

**CRESSKILL BOARD OF EDUCATION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Cresskill, New Jersey**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**Cresskill Board of Education**

**County of Bergen, New Jersey**

**For The Fiscal Year Ended June 30, 2022**

**Prepared by**

**Finance Department**

**CRESSKILL BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**INTRODUCTORY SECTION**

Letter of Transmittal	i-iii
Organizational Chart	iv
Roster of Officials	v
Consultants and Advisors	vi

**FINANCIAL SECTION**

Independent Auditor's Report	1-3
------------------------------	-----

**REQUIRED SUPPLEMENTARY INFORMATION- PART I**

Management's Discussion and Analysis	4-15
--------------------------------------	------

**Basic Financial Statements**

**A. District-wide Financial Statements**

A-1 Statement of Net Position	16
A-2 Statement of Activities	17

**B. Fund Financial Statements**

Governmental Funds

B-1 Balance Sheet	18-19
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	20
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	21

Proprietary Funds

B-4 Statement of Net Position	22
B-5 Statement of Revenues, Expenses, and Changes in Net Position	23
B-6 Statement of Cash Flows	24

Fiduciary Funds – Not Applicable

<b>Notes to the Financial Statements</b>	25-67
--	-------

**CRESSKILL BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**REQUIRED SUPPLEMENTARY INFORMATION – PART II**

**C. Budgetary Comparison Schedules**

C-1	Budgetary Comparison Schedule – General Fund	68-74
C-2	Budgetary Comparison Schedule – Special Revenue Fund	75

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II**

C-3	Budgetary Comparison Schedule – Required Supplementary Information	76
-----	--	----

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

**L. Schedules Related to Accounting and Reporting for Pensions and OPEB(GASB 68 and 75)**

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	77
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	78
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	79
L-4	Notes to Required Supplementary Information – Net Pension Liability	80
L-5	Required Supplementary Information – Schedule of District’s Proportionate Share Of Total OPEB Liability	81
L-6	Notes to Required Supplementary Information – OPEB Liability	82

**D. School Level Schedules – Not Applicable**

**E. Special Revenue Fund**

E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	83-84
E-2	Schedule of Preschool Education Program Aid Expenditures – Budgetary Basis – Not Applicable	85

**F. Capital Projects Fund**

F-1	Summary Schedule of Project Expenditures	86
F-2	Summary Schedule of Project Expenditures and Changes in Fund Balance – Budgetary Basis	87
F-2a- F-2b	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	88-89

**G. Enterprise Funds**

G-1	Combining Statement of Net Position – Not Applicable	90
G-2	Combining Statement of Revenues, Expenses and Changes in Net Position – Not Applicable	90
G-3	Combining Statement of Cash Flows – Not Applicable	90

**CRESSKILL BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

**H. Fiduciary Funds – Not Applicable**

**I. Long-Term Debt**

I-1	Schedule of Bonds Payable	91
I-2	Schedule of Leases Payable and Capital Financing Agreements	92
I-2	Debt Service Fund Budgetary Comparison Schedule – Budget and Actual	93

**J. STATISTICAL SECTION (Unaudited)**

J-1	Net Position by Component	94
J-2	Changes in Net Position	95-96
J-3	Fund Balances – Governmental Funds	97
J-4	Changes in Fund Balances - Governmental Funds	98
J-5	General Fund Other Local Revenue by Source	99
J-6	Assessed Value and Actual Value of Taxable Property	100
J-7	Direct and Overlapping Property Tax Rates	101
J-8	Principal Property Taxpayers	102
J-9	Property Tax Levies and Collections	103
J-10	Ratios of Outstanding Debt by Type	104
J-11	Ratios of Net General Bonded Debt Outstanding	105
J-12	Computation of Direct and Overlapping Debt	106
J-13	Legal Debt Margin Information	107
J-14	Demographic Statistics	108
J-15	Principal Employers	109
J-16	Full-Time Equivalent District Employees by Function/Program	110
J-17	Operating Statistics	111
J-18	School Building Information	112
J-19	Schedule of Required Maintenance for School Facilities	113
J-20	Schedule of Insurance	114

**CRESSKILL BOARD OF EDUCATION  
TABLE OF CONTENTS**

**Page**

<b>K. SINGLE AUDIT SECTION</b>		
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report	115-116
K-2	Report on Compliance for Each Major Federal and State Program; Report on Internal Control Over Compliance; and Report on the Schedule of Federal Awards Required by the U.S. Uniform Guidance and Expenditures of State Financial Assistance as Required by New Jersey OMB Circular 15-08 – Independent Auditor’s Report	117-119
K-3	Schedule of Expenditures of Federal Awards	120
K-4	Schedule of Expenditures of State Financial Assistance	121
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance	122-123
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results	124-125
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings	126
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs	127-128
K-7	Summary Schedule of Prior Year Findings	129

## **INTRODUCTORY SECTION**

# CRESSKILL PUBLIC SCHOOLS

*One Lincoln Drive  
Cresskill, NJ 07626*

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

January 30, 2023

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

Dear Board Members:

The annual comprehensive financial report of the Cresskill School District (“The District”) for the fiscal year ended June 30, 2022, 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 annual comprehensive 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 2021-2022 fiscal year with an enrollment of 1,707 students, which is 72 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 Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-22	1707	-4.05
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

**2. ECONOMIC CONDITION AND OUTLOOK:** The Borough of Cresskill faced some challenges with the flooding of our middle/high school and need for voter approved referendum to repair. Still, new construction is occurring throughout the district. The school district saw a decrease in enrollment due lack of a permanent facility to educate our middle/high school students.

**3. MAJOR INITIATIVES:** The Cresskill School District suffered a major catastrophe when Hurricane Ida destroyed our entire middle/high school building in September 2021 as we planned to reopen following the COVID-19 pandemic. The majority of our energy and financial resources were immediately redirected towards disaster recovery. The district ultimately needed to have a special election in January of 2022 to approve funds to repair the building. Voters approved \$21,600,000 to be used to rebuild or replace the building's entire HVAC system, flooring, sheetrock, auditorium, media center, classroom furniture, technology and contents. The district submitted applications with the Federal Emergency Management Agency (FEMA) and awaits financial reimbursements. Academically, the district continued purchase of chromebooks to increase the number of devices to be closer to a 1:1 platform. We also continued with the Diversity, Equity, and Inclusion (DEI) Community Committee which was created in September of 2020. In grades K-8, we continued our Readers and Writers Workshop initiative. In our work with Words of Advice Literacy Consultants, we 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. Our administrative continued improvement of the 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.

**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, 2022.

**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.

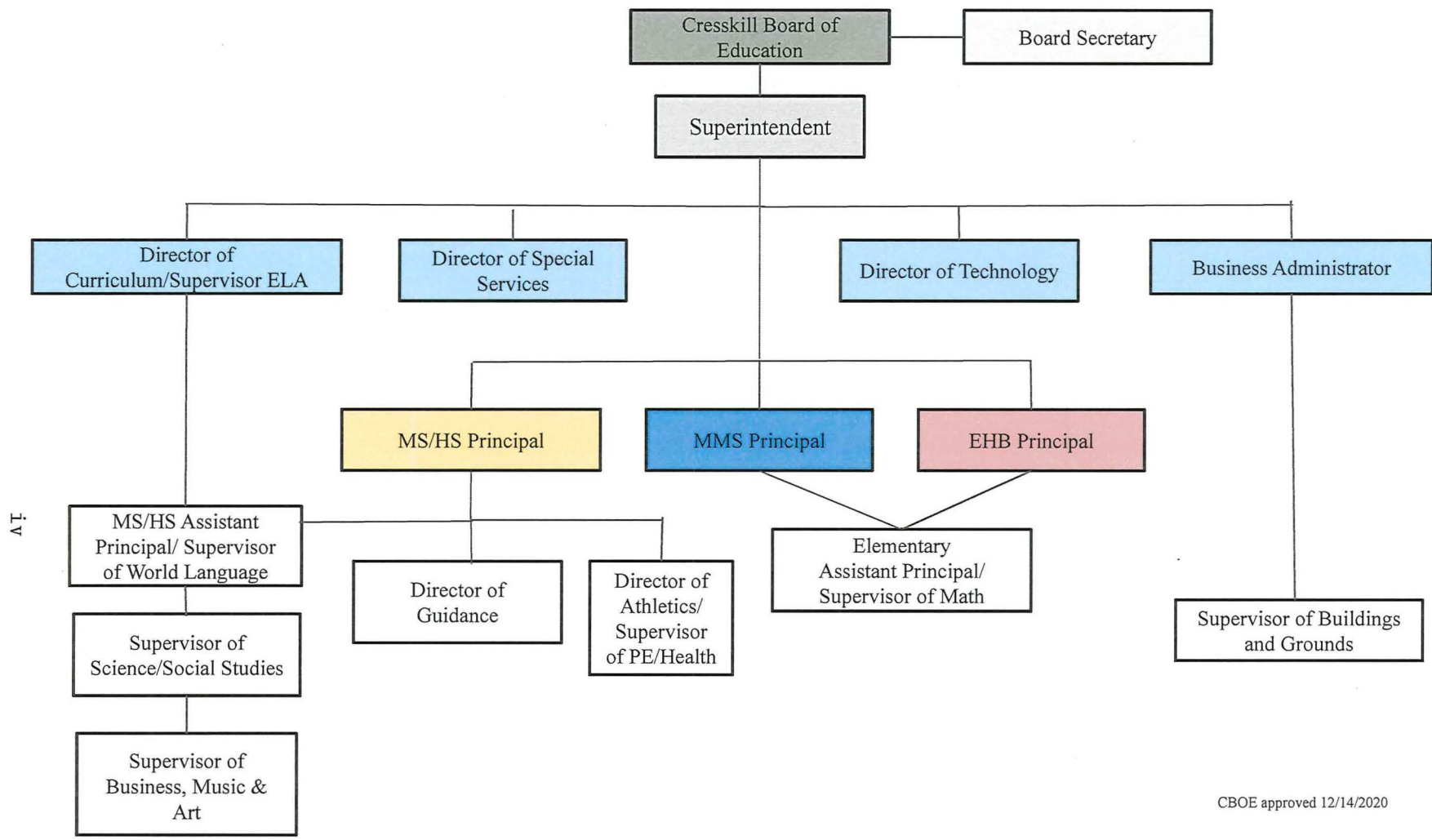
**10. OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Bliss, LLP was selected by the Board. In addition to meeting the requirements set forth in state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

