,792,318,500	-	1,792,318,500	2,218,765,165	1.55
2018 (1)	19,049,400	1,934,454,200	146,012,500	2,416,900	6,347,700	2,108,280,700	-	2,108,280,700	2,202,549,833	1.39
2019	18,091,700	1,950,844,000	157,251,100	2,643,000	6,857,100	2,135,686,900	-	2,135,686,900	2,241,386,341	1.39
2020	19,414,400	1,972,049,700	155,882,800	3,085,600	7,252,100	2,157,684,600	-	2,157,684,600	2,251,245,928	1.40
2021	17,984,200	2,013,931,700	141,173,600	8,094,700	7,399,300	2,188,583,500	-	2,188,583,500	-	1.40

Source: County Abstract of Ratables

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

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

Calendar Year	Total Direct School Tax Rate Cresskill Local School District	Overlapping Rates		Total Direct and Overlapping Tax Rate
		Municipality of Cresskill	County of Bergen	
2012	\$ 1.35	\$ 0.74	\$ 0.24	\$ 2.33
2013	1.39	0.75	0.26	2.40
2014	1.44	0.78	0.26	2.48
2015	1.47	0.81	0.28	2.56
2016	1.51	0.82	0.31	2.64
2017	1.55	0.86	0.31	2.72
2018	(1) 1.39	0.76	0.26	2.40
2019	1.39	0.76	0.26	2.41
2020	1.40	0.762	0.269	2.43
2021	1.40	0.775	0.262	2.44

Source: Tax Duplicate, Borough of Cresskill

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

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

Taxpayer	2021	
	Taxable Assessed Value	% of Total District Net Assessed Value
CNL Retirement Suni Cresskill	32,500,000	1.48%
Care One at Dunroven	9,357,600	0.43%
Kings Supermarkets, Inc.	7,688,300	0.35%
Cresskill Mill C/O Asset Realty	6,625,000	0.30%
P.S. Realty, LLC C/O CVS Resident	5,743,200	0.26%
Cresskill Industrial Park Resident	4,786,200	0.22%
Flower Center Real Est. Resident	4,779,500	0.22%
	3,550,000	0.16%
	3,693,700	0.17%
	3,563,400	0.16%
	<u>\$ 82,286,900</u>	<u>3.76%</u>
	2012	
	Taxable Assessed Value	% of Total District's Net Assessed Value
CNL Retirement Suni Cresskill	\$ 36,757,300	2.07%
Care One at Dunroven	8,527,200	0.48%
Kings Supermarket, Inc.	5,635,300	0.32%
MTX Wealth Mang-D. Carl Trust	4,837,700	0.27%
P.S. Realty, LLC	4,434,000	0.25%
Song, Jian Bo	4,387,300	0.25%
Flack, David & Elizabeth	4,033,700	0.23%
Cresskill Industrial Park	3,798,200	0.21%
Cresskill Mill C/O Asset Realty	3,759,000	0.21%
Sancheti, Ashok & Kumar	3,720,700	0.21%
	<u>\$ 79,890,400</u>	<u>4.51%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2012	\$ 23,884,267	\$ 23,884,267	100.00%	
2013	24,336,962	24,336,962	100.00%	
2014	24,794,725	24,794,725	100.00%	
2015	25,644,711	25,644,711	100.00%	
2016	26,173,717	26,173,717	100.00%	
2017	26,897,333	26,897,333	100.00%	
2018	27,850,539	27,850,539	100.00%	
2019	29,200,584	29,200,584	100.00%	
2020	29,653,319	29,653,319	100.00%	
2021	30,227,768	30,227,768	100.00%	