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

Respectfully submitted,

  
Dawn Delasandro  
Business Administrator/Board Secretary

  
Dr. Peter Hughes  
Superintendent



AT

CBOE approved 12/14/2020

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

**ROSTER OF OFFICIALS  
JUNE 30, 2022**

**Members of the Board of Education**

**Term Expires**

Denise Villani, President	Jan. 2024
Mary Klein, Vice President	Jan. 2024
Barbara Costa	Jan. 2025
Sally Cummings	Jan. 2025
Amy Cusick	Jan. 2024
Michael DePalo	Jan. 2023
Dionna Griffin	Jan. 2023
Raffi Odabashian	Jan. 2023
Daniel Riccardo	Jan. 2025

**Other Officials**

Michael Burke, Superintendent

Dawn Delasandro, Business Administrator/Board Secretary

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

**Consultants and Advisors  
June 30, 2022**

**Audit Firm**

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

**Attorney**

Scarinci Hollenbeck, LLC.  
150 Clove Road 9th Floor  
Little Falls, NJ, 07424

**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 & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, 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, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER 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**

#### ***Opinions***

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, 2022 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.

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, 2022, 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.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Cresskill Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cresskill Board of Education's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Cresskill Board of Education's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Cresskill Board of Education's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***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 is the responsibility of management and 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.



### ***Supplementary 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 accompanying 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. Such information is the responsibility of management and was derived from and relate 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 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.

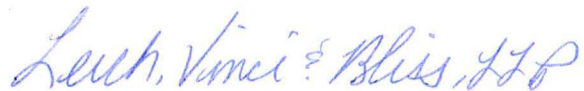
### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### **Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated January 30, 2023 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 & BLISS, LLP  
Certified Public Accountants  
Public School Accountants



Robert W. Haag  
Public School Accountant  
PSA Number CS002364

Fair Lawn, New Jersey  
January 30, 2023

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

# CRESSKILL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

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, 2022. 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 2021-2022 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 \$7,238,387.
- The District's total net position decreased \$4,998,793.
- Overall District revenues were \$45,722,498. General revenues accounted for \$30,928,958 or 68% of all revenues. Program specific revenues in the form of charges for services and operating grants and contributions accounted for \$14,793,540 or 32% of total revenues.
- Overall District expenses were \$42,262,428. Governmental activities expenses accounted for \$42,244,548 or 99% and business-type activities expenses accounted for \$17,880 or less than 1%.
- The school district had \$42,244,548 in expenses for governmental activities; only \$14,777,062 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$30,928,953 were adequate to provide for these programs.
- The District incurred a loss due to the impairment of capital assets in the amount of \$8,585,658 as a result of damages caused by Hurricane Ida.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,165,681.
- The General Fund unassigned budgetary fund balance at the close of the current fiscal year was \$1,663,236 which represented an increase of \$34,314 from the previous year balance of \$1,628,922.
- The District's total outstanding long-term liabilities decreased by \$2,899,766 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

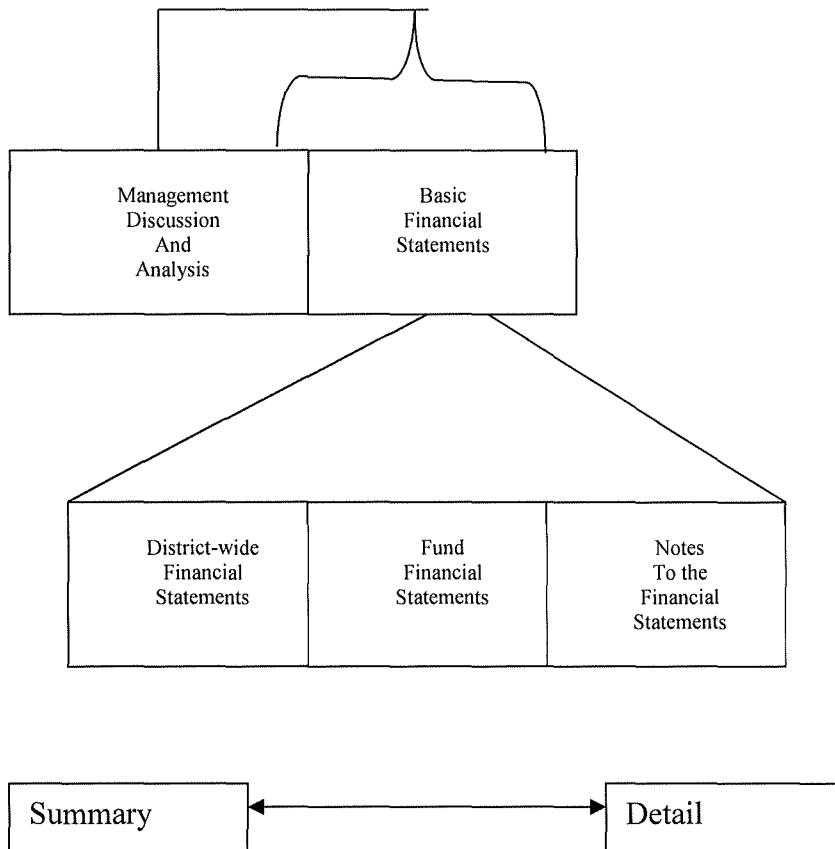
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

### 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.



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

# CRESSKILL BOARD OF EDUCATION

## Management’s Discussion and Analysis Fiscal Year Ended June 30, 2022

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, 2022

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, 2022

**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 \$7,175,297 and \$12,237,180 (as restated) on June 30, 2022 and 2021, respectively, as follows:

**Net Position  
As of June 30, 2022 and 2021**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u> (Restated)	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u> (Restated)
Current and Other Assets	\$ 19,994,073	\$ 6,400,333	\$ 1,692	\$ 1,794	\$ 19,995,765	\$ 6,402,127
Capital Assets	34,800,059	37,970,152	17,609	21,142	34,817,668	37,991,294
<b>Total Assets</b>	<u>54,794,132</u>	<u>44,370,485</u>	<u>19,301</u>	<u>22,936</u>	<u>54,813,433</u>	<u>44,393,421</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	259,250	335,677			259,250	335,677
Deferred Amounts on Net Pension Liability	102,642	424,333	-	-	102,642	424,333
<b>Total Deferred Outflows of Resources</b>	<u>361,892</u>	<u>760,010</u>	<u>-</u>	<u>-</u>	<u>361,892</u>	<u>760,010</u>
<b>Total Assets and Deferred Outflow of Resources</b>	<u>55,156,024</u>	<u>45,130,495</u>	<u>19,301</u>	<u>22,936</u>	<u>55,175,325</u>	<u>45,153,431</u>
Long-Term Liabilities	26,384,932	29,284,698			26,384,932	29,284,698
Other Liabilities	19,107,846	1,211,580	10,729	18,064	19,118,575	1,229,644
<b>Total Liabilities</b>	<u>45,492,778</u>	<u>30,496,278</u>	<u>10,729</u>	<u>18,064</u>	<u>45,503,507</u>	<u>30,514,342</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	2,433,431	2,401,909	-	-	2,433,431	2,401,909
<b>Total Deferred Inflows of Resources</b>	<u>2,433,431</u>	<u>2,401,909</u>	<u>-</u>	<u>-</u>	<u>2,433,431</u>	<u>2,401,909</u>
<b>Total Liabilities and Deferred Outflow of Resources</b>	<u>47,926,209</u>	<u>32,898,187</u>	<u>10,729</u>	<u>18,064</u>	<u>47,936,938</u>	<u>32,916,251</u>
Net Investment in Capital Assets	8,611,320	15,516,683	17,609	21,142	8,628,929	15,537,825
Restricted	3,108,589	3,178,690			3,108,589	3,178,690
Unrestricted	(4,490,094)	(6,463,065)	(9,037)	(16,270)	(4,499,131)	(6,479,335)
<b>Total Net Position</b>	<u>\$ 7,229,815</u>	<u>\$ 12,232,308</u>	<u>\$ 8,572</u>	<u>\$ 4,872</u>	<u>\$ 7,238,387</u>	<u>\$ 12,237,180</u>

# CRESSKILL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

The District's total net position of \$7,238,387 at June 30, 2022 represents a \$4,778,793, decrease from the prior year. This decrease is primarily the result of the impairment of capital assets resulting from damage caused by Hurricane Ida. 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, 2022 and 2021

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
<b>Revenues</b>						
<b>Program Revenues</b>						
Charges for Services	\$ 1,754,843	\$ 1,718,149			\$ 1,754,843	\$ 1,718,149
Operating Grants and Contributions	10,533,285	13,323,414	\$ 16,478		10,549,763	13,323,414
Capital Grants and Contributions	2,488,934				2,488,934	-
<b>General Revenues</b>						
Property Taxes	30,743,995	30,227,768			30,743,995	30,227,768
State Aid	97,801	97,193			97,801	97,193
Miscellaneous	87,157	79,866	5	\$ 18	87,162	79,884
<b>Total Revenues</b>	<b>45,706,015</b>	<b>45,446,390</b>	<b>16,483</b>	<b>18</b>	<b>45,722,498</b>	<b>45,446,408</b>
<b>Expenses</b>						
<b>Instruction</b>						
Regular	16,948,162	18,850,157			16,948,162	18,850,157
Special Education	7,908,711	8,736,703			7,908,711	8,736,703
Other Instruction	1,484,028	1,862,878			1,484,028	1,862,878
School Sponsored Activities and Athletics	1,023,844	894,905			1,023,844	894,905
<b>Support Services</b>						
Student and Instruction Related Services	3,830,685	4,226,026			3,830,685	4,226,026
General Administration Services	854,330	864,384			854,330	864,384
School Administration Services	2,507,405	2,730,411			2,507,405	2,730,411
Central Services and Admin Info. Tech	760,270	878,777			760,270	878,777
Plant Operations and Maintenance	5,736,266	3,910,199			5,736,266	3,910,199
Pupil Transportation	430,116	308,144			430,116	308,144
Interest on Debt	760,731	786,091			760,731	786,091
Food Services	-	-	17,880	14,293	17,880	14,293
<b>Total Expenses</b>	<b>42,244,548</b>	<b>44,048,675</b>	<b>17,880</b>	<b>14,293</b>	<b>42,262,428</b>	<b>44,062,968</b>
<b>Change in Net Position Before Transfers and Other Special Items</b>	<b>3,461,467</b>	<b>1,397,715</b>	<b>(1,397)</b>	<b>(14,275)</b>	<b>3,460,070</b>	<b>1,383,440</b>
Other Special Items	(8,458,863)	1,500			(8,458,863)	1,500
Transfers	(5,097)	(6,269)	5,097	6,269	-	-
<b>Change in Net Position</b>	<b>(5,002,493)</b>	<b>1,392,946</b>	<b>3,700</b>	<b>(8,006)</b>	<b>(4,998,793)</b>	<b>1,384,940</b>
<b>Net Position, Beginning of Year</b>	<b>12,232,308</b>	<b>10,930,037</b>	<b>4,872</b>	<b>12,878</b>	<b>12,237,180</b>	<b>10,942,915</b>
<b>Prior Period Adjustment</b>	<b>-</b>	<b>(90,675)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(90,675)</b>
<b>Net Position, End of Year</b>	<b>\$ 7,229,815</b>	<b>\$ 12,232,308</b>	<b>\$ 8,572</b>	<b>\$ 4,872</b>	<b>\$ 7,238,387</b>	<b>\$ 12,237,180</b>



**CRESSKILL BOARD OF EDUCATION**

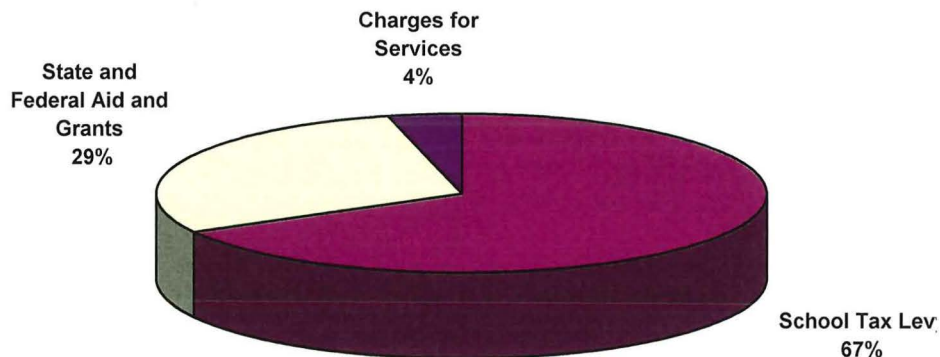
**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022**

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$45,706,015 for the year ended June 30, 2022. Property taxes of \$30,743,995 represented 67% of revenues. Another significant portion of revenues came from State and Federal aid; total State, Federal and local grants and aid was \$13,120,020 representing 28% of revenues. In addition, charges for services (tuition, related services and rentals) of \$1,754,843 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.

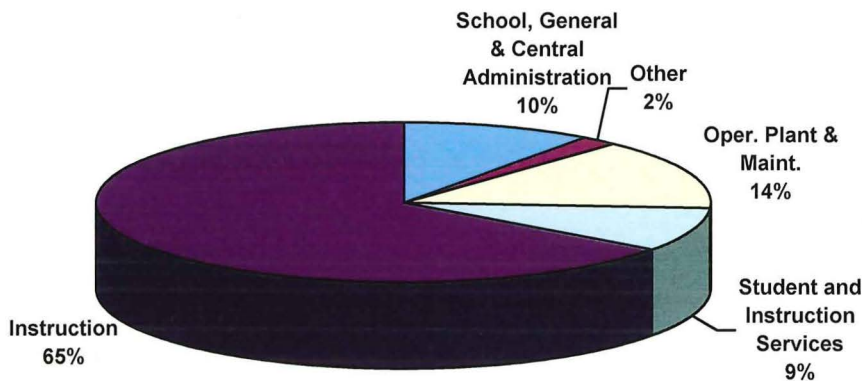
The total cost of all governmental activities programs and services was \$42,244,548. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$27,364,745 (65%) of total expenses. Support services represent \$14,119,072 (33%) of total expenses and interest on debt represents \$760,731 (2%) of total expenses.

Total governmental activities expenses and other special items exceeded revenues, decreasing net position by \$5,065,583 over the previous year.

**Revenues by Sources – Governmental Activities  
For Fiscal Year 2022**



**Expenses by Use – Governmental Activities  
For Fiscal Year 2022**



CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$42,244,548. After applying program revenues, derived from operating and capital grants and contributions of \$13,022,219 and charges for services of \$1,754,843 the net cost of services of the District is \$27,467,486.

**Total and Net Cost of Governmental Activities  
For The Fiscal Years Ended June 30, 2022 and 2021**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u>
Instruction				
Regular	\$ 16,948,162	\$ 18,850,157	\$ 12,529,333	\$ 12,715,211
Special Education	7,908,711	8,736,703	2,821,833	3,596,022
Other Instruction	1,484,028	1,862,878	1,013,300	1,079,071
School Sponsored Activities and Athletics	1,023,844	894,905	658,986	653,681
Support Services			-	
Student and Instruction Related Services	3,830,685	4,226,026	3,008,381	2,949,820
General Administration Services	854,330	864,384	711,951	739,485
School Administration Services	2,507,405	2,730,411	2,032,544	1,935,433
Central Services and Admin. Info. Tech.	760,270	878,777	699,122	751,875
Plant Operations and Maintenance	5,736,266	3,910,199	2,935,607	3,629,513
Pupil Transportation	430,116	308,144	347,589	225,581
Interest on Debt	760,731	786,091	708,840	731,420
<b>Total</b>	<b><u>\$ 42,244,548</u></b>	<b><u>\$ 44,048,675</u></b>	<b><u>\$ 27,467,486</u></b>	<b><u>\$ 29,007,112</u></b>

**Business-Type Activities** – The District's total business-type activities revenues and transfers were \$21,580 for the year ended June 30, 2022.

Total cost of all business-type activities programs and services was \$17,880. The District's expenses are related to Food Service (Cafeteria) operations.

Total business-type activities revenues and transfers exceeded expenses, increasing net position by \$3,700.

# CRESSKILL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2022

### 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 \$1,165,681 a decrease of \$4,326,208 from last year's fund balance. This decrease is primarily the result of costs incurred pertaining to the capital project referendum.

Revenues for the District's governmental funds were \$45,070,750 and total expenses were \$51,603,852 for the fiscal year ended June 30, 2022. Other financing sources (net of other financing uses) were \$2,206,894.

### 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	Percent
	<u>2022</u>	<u>2021</u>	<u>(Decrease)</u>	<u>Change</u>
Local Sources				
Property Taxes	\$ 28,812,109	\$ 28,247,166	\$ 564,943	2%
Tuition/Related Services	1,744,078	1,716,399	27,679	2%
Other	85,564	80,709	4,855	6%
State Sources	<u>10,717,188</u>	<u>8,257,921</u>	<u>2,459,267</u>	30%
Total General Fund Revenues	<u>\$ 41,358,939</u>	<u>\$ 38,302,195</u>	<u>\$ 3,056,744</u>	8%

Local property taxes increased by \$564,943 or 2% over the previous year to support increased operating expenditures. State aid revenue increased \$2,459,267 or 30% 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 \$27,679 or 2%. Other local sources of revenues increased \$4,855 or 6%.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022

**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>2022</u>	<u>2021</u>		
Instruction	\$ 28,302,534	\$ 26,411,738	\$ 1,890,796	7%
Support Services	13,108,800	10,539,204	2,569,596	24%
Debt Service	173,393	114,284	59,109	52%
Capital Outlay	<u>855,590</u>	<u>80,241</u>	<u>775,349</u>	966%
Total Expenditures	<u>\$ 42,440,317</u>	<u>\$ 37,145,467</u>	<u>\$ 5,294,850</u>	14%

Total General Fund expenditures increased \$5,294,850 or 14% 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, as well as cleanup costs related to damage sustained from Hurricane Ida. Capital outlay expenditures increased due to costs associated with the HVAC improvements.