Source: District records

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

Fiscal Year Ended June 30,	Governmental Activities			Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases/Lease Purchase Agreements			
2012	\$ 18,840,000		\$ 21,017	\$ 18,861,017	8,621	2,188
2013	18,550,000			18,550,000	8,652	2,144
2014	17,560,000			17,560,000	8,659	2,028
2015	16,545,000			16,545,000	8,673	1,908
2016	15,485,000			15,485,000	8,658	1,789
2017	14,395,000		392,429	14,787,429	8,767	1,687
2018	25,706,000		289,823	25,995,823	8,722	2,980
2019	24,431,000		218,781	24,649,781	8,669	2,843
2020	23,066,000		287,381	23,353,381	8,626	2,707
2021	21,706,000		216,860	21,922,860	8,626 E	2,541

Source: District records

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

<u>General Bonded Debt Outstanding</u>					
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2012	\$ 18,840,000		\$ 18,840,000	1.04%	2,185
2013	18,550,000		18,550,000	1.04%	2,144
2014	17,560,000		17,560,000	0.99%	2,028
2015	17,560,000		17,560,000	0.99%	2,025
2016	15,485,000		15,485,000	0.87%	1,789
2017	14,395,000		14,395,000	0.80%	1,642
2018	25,706,000		25,706,000	1.22%	2,947
2019	24,431,000		24,431,000	1.14%	2,818
2020	23,066,000		23,066,000	1.07%	2,674
2021	21,706,000		21,706,000	0.99%	2,516

Source: District records

**CRESSKILL BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2020
(UNAUDITED)**

Municipal Debt:	
Cresskill Board of Education (as of June 30, 2021)	\$ 21,706,400
Borough of Cresskill	<u>18,107,000</u>
 Total Direct Debt	 <u>39,813,400</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	18,377,196
Bergen County Utilities Authority - Water Pollution (B)	<u>1,110,086</u>
 Total Overlapping Debt	 <u>19,487,282</u>
 Total Direct and Overlapping Debt	 <u>\$ 59,300,682</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2020 equalized value by the total 2020 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:

Borough of Cresskill 2020 Annual Debt Statement
BCUA 2020 Audit
Bergen County 2020 Annual Debt Statement

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

Legal Debt Margin Calculation for Fiscal Year 2021

	Equalized valuation basis
	2018 \$ 2,341,493,447
	2019 2,330,518,223
	2020 <u>2,279,404,817</u>
	<u>\$ 6,951,416,487</u>
Average equalized valuation of taxable property	\$ 2,317,138,829.00
Debt limit (4 % of average equalization value)	92,685,553
Total Net Debt Applicable to Limit	<u>21,706,400</u>
Legal debt margin	<u>\$ 70,979,153</u>

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt Limit	\$ 93,292,658	\$ 87,603,914	\$ 85,601,316	\$ 82,039,726	\$ 82,933,207	\$ 85,601,316	\$ 88,347,187	\$ 91,022,603	\$ 92,744,024	92,685,533
Total Net Debt Applicable to Limit	<u>18,840,000</u>	<u>18,550,000</u>	<u>17,560,000</u>	<u>16,545,000</u>	<u>15,485,000</u>	<u>14,395,000</u>	<u>25,706,400</u>	<u>24,431,400</u>	<u>23,066,000</u>	<u>21,706,400</u>
Legal Debt Margin	<u>\$ 74,452,658</u>	<u>\$ 69,053,914</u>	<u>\$ 68,041,316</u>	<u>\$ 65,494,726</u>	<u>\$ 67,448,207</u>	<u>\$ 71,206,316</u>	<u>\$ 62,640,787</u>	<u>\$ 66,591,203</u>	<u>\$ 69,678,024</u>	<u>\$ 70,979,133</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.19%	21.17%	20.51%	20.17%	18.67%	16.82%	29.10%	26.84%	24.87%	23.42%

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

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

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>County Per Capita Income (1)</u>	<u>School District Population</u>
2012	5.3	\$ 72,164	8,621
2013	4.5	71,699	8,652
2014	4.5	74,480	8,659
2015	4.5	77,767	8,673
2016	3.7	79,407	8,658
2017	3.3	81,676	8,767
2018	3.2	86,404	8,722
2019	2.8	89,456	8,669
2020	7.4	89,456 (E)	8,626 (E)
2021	7.4 (E)	89,456 (E)	8,626 (E)