In 2021-2022 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$1,137,874. As a result, total fund balance increased to \$6,143,471 at June 30, 2022. After deducting restricted committed and assigned fund balances, the unassigned fund balance increased from \$782,736 at June 30, 2021 to \$910,163 at June 30, 2022.

**CAPITAL ASSET ADMINISTRATION**

At the end of fiscal years 2022 and 2021, the District had \$34,800,059 and \$37,970,152 (as restated), respectively, net of accumulated depreciation invested in land, land improvements, buildings and building improvements, furniture, equipment and vehicles for the governmental activities and \$17,609 and \$21,142, respectively for business-type activities. The following compares the June 30, 2022 and 2021 balances.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2022

**CAPITAL ASSET ADMINISTRATION (Continued)**

Capital Assets  
at June 30, 2022 and 2021

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2022</u>	<u>2021</u> (Restated)	<u>2022</u>	<u>2021</u>	<u>2022</u>	<u>2021</u> (Restated)
Land	\$ 1,286,701	\$ 1,286,701			\$ 1,286,701	\$ 1,286,701
Construction in Progress	6,671,663				6,671,663	-
Buildings and Building Improvements	37,894,487	52,069,369	\$ 14,800	\$ 14,800	37,909,287	52,084,169
Right-to-Use Leased Building	1,070,000	1,070,000			1,070,000	1,070,000
Improvements Other Than Buildings	988,641	988,641			988,641	988,641
Machinery and Equipment	<u>2,141,133</u>	<u>2,110,242</u>	<u>159,801</u>	<u>159,801</u>	<u>2,300,934</u>	<u>2,270,043</u>
	50,052,625	57,524,953	174,601	174,601	50,227,226	57,699,554
Less Accumulated Depreciation	<u>(15,252,566)</u>	<u>(19,554,801)</u>	<u>(156,992)</u>	<u>(153,459)</u>	<u>(15,409,558)</u>	<u>(19,708,260)</u>
<b>Total Capital Assets, Net</b>	<b><u>\$ 34,800,059</u></b>	<b><u>\$ 37,970,152</u></b>	<b><u>\$ 17,609</u></b>	<b><u>\$ 21,142</u></b>	<b><u>\$ 34,817,668</u></b>	<b><u>\$ 37,991,294</u></b>

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, 2022 the District had \$26,384,932 of outstanding long-term liabilities. Of this amount, \$20,420,129 is for bonds payable; \$990,909 is for leases payable; \$105,800 is for capital financing agreements; \$1,270,292 is for compensated absences and \$3,597,802 is for net pension liability.

Outstanding Long-Term Liabilities  
at June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u> (Restated)
Bonds Payable (Including Unamortized Premium)	\$ 20,420,129	\$ 21,828,956
Leases Payable	990,909	1,018,007
Capital Financing Agreements	105,800	216,860
Compensated Absences	1,270,292	1,293,522
Net Pension Liability	<u>3,597,802</u>	<u>4,927,353</u>
	<b><u>\$ 26,384,932</u></b>	<b><u>\$ 29,284,698</u></b>

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, 2022

### **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 extraordinary special education state aid 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 \$1,044,761 over the previous year. After deducting restricted, committed and assigned fund balances, the unassigned budgetary fund balance increased by \$34,314 from \$1,628,922 at June 30, 2021 to \$1,663,236 at June 30, 2022.

### **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 2022-2023.

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, 2022**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 19,435,264	\$ 706	\$ 19,435,970
Receivables, net	558,809	986	559,795
Capital Assets			
Capital Assets, Not Being Depreciated	7,958,364		7,958,364
Capital Assets, Being Depreciated	<u>26,841,695</u>	<u>17,609</u>	<u>26,859,304</u>
Total Assets	<u>54,794,132</u>	<u>19,301</u>	<u>54,813,433</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	259,250		259,250
Deferred Amounts on Net Pension Liability	<u>102,642</u>	<u>-</u>	<u>102,642</u>
Total Deferred Outflows of Resources	<u>361,892</u>	<u>-</u>	<u>361,892</u>
Total Assets and Deferred Outflows of Resources	<u>55,156,024</u>	<u>19,301</u>	<u>55,175,325</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	2,445,200	405	2,445,605
Payable to Other Governments	12,228		12,228
Temporary Note Payable	16,200,000		16,200,000
Accrued Interest Payable	279,454		279,454
Unearned Revenue	170,964	10,324	181,288
Noncurrent Liabilities			
Due Within One Year	1,463,073		1,463,073
Due Beyond One Year	<u>24,921,859</u>	<u>-</u>	<u>24,921,859</u>
Total Liabilities	<u>45,492,778</u>	<u>10,729</u>	<u>45,503,507</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Amounts on Net Pension Liability	<u>2,433,431</u>	<u>-</u>	<u>2,433,431</u>
Total Deferred Inflows of Resources	<u>2,433,431</u>	<u>-</u>	<u>2,433,431</u>
Total Liabilities and Deferred Inflows of Resources	<u>47,926,209</u>	<u>10,729</u>	<u>47,936,938</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	8,611,320	17,609	8,628,929
Restricted for			
Capital Projects	2,200,282		2,200,282
Plant Maintenance	536,130		536,130
Other Purposes	372,177		372,177
Unrestricted	<u>(4,490,094)</u>	<u>(9,037)</u>	<u>(4,499,131)</u>
Total Net Position	<u>\$ 7,229,815</u>	<u>\$ 8,572</u>	<u>\$ 7,238,387</u>



**CRESSKILL BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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	\$ 16,948,162	\$ 325,519	\$ 4,093,310		\$ (12,529,333)		\$ (12,529,333)
Special Education	7,908,711	1,418,559	3,668,319		(2,821,833)		(2,821,833)
Other Instruction	1,484,028		470,728		(1,013,300)		(1,013,300)
School Sponsored Activities and Athletics	1,023,844		364,858		(658,986)		(658,986)
Support Services:							
Student & Instruction Related Services	3,830,685		822,304		(3,008,381)		(3,008,381)
General Administration Services	854,330		142,379		(711,951)		(711,951)
School Administration Services	2,507,405		474,861		(2,032,544)		(2,032,544)
Central Services and Admin Info. Tech.	760,270		61,148		(699,122)		(699,122)
Plant Operations and Maintenance	5,736,266	10,765	300,960	\$ 2,488,934	(2,935,607)		(2,935,607)
Pupil Transportation	430,116		82,527		(347,589)		(347,589)
Interest on Long-Term Debt	760,731	-	51,891	-	(708,840)	-	(708,840)
<b>Total Governmental Activities</b>	<b>42,244,548</b>	<b>1,754,843</b>	<b>10,533,285</b>	<b>2,488,934</b>	<b>(27,467,486)</b>	<b>-</b>	<b>(27,467,486)</b>
Business-Type Activities:							
Food Service	17,880	16,478	-	-	-	\$ (1,402)	(1,402)
<b>Total Business-Type Activities</b>	<b>17,880</b>	<b>16,478</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,402)</b>	<b>(1,402)</b>
<b>Total Primary Government</b>	<b>\$ 42,262,428</b>	<b>\$ 1,771,321</b>	<b>\$ 10,533,285</b>	<b>\$ 2,488,934</b>	<b>(27,467,486)</b>	<b>(1,402)</b>	<b>(27,468,888)</b>
General Revenues:							
Taxes:							
Property Taxes, levied for General Purposes					28,812,109		28,812,109
Property Taxes Levied for Debt Service					1,931,886		1,931,886
State Aid Restricted for Debt Service Principal					97,801		97,801
Investment Earnings					26,870	5	26,875
Miscellaneous Income					60,287		60,287
Special Items							
Impairment Loss on Capital Assets					(8,585,658)		(8,585,658)
Premium on Issuance of Temporary Note					126,795		126,795
Transfers					(5,097)	5,097	-
<b>Total General Revenues, Special Items and Transfers</b>					<b>22,464,993</b>	<b>5,102</b>	<b>22,470,095</b>
<b>Change in Net Position</b>					<b>(5,002,493)</b>	<b>3,700</b>	<b>(4,998,793)</b>
<b>Net Position, Beginning of Year (Restated)</b>					<b>12,232,308</b>	<b>4,872</b>	<b>12,237,180</b>
<b>Net Position, End of Year</b>					<b>\$ 7,229,815</b>	<b>\$ 8,572</b>	<b>\$ 7,238,387</b>