(E) Estimate

Source: United States Bureau of Census
School District Records

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

	<u>2021</u>		<u>2011</u>	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Instruction											
Regular	132	116.50	113.80	116.40	117.10	120.30	122.30	124.30	122.30	122.00	124.00
Special Education	26	41	58	63	62	48	49	49	53	53	54
Support Services:											
Student and Instruction Related Services	44.5	42.6	37.2	38.4	42.0	42.0	42.0	42.0	42.0	34.0	35.0
General Administration	2	2	3	3	3	3	3	3	3	3	3
School Administrative Services	11	13	16.6	17.4	18.5	18.5	18.5	18.0	18.0	16.0	15.0
Central Services	3	4	3	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	1	1	2	2
Plant Operations And Maintenance	20	28	28	28	26	26	26	26	20	18	18
Pupil Transportation	-	-	-	-	-	-	-	-	-	-	-
Total	<u>239.5</u>	<u>248.10</u>	<u>260.60</u>	<u>270.20</u>	<u>272.80</u>	<u>261.80</u>	<u>264.80</u>	<u>266.30</u>	<u>261.80</u>	<u>251.00</u>	<u>254.00</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
					Teaching Staff	Elementary	Junior Senior High School				
2011	1,745.0	\$ 25,438,126	\$ 14,578	0.57%	143	13.:1	11:1	1,774.1	1,679.8	2.41%	94.68%
2012	1,753.0	26,326,790	15,018	3.02%	146	12:1	12:1	1,754.2	1,688.6	-1.12%	96.26%
2013	1,729.0	28,180,570	16,299	8.53%	144	12:1	12:1	1,691.6	1,631.5	-3.57%	96.45%
2014	1,749.0	28,168,565	16,106	-1.19%	143	12:1	12:01	1,706.4	1,649.4	0.87%	96.66%
2015	1,783.0	29,548,461	16,572	2.90%	150	12.1:1	11.7:1	1,777.3	1,718.0	4.15%	96.66%
2016	1,794.0	30,988,214	17,273	4.23%	153	12.8:1	10.9:1	1,799.1	1,740.5	1.23%	96.74%
2017	1,840.0	31,858,604	17,314	0.24%	156	12.7:1	10.9:1	1,848.8	1,784.0	2.76%	96.50%
2018	1,848.0	33,664,186	18,217	5.21%	158	12.3:1	11.3:1	1,850.7	1,783.8	0.10%	96.39%
2019	1,835.0	34,864,265	19,000	4.30%	159	12.1:1	11.1:1	1,812.9	1,746.7	-2.04%	96.35%
2020	1,844.0	36,043,157	19,546	2.88%	160	12.1:1	11.5:1	1,824.7	1,774.8	0.65%	97.27%
2021	1,779.0	38,030,599	21,378	9.37%	159	10.7:1	1.6:1	1,778.9	1,734.5	-2.51%	97.50%

Sources: District records

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
District Building											
Elementary											
<u>Edward H. Bryan School</u>											
Square Feet	48,738	48,738	48,738	48,738	48,738	48,738	48,738	48,738	48,738	61,138	61,138
Capacity (students)	378	378	378	378	378	378	378	378	378	475	475
Enrollment	465	483	460	471	483	496	496	500	478	484	499
<u>Merrill Memorial School</u>											
Square Feet	42,540	42,540	42,540	42,540	42,540	42,540	42,540	42,540	42,540	42,540	42,540
Capacity (students)	313	313	313	313	313	313	313	313	313	313	313
Enrollment	304	301	303	323	340	335	335	357	352	359	295
Middle School/High School											
Square Feet	141,769	141,769	141,769	141,769	141,769	141,769	141,769	141,769	141,769	141,769	141,769
Capacity (students)	956	956	956	956	956	956	956	956	956	956	956
Enrollment	976	969	966	955	960	963	963	982	968	982	985