**FUND FINANCIAL STATEMENTS**

**CRESSKILL BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 5,483,309	\$ 447,042	\$ 13,504,912	\$ 1	\$ 19,435,264
Receivables, Net					
Intergovernmental Receivables	34,811	376,708			411,519
Other Receivables	84,219	63,071			147,290
Due from Other Funds	<u>1,436,136</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,436,136</u>
 Total Assets	 <u>\$ 7,038,475</u>	 <u>\$ 886,821</u>	 <u>\$ 13,504,912</u>	 <u>\$ 1</u>	 <u>\$ 21,430,209</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 812,870	\$ 247	\$ 1,562,177		\$ 2,375,294
Due to Other Funds		434,177	1,001,959		1,436,136
Bond Anticipation Notes Payable			16,200,000		16,200,000
Payable to Other Governments	12,228				12,228
Payroll Deductions and Withholdings Payable	69,830				69,830
Accrued Salaries & Wages	76				76
Unearned Revenue	<u>-</u>	<u>170,964</u>	<u>-</u>	<u>-</u>	<u>170,964</u>
 Total Liabilities	 <u>895,004</u>	 <u>605,388</u>	 <u>18,764,136</u>	 <u>-</u>	 <u>20,264,528</u>
Fund Balances:					
Restricted Fund Balance					
Capital Reserve	2,200,282				2,200,282
Maintenance Reserve	536,130				536,130
Excess Surplus	869,745				869,745
Excess Surplus- Designated for					
Subsequent Year's Expenditures (2022/2023 budget)	339,725				339,725
Unemployment Compensation Reserve	90,743				90,743
Scholarships		73,348			73,348
Student Activities		208,085			208,085
Capital Projects			(5,259,224)		(5,259,224)
Debt Service				\$ 1	1
Committed Fund Balance					
Year End Encumbrances	136,884				136,884
Assigned Fund Balance					
Year End Encumbrances	499,524				499,524
Designated for Subsequent Year's					
Expenditures (2022/2023 budget)	560,275				560,275
Unassigned Fund Balance	<u>910,163</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>910,163</u>
 Total Fund Balances	 <u>6,143,471</u>	 <u>281,433</u>	 <u>(5,259,224)</u>	 <u>1</u>	 <u>1,165,681</u>
 Total Liabilities and Fund Balances	 <u>\$ 7,038,475</u>	 <u>\$ 886,821</u>	 <u>\$ 13,504,912</u>	 <u>\$ 1</u>	 <u>\$ 21,430,209</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, 2022

Total Fund Balance (Exhibit B-1)		\$	1,165,681
<b>Amounts reported for governmental activities in the statement of net position (A-1) are different because:</b>			
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$50,052,625 and the accumulated depreciation is \$15,252,566.			34,800,059
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.			259,250
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	\$ 102,642	
	Deferred Inflow of Resources	<u>(2,433,431)</u>	(2,330,789)
The District has financed capital assets through the issuance of bonds and long-term lease obligations. The interest accrual at year end is:			(279,454)
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)	(20,420,129)	
	Leases Payable	(990,909)	
	Capital Financing Agreements Payable	(105,800)	
	Compensated Absences Payable	(1,270,292)	
	Net Pension Liability	<u>(3,597,802)</u>	(26,384,932)
			<u>7,229,815</u>
<b>Net Position of Governmental Activities (Exhibit A-1)</b>		<b>\$</b>	<b><u>7,229,815</u></b>

CRESSKILL BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	General Fund	Special Revenue Fund	Capital Projects Fund	Debt Service Fund	Total Governmental Funds
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 28,812,109			\$ 1,931,886	\$ 30,743,995
Tuition and Related Services Fees	1,744,078				1,744,078
Rentals	10,765				10,765
Interest and Investment Income	14,512		\$ 12,358		26,870
Miscellaneous	60,287	\$ 358,941	-	-	419,228
<b>Total - Local Sources</b>	<b>30,641,751</b>	<b>358,941</b>	<b>12,358</b>	<b>1,931,886</b>	<b>32,944,936</b>
State Sources	10,717,188	-		149,692	10,866,880
Federal Sources	-	955,196	303,738	-	1,258,934
<b>Total Revenues</b>	<b>41,358,939</b>	<b>1,314,137</b>	<b>316,096</b>	<b>2,081,578</b>	<b>45,070,750</b>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	18,081,935	148,725			18,230,660
Special Education Instruction	8,002,271	353,193			8,355,464
Other Instruction	1,468,048	129,731			1,597,779
School-Sponsored Activities and Athletics	750,280	305,648			1,055,928
Support Services					
Student and Instruction Related Services	3,731,682	297,696			4,029,378
General Administration Services	901,139				901,139
School Administration Services	2,675,755				2,675,755
Central Services and Admin Info. Tech.	787,456				787,456
Plant Operations and Maintenance	4,582,652				4,582,652
Pupil Transportation	430,116				430,116
Debt Service					
Principal	138,158			1,360,000	1,498,158
Interest	35,235			721,578	756,813
Capital Outlay	855,590	100,000	5,746,964	-	6,702,554
<b>Total Expenditures</b>	<b>42,440,317</b>	<b>1,334,993</b>	<b>5,746,964</b>	<b>2,081,578</b>	<b>51,603,852</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,081,378)	(20,856)	(5,430,868)	-	(6,533,102)
<b>OTHER FINANCING SOURCES (USES)</b>					
Insurance Proceeds	2,085,196				2,085,196
Premium on Note Issuance			126,795		126,795
Transfers In	139,153				139,153
Transfers Out	(5,097)	-	(139,153)	-	(144,250)
<b>Total Other Financing Sources and Uses</b>	<b>2,219,252</b>	<b>-</b>	<b>(12,358)</b>	<b>-</b>	<b>2,206,894</b>
<b>Net Change in Fund Balances</b>	<b>1,137,874</b>	<b>(20,856)</b>	<b>(5,443,226)</b>	<b>-</b>	<b>(4,326,208)</b>
Fund Balance, Beginning of Year	5,005,597	302,289	184,002	1	5,491,889
<b>Fund Balance, End of Year</b>	<b>\$ 6,143,471</b>	<b>\$ 281,433</b>	<b>\$ (5,259,224)</b>	<b>\$ 1</b>	<b>\$ 1,165,681</b>

**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, 2022**

**Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2)** **\$ (4,326,208)**

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	\$ 6,702,554	
Depreciation expense	<u>(1,286,989)</u>	5,415,565

Impairment of capital assets are not reported in the governmental funds. However, in the statement of activities, the loss on impairment is reported as an extraordinary item.

Impairment Loss		(8,585,658)
-----------------	--	-------------

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.

Principal Payments		
Repayment of Bond Principal	1,360,000	
Repayment of Lease Principal	27,098	
Repayment of Capital Financing Principal	<u>111,060</u>	
		1,498,158

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	(76,427)	
Amortization of Original Issuance Premium	<u>48,827</u>	(27,600)

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		23,682
------------------------------	--	--------

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 Decrease in Compensated Absences	23,230	
Decrease in Net Pension Expense	<u>976,338</u>	999,568

**Change in Net Position of Governmental Activities (Exhibit A-2)** **\$ (5,002,493)**

**CRESSKILL BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2022**

**Business-Type  
 Activities  
 Enterprise  
Food Services**

**ASSETS**

Current Assets		
Cash	\$	706
Other Accounts Receivable		986
Total Current Assets		1,692
Capital Assets		
Building Improvements		14,800
Furniture, Machinery and Equipment		159,801
Less: Accumulated Depreciation		(156,992)
Total Capital Assets, Net		17,609
Total Assets		19,301

**LIABILITIES**

Current Liabilities		
Accounts Payable		405
Unearned Revenue		10,324
Total Current Liabilities		10,729

**NET POSITION**

Investment in Capital Assets		17,609
Unrestricted		(9,037)
Total Net Position	\$	8,572

**CRESSKILL BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Business-Type            Activities            Enterprise  <u>Food Services</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	\$ 16,478
	<hr/>
Total Operating Revenues	16,478
<b>OPERATING EXPENSES</b>	
Salaries and Benefits	3,023
Cost of Sales	9,547
Management Fee	722
Other Purchased Services	350
Materials and Supplies	705
Depreciation	3,533
	<hr/>
Total Operating Expenses	17,880
Operating Income	<hr/> (1,402)
<b>NONOPERATING REVENUES</b>	
Interest	<hr/> 5
Total Nonoperating Revenues	<hr/> 5
Loss Before Transfers	(1,397)
Transfer from General Fund	<hr/> 5,097
Change in Net Position	3,700
Total Net Position - Beginning of Year	<hr/> 4,872
Total Net Position - End of Year	<u><u>\$ 8,572</u></u>



**CRESSKILL BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<b>Business-Type Activities Enterprise Food Services</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 7,752
Cash Payments for Salaries and Benefits	(3,023)
Cash Payments to Suppliers for Goods and Services	<u>(9,292)</u>
Net Cash Used by Operating Activities	<u>(4,563)</u>
<b>Cash Flows from Non Capital Financing Activates</b>	
Transfers from Other Funds	<u>5,097</u>
Net Cash Provided by Capital and Related Financing Activities	<u>5,097</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	<u>5</u>
Net Cash Provided by Investing Activities	<u>5</u>
Net Increase in Cash and Cash Equivalents	539
Cash and Cash Equivalents, Beginning of Year	<u>167</u>
Cash and Cash Equivalents, End of Year	<u>\$ 706</u>
<b>Reconciliation of Operating Income to Net Cash Used by Operating Activities</b>	
Operating Loss	\$ <u>(1,402)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	3,533
Change in Assets and Liabilities	
(Increase)/Decrease in Inventories	1,627
(Increase)/Decrease in Other Accounts Receivable	(986)
Increase/(Decrease) in Accounts Payable	405
Increase/(Decrease) in Unearned Revenue	<u>(7,740)</u>
Total Adjustments	<u>(3,161)</u>
Net Cash Used by Operating Activities	<u>\$ (4,563)</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, 2022**