Number of Schools at June 30, 2021

Elementary = 2

Junior/Senior High School = 1

Source: District Records

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

School Facilities	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Edward H. Bryan	\$ 90,086	\$ 72,715	\$ 85,821	\$ 88,975	\$ 54,592	\$ 89,714	\$ 86,697	\$ 70,115	\$ 42,274	\$ 50,905
Merritt Memorial School	79,802	71,279	109,760	116,412	76,734	86,103	78,006	63,087	38,037	45,804
Middle School/High School	<u>196,731</u>	<u>190,361</u>	<u>188,555</u>	<u>174,552</u>	<u>174,314</u>	<u>200,414</u>	<u>402,143</u>	<u>325,230</u>	<u>196,091</u>	<u>236,125</u>
Total School Facilities	<u>\$ 366,619</u>	<u>\$ 334,355</u>	<u>\$ 384,136</u>	<u>\$ 379,939</u>	<u>\$ 305,640</u>	<u>\$ 376,231</u>	<u>\$ 566,846</u>	<u>\$ 458,432</u>	<u>\$ 276,402</u>	<u>\$ 332,834</u>

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2021
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
General Liability		
General Aggregate	\$ 3,000,000	
Products Completed Operations	3,000,000	
Personal & Advertising Injury	1,000,000	
Each Occurrence Limit	1,000,000	
Fire Legal Liability	1,000,000	
Medical Expense	10,000	
Commercial Auto Policy	1,000,000	1,000
Umbrella Liability Policy	10,000,000	
Excess Umbrella Liability Policy	10,000,000	
Environmental Impairment Liability	2,000,000	
School Board Legal Liability	1,000,000	5,000
Employment Related Practices Liability		15,000
Crime - Selective Insurance Company of America		
Employee Dishonesty	\$100,000 Per Employee \$500,000 Per Loss	5,000 100,000
Forgery & Alteration	100,000	1,000
Workers' Compensation - Safety National		
BI by Accident - Each Accident	1,000,000	
BI by Accident - Each Employee	1,000,000	
BI by Disease - Policy Limit	1,000,000	
Employers Liability Retained Limit	1,000,000	
Cyber Liability-Indian Harbor		
Each Claim	1,000,000	
Aggregate	6,000,000	
Privacy and Cyber Security	2,000,000	
Data Breach Response and Crisis Management	1,000,000	

SINGLE AUDIT SECTION



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA
ROBERT W. HAAG, CPA, PSA
RALPH M. PICONE, III, CPA, RMA, PSA
DEBRA GOLLE, CPA
MARK SACO, CPA
ROBERT LERCH, CPA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA

**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

INDEPENDENT AUDITOR'S REPORT

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities and each major fund of the Cresskill Board of Education as of and for the fiscal year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the Cresskill Board of Education's basic financial statements and have issued our report thereon dated March 2, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Cresskill Board of Education's internal control over financial reporting (internal control) 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 Cresskill Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Cresskill Board of Education's internal control.

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

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

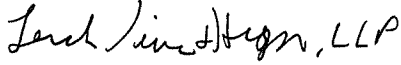
Compliance and Other Matters

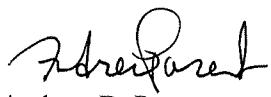
As part of obtaining reasonable assurance about whether the Cresskill Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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.

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Cresskill Board of Education in a separate report entitled, "Auditor's Management Report on Administrative Findings – Financial, Compliance and Performance" dated March 2, 2022.

Purpose of this Report

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


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


Andrew D. Parente
Public School Accountant
PSA Number CS002246

Fair Lawn, New Jersey
March 2, 2022



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA
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**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE AS
REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

INDEPENDENT AUDITOR'S REPORT

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

Report on Compliance for Each Major Federal and State Program

We have audited the Cresskill Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Compliance Supplement and the New Jersey OMB Circular 15-08 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of the Cresskill Board of Education's major federal and state programs for the fiscal year ended June 30, 2021. The Cresskill Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Management's Responsibility

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

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Cresskill Board of Education's major federal and state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; 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, U.S. Uniform Guidance and New Jersey Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal or state program occurred. An audit includes examining, on a test basis, evidence about the Cresskill Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal and State Program

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

Report on Internal Control Over Compliance

Management of the Cresskill Board of Education is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Cresskill Board of Education's internal control over compliance with the types of requirements that could have a direct and material effect on each major 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 U.S. Uniform Guidance and New Jersey OMB Circular 15-08, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Cresskill Board of Education's internal control over compliance.

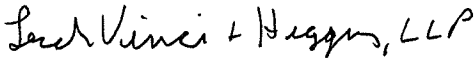
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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


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

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

Report on Schedule of Expenditures of Federal Awards Required by the U.S. Uniform Guidance and Schedule of Expenditures of State Financial Assistance Required by New Jersey OMB Circular 15-08

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of the Cresskill Board of Education, as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated March 2, 2022, which contained unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of federal awards as required by the U.S. Uniform Guidance and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.