**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 of Schools is appointed by the Board and is responsible for the administrative control of the District. A School 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 of Schools 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 School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports through the Superintendent of Schools 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 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. 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 Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. 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.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**B. New Accounting Standards (Continued)**

- GASB Statement No. 92, *Omnibus 2020*. 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 Statement 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 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.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement 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 Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 and proprietary 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, 2022**

**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, financing agreements 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, acquisitions under financing agreements and leases payable for intangible right-to-use leased assets are reported as other financing sources.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

**4. *Capital Assets***

Capital assets, which include property, plant and equipment, are reported in the applicable governmental or business-type activities columns in the district-wide financial statements. Capital assets are defined by the Board as assets with an initial, individual cost of \$2,000 and an estimated useful life in excess of two years. The District was able to estimate the historical cost for the initial reporting of these capital assets through back trending. As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost, except for intangible right-to-use leased assets the measurement of which is discussed in Note 1.E.8. 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, 2022**

**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
Right-to-use Leased Buildings	3-5
Building Improvements	20
Machinery and Equipment	20
Computer Equipment	5
Right-to-use Leased Equipment	5-10

**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, 2022**

**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. Leases**

Non-cancellable leases for the use of buildings and equipment are recognized as a lease liability and an intangible right-to-use lease asset in the district-wide and proprietary fund type financial statements. The District recognizes lease liabilities with an initial, individual value of \$2,000 or more. The lease liability is subsequently reduced by the principal portion of lease payments made each year. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or the asset's useful life. Leases are monitored for changes in circumstances that would require a remeasurement of the lease and the lease assets and liabilities are remeasured if certain changes occur that are expected to significantly affect the amount of the lease liability. Lease assets are reported with other capital assets and lease liabilities are reported with long-term liabilities on the statement of net position.

In the fund financial statements leases payable are recognized as other financing sources at the initial amount of the lease liability. Intangible right-to-use leased assets are reported as capital outlay expenditures.

**9. Financing Agreements**

Capital financing agreements and other financing agreements are financed purchase contracts that transfer ownership of the underlining assets or items (i.e. expendable supplies) to the District by the end of the agreement and do not contain termination options. Capital financing agreements and other financing agreements are recognized as long-term liabilities along with the related capital asset or expenses being financed, respectively, in the district-wide and proprietary fund type financial statements.

In the fund financial statements, capital financing agreements and other financing agreements are recognized as other financing sources at the face amount of the financed purchase contract. Assets and supplies financed under these agreements are reported as capital outlay or current expenditures, respectively.

**10. 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. 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.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***10. Long-Term Obligations (Continued)***

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.

***11. Net Position/Fund Balance***

**District-Wide Statements**

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

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

**Governmental Fund Statements**

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

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

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

*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, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 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, 2021 audited excess surplus that was appropriated in the 2022/2023 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).

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

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

**Governmental Fund Statements (Continued)**

**Restricted Fund Balance (Continued)**

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.

**Committed Fund Balance** – Amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Year-End Encumbrances – Represents outstanding purchase orders at year end for contracts awarded by formal action of the Board of Trustees 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.

**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.

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

**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.

***12. 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 Board of Education 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 District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district 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.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

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

***12. Fund Balance Policies (Continued)***

Amounts in the assigned fund balance classification are intended to be used by the Board of Education 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 1<sup>st</sup> 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 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the food service enterprise 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.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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. 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. 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 2021/2022. Also, during 2021/2022 the Board increased the original budget by \$3,965,419. The increase was funded by grant awards, insurance proceeds, additional state aid 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.

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

	<u>Final Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
General Fund			
Undistributed Expenditures			
Instruction			
Tuition – State Facilities	-	\$39,872	\$39,872
Tuition – Other	-	2,200	2,200

The above variances were the result of an audit adjustment and were offset with other available resources.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**C. Deficit Fund Equity**

The Food Service Enterprise Fund has a deficit in unrestricted net position of \$9,037 as of June 30, 2022. This deficit will be provided for in the 2022/2023 General Fund budget

The District has an accumulated deficit in fund balance of \$5,259,224 in the Capital Projects Fund as of June 30, 2022. This deficit is the result of the District utilizing temporary financing to fund expenditures for certain capital projects. As the District permanently finances these appropriations the District will realize as revenues the proceeds of the financing. This deficit does not indicate that the District is facing financial difficulties and is permitted practice under accounting principles generally accepted in the United States of America.

**D. 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, 2022 is as follows:

Balance, July 1, 2021		\$ 2,650,032
Increased by		
Interest Earnings	\$ 250	
Deposits Approved by Board Resolution	<u>450,000</u>	
Total Increases		<u>450,250</u>
		3,100,282
Decreased by:		
Withdrawals Approved in District Budget		<u>900,000</u>
Balance, June 30, 2022		<u><u>\$ 2,200,282</u></u>

**E. 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.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)**

**E. Maintenance Reserve (Continued)**

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

The activity of the maintenance reserve for the fiscal year ended June 30, 2022 is as follows:

Balance, July 1, 2021		\$ 135,880
Increased by:		
Interest Earned	\$ 250	
Deposit Approved by Board Resolution	<u>400,000</u>	
		<u>400,250</u>
Balance, June 30, 2022		<u>\$ 536,130</u>

**F. 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, 2022 is \$1,209,470. Of this amount, \$339,725 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$869,745 is required to be appropriated in the 2023/2024 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, 2022**

**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, 2022, the book value of the Board's deposits were \$19,435,970 and bank and brokerage firm balances of the Board's deposits amounted to \$22,088,686. 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	\$ 21,878,889
Uninsured and Collateralized	<u>209,797</u>
	<u>\$ 22,088,686</u>

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, 2022 the Board's bank balance of \$209,797 was exposed to custodial credit risk as follows:

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 209,797</u>
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**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, 2022, 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.



**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**A. Cash Deposits and Investments (Continued)**

**Investments (Continued)**

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.

**B. Receivables**

Receivables as of June 30, 2022 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>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 84,219	\$ 63,071	\$ 986	\$ 148,276
Intergovernmental				
Federal		376,708		376,708
Local	<u>34,811</u>	<u>-</u>	<u>-</u>	<u>34,811</u>
Total Receivables	<u>\$ 119,030</u>	<u>\$ 439,779</u>	<u>\$ 986</u>	<u>\$ 559,795</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	<u>\$ 170,964</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 170,964</u>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Balance, July 1, 2021 (Restated)	<u>Increases</u>	<u>Decreases</u>	Balance, June 30, 2022
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,286,701			\$ 1,286,701
Construction in Progress	-	\$ 6,671,663	-	6,671,663
	<u>1,286,701</u>	<u>6,671,663</u>	<u>-</u>	<u>7,958,364</u>
Total Capital Assets, Not Being Depreciated				
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	52,069,369		\$ (14,174,882)	37,894,487
Right-to-Use Leased Buildings	1,070,000			1,070,000
Improvements Other Than Buildings	988,641			988,641
Machinery and Equipment	2,110,242	30,891	-	2,141,133
	<u>56,238,252</u>	<u>30,891</u>	<u>(14,174,882)</u>	<u>42,094,261</u>
Total Capital Assets Being Depreciated				
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(16,906,877)	(1,146,946)	5,589,224	(12,464,599)
Right-to-Use Leased Buildings	(142,668)	(35,667)		(178,335)
Improvements Other Than Buildings	(645,376)	(24,947)		(670,323)
Machinery and Equipment	(1,859,880)	(79,429)	-	(1,939,309)
	<u>(19,554,801)</u>	<u>(1,286,989)</u>	<u>5,589,224</u>	<u>(15,252,566)</u>
Total Accumulated Depreciation				
Total Capital Assets, Being Depreciated, Net	<u>36,683,451</u>	<u>(1,256,098)</u>	<u>(8,585,658)</u>	<u>26,841,695</u>
Governmental Activities Capital Assets, Net	<u>\$ 37,970,152</u>	<u>\$ 5,415,565</u>	<u>\$ (8,585,658)</u>	<u>\$ 34,800,059</u>

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2022</u>
<b>Business-Type Activities:</b>				
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	(2,890)	\$ (470)		(3,360)
Machinery and Equipment	(150,569)	(3,063)	-	(153,632)
Total Accumulated Depreciation	<u>(153,459)</u>	<u>(3,533)</u>	<u>-</u>	<u>(156,992)</u>
Total Capital Assets, Being Depreciated, Net	<u>21,142</u>	<u>(3,533)</u>	<u>-</u>	<u>17,609</u>
Business-Type Activities Capital Assets, Net	<u>\$ 21,142</u>	<u>\$ (3,533)</u>	<u>\$ -</u>	<u>\$ 17,609</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	1,223,775
Total Support Services	<u>1,230,414</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 1,286,989</u>
<b>Business-Type Activities:</b>	
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, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**D. Capital Assets (Continued)**

**Asset Impairment and Insurance Proceeds**

**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, 2022. As of June 30, 2022, the District has received \$303,738 in FEMA reimbursements relating to Hurricane Ida which have been reflected in the financial statements.

**Storm Damage – Impairment Losses**

The recording of the asset impairment to hurricane damaged assets was determined in accordance with GASB No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Proceeds*. The impairments to the District’s assets is summarized as follows:

Buildings and Improvements Impairment	<u>\$ 8,585,658</u>
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**Insurance Proceeds**

The District had insurance policies in effect at the time of the hurricane for comprehensive property damage, casualty, business interruption and other coverages. As of June 30, 2022, the insurers have remitted \$2,085,196. These funds are recorded as other financing sources in the General Fund as of June 30, 2022. These funds have been committed by the District to be used for the cleanup of damages caused by the hurricane damage.

**E. Interfund Receivables, Payables, and Transfers**

The composition of interfund balances as of June 30, 2022, is as follows:

**Due To/From Other Funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 434,177
General Fund	Capital Project Fund	<u>1,001,959</u>
Total		<u>\$ 1,436,136</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.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**E. Interfund Receivables, Payables, and Transfers (Continued)**

**Interfund Transfers**

	Transfer In:		
	General Fund	Enterprise Food Service	Total
Transfer Out:			
General Fund		\$ 5,097	\$ 5,097
Capital Projects Fund	\$ 139,153	-	139,153
	<u>\$ 139,153</u>	<u>\$ 5,097</u>	<u>\$ 144,250</u>

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

**F. Leases Payable**

On April 19, 2017, the District entered into a 30 year lease agreement as lessee for the use of property owned by the Borough of Cresskill. The leased premises will be used and occupied for school purposes by the District. An initial lease liability was recorded in the amount of \$1,070,000. The lease has an interest rate of 2.811%. The District is required to make annual payments of \$55,714 or years 3 through 30. Payments for years 1 and 2 were deferred. As of June 30, 2022 the value of the lease liability was \$990,909. The equipment/building has a 50 year estimated useful life but is being depreciated on a 30 year straight line method to coincide with the lease term. The value of the right -to-use asset as of June 30, 2022 is \$1,070,000 and had accumulated depreciation of \$178,335.

The future principal and interest lease payments as of June 30, 2022 were as follows:

**Governmental Activities:**

Ending June 30,	Principal	Interest	Total
2023	\$ 27,860	\$ 27,854	\$ 55,714
2024	28,643	27,071	55,714
2025	29,448	26,266	55,714
2026	30,276	25,438	55,714
2027	31,127	24,587	55,714
2028-2032	169,261	109,310	278,571
2033-2037	194,426	84,145	278,571
2038-2042	223,333	55,238	278,571
2043-2047	256,535	22,035	278,570
Total	<u>\$ 990,909</u>	<u>\$ 401,944</u>	<u>\$ 1,392,853</u>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**G. Financing Agreements**

**Capital Financing Agreements**

The District entered into the following agreements to finance the construction of major capital facilities and other capital assets under capital financing agreements. The repayments under these financing agreements are subject to the annual appropriation of funds in the District’s approved budget.

Capital financing agreements at June 30, 2022 are comprised of the following:

\$154,360, fiscal year 2020 Agreement for the acquisition of copiers for a term of 5 years due in annual principal installments of \$14,218 to \$32,540 through December 20, 2024 interest at 3.60%	\$	80,645
\$35,205, fiscal year 2021 Agreement for the acquisition of copiers for a term of 5 years due in annual principal installments of \$3,345 to \$7,702 through November 28, 2005 interest at 3.60%		<u>25,155</u>
Total	\$	<u>105,800</u>

The maturity schedule of the remaining capital financing agreement payments for principal and interest is as follows:

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2023	\$ 38,238	\$ 3,690	\$ 41,928
2024	39,802	2,126	41,928
2025	24,416	622	25,038
2026	<u>3,344</u>	<u>51</u>	<u>3,395</u>
Total	<u>\$ 105,800</u>	<u>\$ 6,489</u>	<u>\$ 112,289</u>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**H. 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%	\$2,645,000
\$6,700,000, 2013 Bonds, due in annual installments of \$50,000 to \$1,040,000 through February 1, 2031, interest at 2.0% to 3.0%	6,305,000
\$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%	11,396,000
Total	<u>\$20,346,000</u>

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

**Governmental Activities:**

Fiscal Year Ending <u>June 30,</u>	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
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	1,370,000	483,163	1,853,163
2028-2032	5,935,000	1,831,113	7,766,113
2033-2037	3,400,000	1,088,675	4,488,675
2038-2042	3,500,000	484,925	3,984,925
2043	<u>671,000</u>	<u>23,485</u>	<u>694,485</u>
Total	<u>\$ 20,346,000</u>	<u>\$ 6,292,411</u>	<u>\$ 26,638,411</u>

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 93,575,140
Less: Net Debt Issued and Authorized But Not Issued	<u>41,705,862</u>
Remaining Borrowing Power	<u>\$ 51,869,278</u>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)**

**I. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Balance July 1, 2021 (Restated)	Additions	Reductions	Balance June 30, 2022	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 21,706,000		\$ 1,360,000	\$ 20,346,000	\$ 1,365,000
Add:					
Unamortized Premiums	122,956	-	48,827	74,129	-
Bonds Payable, Net	21,828,956	-	1,408,827	20,420,129	1,365,000
Leases Payable	1,018,007		27,098	990,909	27,860
Capital Financing Agreements	216,860		111,060	105,800	38,238
Compensated Absences	1,293,522	\$ 10,795	34,025	1,270,292	31,975
Net Pension Liability	4,927,353	-	1,329,551	3,597,802	-
Governmental Activities Long-Term Liabilities	<u>\$ 29,284,698</u>	<u>\$ 10,795</u>	<u>\$ 2,910,561</u>	<u>\$ 26,384,932</u>	<u>\$ 1,463,073</u>

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

**J. Short-Term Debt**

The Board's short-term activity for the fiscal year ended June 30, 2022 was as follows:

**Bond Anticipation Notes**

The Board issues Bond Anticipation Notes ("Project Notes") to interim finance Capital Projects. The Board's short-term debt activity for the fiscal year ended June 30, 2022 was as follows:

Purpose	Rate %	Maturity Date	Balance, July 1, 2021	Additions	Reductions	Balance, June 30, 2022
School Facilities Improvements	2.00%	3/9/2023	<u>\$ -</u>	<u>\$ 16,200,000</u>	<u>\$ -</u>	<u>\$ 16,200,000</u>

State law requires that bond anticipation notes issued for capital purposes be converted to long-term obligations within five years after the original issue date; provided however that notes are not renewed beyond the third anniversary date of the originals unless an amount of such notes equal to the first legally payable installment of the bonds such notes were issued in anticipation of are paid and retired in each subsequent year.



**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 Annual Comprehensive 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.

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>
2022	NONE	\$ 83,749	\$ 255	\$ 83,749	\$ 90,743
2021	NONE	66,658	194	66,658	90,488
2020	NONE	62,950		43,993	90,294

**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, 2022, 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.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**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, 2022 the District has not estimated its arbitrage earnings due to the IRS, if any.

**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) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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) Annual Comprehensive Financial Report (ACFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

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

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.

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 1/55<sup>th</sup> 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 1/60<sup>th</sup> 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 for tier 3 enrollment or do not work the minimum required hours for tier 4 and tier 5 enrollment 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](http://www.state.nj.us/treasury/pensions).

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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](http://www.state.nj.us/treasury/doinvest).

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the July 1, 2020 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 2022.

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, 2022 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 2022, 2021 and 2020 were equal to the required contributions.

During the fiscal years ended June 30, 2022, 2021 and 2020 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>
2022	\$ 355,670	\$ 5,880,150	\$ 9,931
2021	330,543	4,158,143	7,448
2020	295,184	3,063,891	6,489

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**D. Employee Retirement Systems and Pension Plans (Continued)**

**Employer and Employee Pension Contributions (Continued)**

In addition for fiscal years 2022, 2021 and 2020 the District contributed \$0, \$0 and \$1,192, respectively for PERS and the State contributed \$2,017, \$2,377 and \$2,628, respectively for TPAF for Long Term Disability Insurance Premium (LTDI).

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

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,242,387 during the fiscal year ended June 30, 2022 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, 2020 through June 30, 2021. 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, 2021 are based on the ratio of each employer's contribution to total employer contributions of the group for the fiscal year ended June 30, 2021.

At June 30, 2022, the District reported in the statement of net position (accrual basis) a liability of \$3,597,802 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the District's proportionate share was .03037 percent, which was an increase of .00015 percent from its proportionate share measured as of June 30, 2020 of .03022 percent.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$620,668 for PERS. The pension contribution made by the District during the current 2021/2022 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, 2022 with a measurement date of the prior fiscal year end of June 30, 2021. 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, 2022 for contributions made subsequent to the measurement date. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 56,742	\$ 25,756
Changes of Assumptions	18,737	1,280,841
Net Difference Between Projected and Actual Earnings on Pension Plan Investments		947,756
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>27,163</u>	<u>179,078</u>
Total	<u>\$ 102,642</u>	<u>\$ 2,433,431</u>

At June 30, 2022, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

Year Ending <u>June 30,</u>	<u>Total</u>
2023	\$ (951,857)
2024	(657,442)
2025	(414,550)
2026	(307,385)
2027	445
Thereafter	<u>-</u>
	<u>\$ (2,330,789)</u>

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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 Rates*

Pre-retirement mortality rates were based on the Pub-2010 General Below-Median Income Employee mortality table with an 82.2% adjustment for males and 101.4% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 General Below-Median Income Healthy Retiree mortality table with a 91.4% adjustment for males and 99.7% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability retirement rates used to value disabled retirees were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 127.7% adjustment for males and 117.2% adjustment for females, and with future improvement from the base year of 2010 on generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.