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


Andrew D. Parente
Public School Accountant
PSA Number CS002246

Fair Lawn, New Jersey
March 2, 2022

CRESSKILL BOARD OF EDUCATION
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2020	Carryover/ Deferred Revenue	Carryover/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Funds Released Adjust Deferred Revenue	Adjust (Accounts Receivable)	(Accounts Receivable)	June 30, 2021 Unearned Revenue	Due to Grantor	MEMO GAAP Receivable
U.S. Department of Education																
Passed-through State Department of Education																
ESSA Title I	84.010	S010A200030	ESEA30990-21	7/1/20-9/30/21	\$ 123,286		\$ 54,059	\$ (54,059)		\$ 159,305			\$ (177,345)	\$ 18,040		\$ (159,305)
ESSA Title I	84.010	S010A190030	ESEA30990-20	7/1/19-9/30/20	122,605	(101,876)	(54,059)	54,059	101,876	-	-	-	-	-	-	-
Total Title I Cluster						(101,876)	-	-	101,876	159,305	-	-	(177,345)	18,040	-	(159,305)
ESSA Title IIA	84.367A	S367A200029	ESEA30990-21	7/1/20-9/30/21	27,202		1,561	(1,561)		27,125			(28,763)	1,638		(27,125)
ESSA Title IIA	84.367A	S367A190029	ESEA30990-20	7/1/19-9/30/20	23,928	(25,236)	(1,561)	1,561	25,236	-	-	-	-	-	-	-
Total Title II Cluster						(25,236)	-	-	25,236	27,125	-	-	(28,763)	1,638	-	(27,125)
ESSA Title III	84.365	S365A200030	ESEA30990-21	7/1/20-9/30/21	18,953		18,433	(18,433)		32,636			(37,386)	4,750		(32,636)
ESSA Title III	84.365	S365A190030	ESEA30990-20	7/1/19-9/30/20	28,428	(25,152)	(18,433)	18,433	25,152	-	-	-	-	-	-	-
ESSA Title III-Immigrant	84.365	S365A200030	ESEA30990-21	7/1/20-9/30/21			16,899	(16,899)		16,899			(16,899)	-		(16,899)
ESSA Title III-Immigrant	84.365	S365A190030	ESEA30990-20	7/1/19-9/30/20	15,182	(13,259)	(16,537)	16,537	13,259	-	-	-	-	-	-	-
Total Title III Cluster						(38,411)	362	(362)	38,411	49,535	-	-	(54,285)	4,750	-	(49,535)
ESSA Title IV	84.424	S424A200031	ESEA30990-21	7/1/20-9/30/21	10,000		16,212	(16,212)		7,297			(26,212)	18,915		(7,297)
ESSA Title IV	84.424	S424A190031	ESEA30990-20	7/1/19-9/30/20	10,000	(3,788)	(14,980)	14,980	3,788	-	-	-	-	-	-	-
Total Title IV Cluster						(3,788)	1,232	(1,232)	3,788	7,297	-	-	(26,212)	18,915	-	(7,297)
Elementary and Secondary School Emergency Relief Fund (Esser)																
ESSER I - CARES Emergency Relief Grant	84.425	S425D200027	N/A	3/13/20-9/30/22	98,574	(22,950)	5,384	(5,384)	65,131	81,008			(38,827)			(38,827)
ESSER II - Coronavirus Supplemental Approp	84.425	S425D200027	N/A	3/13/20-9/30/23	404,086					36,912			(404,086)	367,174		(36,912)
ESSER II - Learning Acceleration	84.425	S425D200027	N/A	3/13/20-9/30/23	25,932								(25,932)	25,932		-
ESSER II - Mental Health	84.425	S425D200027	N/A	3/13/20-9/30/23	45,000								(45,000)	45,000		-
ESSER III	84.425	S425D200027	N/A	3/13/20-9/30/23	1,179,645								(1,179,645)	1,179,645		-
Total Elementary and Secondary School Emergency Relief Fund (Esser)						(22,950)	5,384	(5,384)	65,131	117,920	-	-	(1,693,490)	1,617,751	-	(75,739)
Passed through County of Bergen																
Bergen County Cares Act	21.019	S425D200027	N/A	7/1/20-12/30/20	29,572				29,572	29,572						-
Coronavirus Relief Fund Grant	21.019	S425D200027	N/A	3/13/20-12/30/21	46,751				46,751	46,751						-
Total Coronavirus Relief Fund Grant (CARES Cluster)						-	-	-	76,323	76,323	-	-	-	-	-	-
I.D.E.A. Part B- Basic	84.027	H027A200100	FT-03-0990-21	7/1/20-6/30/21	351,118		5,301	(5,301)	269,844	351,118			(86,575)	5,301		(81,274)
I.D.E.A. Part B- Basic	84.027	H027A190100	FT-03-0990-20	7/1/19-6/30/20	325,321	(206,589)	(5,301)	5,301	206,589	-			-	-		-
I.D.E.A. Part B- Basic	84.027	H027A190100	FT-03-0990-19	7/1/19-6/30/20	328,136	284									284	
I.D.E.A. Part B- Preschool	84.173	H173A200114	PS-03-0990-21	7/1/20-6/30/21	14,785				5,184	9,045			(9,601)	5,740		(3,861)
I.D.E.A. Part B- Preschool	84.173	H173A190114	PS-03-0990-20	7/1/19-6/30/20	14,690	(14,690)			14,690	-			-	-		-
Total Special Education (IDEA) Cluster						(220,995)	-	-	496,307	360,163	-	-	(96,176)	11,041	284	(85,135)
Total U.S. Department of Education/Special Revenue Fund						\$ (413,256)	\$ 6,978	\$ (6,978)	\$ 807,072	\$ 797,668	\$ -	\$ -	\$ (2,076,271)	\$ 1,672,135	\$ 284	\$ (404,136)

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

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2020	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	(Accounts Receivable)	June 30, 2021 Unearned Revenue	Due to Grantor	Memo	
											GAAP Receivable	Cumulative Total Expenditures
State Department of Education												
Current Expense												
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	\$ 999,519		\$ 908,865	\$ 999,519		\$ (90,654)				\$ 999,519
Special Education Categorical Aid	20-495-034-5120-089	7/1/19-6/30/20	938,195	\$ (85,712)	85,712			-				-
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	143,116		130,136	143,116		(12,980)				143,116
Security Aid	20-495-034-5120-084	7/1/19-6/30/20	143,116	(13,075)	13,075	-	-	-	\$ -	-		-
Total State Aid Public Cluster				(98,787)	1,137,788	1,142,635	-	(103,634)	-	-		1,142,635
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	82,508		75,025	82,508		(7,483)				82,508
Transportation Aid	20-495-034-5120-014	7/1/19-6/30/20	82,508	(7,538)	7,538			-				-
Extraordinary Sp. Ed. Costs Aid	21-495-034-5120-473	7/1/20-6/30/21	735,069			735,069		(735,069)				735,069
Extraordinary Sp. Ed. Costs Aid	20-495-034-5120-473	7/1/19-6/30/20	365,865	(365,865)	365,865			-				-
TPAF On behalf Contributions												
Pension - Non-Contributory Insurance	21-495-034-5094-004	7/1/20-6/30/21	77,637		77,637	77,637						77,637
Pension - Normal Cost & Accrued Liability	21-495-034-5095-002	7/1/20-6/30/21	4,080,506		4,080,506	4,080,506						4,080,506
Long Term Disability Insurance	21-495-034-5094-004	7/1/20-6/30/21	1,303,097		1,303,097	1,303,097						1,303,097
Post Retirement Medical Benefit Contrib	21-495-034-5095-001	7/1/20-6/30/21	2,377	-	2,377	2,377	-	-	-	-		2,377
Total On-Behalf Pension Contribution Cluster				-	5,463,617	5,463,617	-	-	-	-		5,463,617
TPAF Social Security Tax	21-495-034-5095-003	7/1/20-6/30/21	1,208,088		1,208,088	1,208,088	-	-	-	-		1,208,088
TPAF Social Security Tax	20-495-034-5095-003	7/1/19-6/30/20	1,088,300	(55,740)	55,740	-	-	-	-	-		-
Total General Fund				(527,930)	8,313,661	8,631,917	-	(846,186)	-	-		8,631,917
Special Revenue Fund												
New Jersey Nonpublic Aid												
Technology Aid	20-100-034-5120-373	7/1/19-6/30/20	3,816	1,557			\$ 1,557					-
Textbook Aid	20-100-034-5120-664	7/1/19-6/30/20	5,587	5,079			5,079					-
Nursing Services	20-100-034-5120-070	7/1/19-6/30/20	10,282	1,295			1,295					-
Security Aid	20-100-034-5120-509	7/1/19-6/30/20	15,900	8,377			8,377					-
Auxiliary Services												
Compensatory Education	20-100-034-5120-067	7/1/19-6/30/20	33,259	(334)	3,416		3,082					-
Transportation	20-100-034-5120-068	7/1/19-6/30/20	5,077	4,570	507		5,077					-
Total Nonpublic Auxiliary Services (Chap. 192) Cluster				4,236	3,923	-	8,159	-	-	-		-

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**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

<u>State Grantor/Program Title</u>	<u>Grant or State Project Number</u>	<u>Grant Period</u>	<u>Award Amount</u>	<u>Balance, July 1, 2020</u>	<u>Cash Received</u>	<u>Budgetary Expenditures</u>	<u>Refund of Prior Years' Balances</u>	<u>(Accounts Receivable)</u>	<u>June 30, 2021</u>		<u>Due to Grantor</u>	<u>Memo</u>	
									<u>Unearned Revenue</u>	<u>GAAP Receivable</u>		<u>Cumulative Total Expenditures</u>	
Handicapped Services													
Examination and Classification	20-100-034-5120-066	7/1/19-6/30/20	\$ 15,421	\$ 7,173	\$ 443		\$ 7,616				-		-
Corrective Speech	20-100-034-5120-066	7/1/19-6/30/20	19,869	2,807	2,206		5,013				-		-
Supplemental Instruction	20-100-034-5120-066	7/1/19-6/30/20	11,333	(139)	4,915	-	4,776	-	-		-		-
Total Nonpublic Handicapped Services (Chap. 193) Cluster				<u>9,841</u>	<u>7,564</u>	<u>-</u>	<u>17,405</u>	<u>-</u>	<u>-</u>		<u>-</u>		<u>-</u>
Total Special Revenue Fund				<u>30,385</u>	<u>11,487</u>	<u>-</u>	<u>41,872</u>	<u>-</u>	<u>-</u>		<u>-</u>		<u>-</u>
Total State Financial Assistance Subject to Single Audit Determination				<u>\$ (497,545)</u>	<u>\$ 8,325,148</u>	<u>\$ 8,631,917</u>	<u>\$ 41,872</u>	<u>\$ (846,186)</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ 8,631,917</u>
State Financial Assistance Not Subject to Single Audit Determination													
General Fund													
On-Behalf TPAF Pension-NCGI	21-100-034-5094-004	7/1/20-6/30/21			(77,637)	(77,637)							(77,637)
On-Behalf TPAF Pension-Normal Costs	21-100-034-5094-006	7/1/20-6/30/21			(4,080,506)	(4,080,506)							(4,080,506)
On-Behalf TPAF-Long Term Disability	21-100-034-5094-004	7/1/20-6/30/21			(1,303,097)	(1,303,097)							(1,303,097)
On-Behalf TPAF Post Retirement Medical	21-100-034-5094-001	7/1/20-6/30/21			(2,377)	(2,377)							(2,377)
Total State Financial Assistance Subject to Major Program Determination				<u>\$ (497,545)</u>	<u>\$ 2,861,531</u>	<u>\$ 3,168,300</u>	<u>\$ 41,872</u>	<u>\$ (846,186)</u>	<u>\$ -</u>		<u>\$ -</u>		<u>\$ 3,168,300</u>

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**CRESSKILL BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

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

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$373,996 for the general fund and an increase of \$13,551 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 8,257,921	\$ 8,257,921
Special Revenue Fund	\$ 811,219		811,219
Debt Service Fund	-	151,864	151,864
	<u>811,219</u>	<u>8,409,785</u>	<u>9,221,004</u>
Total Financial Assistance	<u>\$ 811,219</u>	<u>\$ 8,409,785</u>	<u>\$ 9,221,004</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS

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

NOTE 5 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$1,208,088 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2021. The amount reported as TPAF Pension System Contributions in the amount of \$4,158,143, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,303,097 and TPAF Long-Term Disability Insurance in the amount of \$2,377 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2021.

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

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

NOTE 7 DE MINIMIS INDIRECT COST RATE

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

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part I – Summary of Auditor’s Results

Financial Statement Section

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

1) Material weakness(es) identified? _____ yes X no

2) Were significant deficiency(ies) identified that were not considered to be material weaknesses? _____ yes X none reported

Noncompliance material to the basic financial statements noted? _____ yes X no

Federal Awards Section

Internal Control over compliance:

1) Material weakness(es) identified? _____ yes X no

2) Were significant deficiencies identified that were not considered to be material weaknesses? _____ yes X none reported

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

Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance? _____ yes X no

Identification of major programs:

<u>FDA Number(</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>H027A200100</u>	<u>IDEA, Basic</u>
<u>84.173</u>	<u>H173A200114</u>	<u>IDEA, Preschool</u>

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

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

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part I – Summary of Auditor’s Results

State Awards Section

Internal Control over compliance:

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

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

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

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>495-034-5095-003</u>	<u>TPAF Social Security</u>
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

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

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

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 2 – Schedule of Financial Statement Findings

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

There are none.

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

CURRENT YEAR FEDERAL AWARDS

There are none.

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

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

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

CURRENT YEAR STATE AWARDS

There are none.

**CRESSKILL BOARD OF EDUCATION
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Part 2 – Schedule of Financial Statement Findings

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

STATUS OF PRIOR YEAR FINDINGS

Condition:

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

Current Status

Corrective action was taken.