**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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, 2021) 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, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

***Discount Rate***

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers and the nonemployer contributing entity will be based on 100% of the actuarially determined contributions for the State employer and 100% of actuarially determined contributions for the local employers. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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)**

*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	\$ 4,899,477	\$ 3,597,802	\$ 2,493,146

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2021. A sensitivity analysis specific to the District’s net pension liability at June 30, 2021 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](http://www.state.nj.us/treasury/pensions).

**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, 2020 through June 30, 2021. 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, 2021, the State’s pension contribution was less than the actuarial determined amount.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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)**

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, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,587,955 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, 2022 the State’s proportionate share of the net pension liability attributable to the District is \$67,485,131. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. 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, 2021. At June 30, 2021, the State’s share of the net pension liability attributable to the District was .14037 percent, which was an increase of .00314 percent from its proportionate share measured as of June 30, 2020 of .13723 percent.

**Actuarial Assumptions**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. 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%

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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)**

***Mortality Rates***

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) 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, 2021 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%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

***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 7.00%, 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 79,846,182</u>	<u>\$ 67,485,131</u>	<u>\$ 57,102,625</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, 2021. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

***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](http://www.state.nj.us/treasury/pensions).

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**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 a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified 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. 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.

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](http://www.state.nj.us/treasury/pensions).

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plan 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 plan. 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, 2021 is \$60.0 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, 2020 which were rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the June 30, 2020 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 \$1.23 billion to the OPEB plan in fiscal year 2021.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Post-Retirement Medical Benefits Contributions (Continued)**

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution an 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, 2022, 2021 and 2020 were \$1,373,841, \$1,303,097 and \$1,136,647, 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, 2020 through June 30, 2021. 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, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$4,216,105. 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, 2022 the State's proportionate share of the OPEB liability attributable to the District is \$61,618,251. 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, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state's share of the OPEB liability attributable to the District was .10268 percent, which was an increase of .00338 percent from its proportionate share measured as of June 30, 2020 of .09930 percent.



**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**E. Post-Retirement Medical Benefits (Continued)**

**Actuarial Assumptions**

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

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

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

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.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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)**

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

**Discount Rate**

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.

**Changes in the 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, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2020 Measurement Date	\$ <u>67,336,783</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,586,919
Interest on the Total OPEB Liability	1,598,442
Change in Benefit Terms	(65,585)
Differences Between Expected and Actual Experience	(9,680,838)
Changes of Assumptions	60,791
Gross Benefit Payments	(1,259,125)
Contributions from the Member	40,864
<b>Net Changes</b>	<u>\$ (5,718,532)</u>
Balance, June 30, 2021 Measurement Date	\$ <u>61,618,251</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

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, 2021.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**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 2.16%, 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 (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	<b>1% Decrease <u>(1.16%)</u></b>	<b>Current Discount Rate <u>(2.16%)</u></b>	<b>1% Increase <u>(3.16%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>73,808,992</u>	\$ <u>61,618,251</u>	\$ <u>52,018,775</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:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>49,880,174</u>	\$ <u>61,618,251</u>	\$ <u>77,381,620</u>

The sensitivity analyses were based on the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State's proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

**F. Tax Abatements**

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

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

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 5 RESTATEMENT**

On July 1, 2021, the Cresskill Board of Education implemented GASB Statement No. 87 “Leases”. 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, 2021 are as follows:

**Governmental Activities**

The financial statements of the governmental activities as of June 30, 2021 have been restated to reflect certain activities related to leases payable for the right-to-use capital assets. The effect of this restatement is to decrease net position of governmental activities by \$90,675 from \$12,322,983 as previously reported to \$12,232,308 as of June 30, 2021.

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS**

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. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 6 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS (Continued)**

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. 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. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$1,753,237 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, 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 School District 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 its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGETARY COMPARISON SCHEDULES**

CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>REVENUES</b>					
<b>Local Sources</b>					
Local Tax Levy	\$ 28,812,109		\$ 28,812,109	\$ 28,812,109	
Tuition from Individuals	191,575		191,575	325,519	\$ 133,944
Tuition from Other LEA's Within the State	1,565,800		1,565,800	1,418,559	(147,241)
Interest on Capital Reserve Funds	250		250	1,261	1,011
Interest on Maintenance Reserve Funds	250		250	12,996	12,746
Interest on Unemployment Reserve Funds				255	255
Rents and Royalties	10,000		10,000	10,765	765
Unrestricted Miscellaneous Revenues	40,000	-	40,000	60,287	20,287
<b>Total Local Sources</b>	<b>30,619,984</b>	<b>-</b>	<b>30,619,984</b>	<b>30,641,751</b>	<b>21,767</b>
<b>State Sources</b>					
Categorical Special Education Aid	1,283,512		1,283,512	1,283,512	
Categorical Transportation Aid	82,508		82,508	82,508	
Categorical Security Aid	143,116		143,116	143,116	
Extraordinary Aid	310,985		310,985	616,544	305,559
On-behalf TPAF Contributions (Non-budgeted)					
Pension - Normal Cost & Accrued Liab. Contribution				5,798,343	5,798,343
Pension - Non-Contributory Group Life Insurance				81,807	81,807
Post Retirement Medical Benefit Contribution				1,373,841	1,373,841
Long Term Disability Insurance				2,017	2,017
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,242,387	1,242,387
<b>Total State Sources</b>	<b>1,820,121</b>	<b>-</b>	<b>1,820,121</b>	<b>10,624,075</b>	<b>8,803,954</b>
<b>Total Revenues</b>	<b>32,440,105</b>	<b>-</b>	<b>32,440,105</b>	<b>41,265,826</b>	<b>8,825,721</b>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
<b>Regular Programs - Instruction</b>					
<b>Salaries of Teachers</b>					
Kindergarten	494,595	\$ 66,100	560,695	560,684	11
Grades 1-5	3,997,703	(46,805)	3,950,898	3,940,950	9,948
Grades 6-8	2,278,052	8,506	2,286,558	2,278,811	7,747
Grades 9-12	3,254,542	(48,068)	3,206,474	3,196,803	9,671
<b>Regular Programs - Home Instruction</b>					
Salaries of Teachers	22,500	(5,650)	16,850	3,473	13,377
Purchased Professional-Educational Services	4,750		4,750	881	3,869
<b>Regular Programs - Undistributed Instruction</b>					
Purchased Professional-Educational Services	234,100	(14,885)	219,215	186,763	32,452
Other Purchased Services	129,668	6,073	135,741	132,772	2,969
General Supplies	607,330	(2,341)	604,989	425,447	179,542
Textbooks	16,000	-	16,000	5,358	10,642
<b>Total Regular Programs</b>	<b>11,039,240</b>	<b>(37,070)</b>	<b>11,002,170</b>	<b>10,731,942</b>	<b>270,228</b>
<b>Special Education</b>					
<b>Cognitive-Mild</b>					
Salaries of Teachers	184,662		184,662	184,662	
Other Salaries for Instruction	89,178	(1,900)	87,278	87,257	21
Purchased Professional- Educational Services	20,000	-	20,000	19,000	1,000
Other Purchased Services	1,000	(845)	155	130	25
General Supplies	18,701	-	18,701	13,070	5,631
<b>Total Cognitive Mild</b>	<b>313,541</b>	<b>(2,745)</b>	<b>310,796</b>	<b>304,119</b>	<b>6,677</b>

CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Special Education (Continued)</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	\$ 474,671	\$ (2,413)	\$ 472,258	\$ 469,630	\$ 2,628
Other Salaries for Instruction	36,563	2,933	39,496	38,925	571
Purchased Professional- Educational Services	99,990	2,100	102,090	72,893	29,197
General Supplies	3,179		3,179	509	2,670
Textbooks	1,168	-	1,168	501	667
<b>Total Learning and/or Language Disabilities</b>	<b>615,571</b>	<b>2,620</b>	<b>618,191</b>	<b>582,458</b>	<b>35,733</b>
<b>Multiple Disabilities</b>					
Salaries of Teachers	319,594	(13,129)	306,465	305,507	958
Other Salaries for Instruction	69,097	(4,172)	64,925	63,874	1,051
Purchased Professional- Educational Services	199,780	7,295	207,075	119,341	87,734
General Supplies	312	120	432	410	22
<b>Total Multiple Disabilities</b>	<b>588,783</b>	<b>(9,886)</b>	<b>578,897</b>	<b>489,132</b>	<b>89,765</b>
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	1,491,081	(94,755)	1,396,326	1,394,131	2,195
Purchased Professional- Educational Services	107,653	78,562	186,215	62,646	123,569
General Supplies	5,656	(120)	5,536	2,971	2,565
<b>Total Resource Room/Resource Center</b>	<b>1,604,390</b>	<b>(16,313)</b>	<b>1,588,077</b>	<b>1,459,748</b>	<b>128,329</b>
<b>Autism</b>					
Salaries of Teachers	684,536	(36,466)	648,070	646,532	1,538
Other Salaries for Instruction	206,205	6,300	212,505	194,455	18,050
Purchased Professional-Educational Services	972,568	(78,562)	894,006	639,602	254,404
General Supplies	3,728	-	3,728	2,535	1,193
<b>Total Autism</b>	<b>1,867,037</b>	<b>(108,728)</b>	<b>1,758,309</b>	<b>1,483,124</b>	<b>275,185</b>
<b>Preschool Disabled- Part Time</b>					
Salaries of Teachers	228,698	(8,200)	220,498	213,369	7,129
Other Salaries for Instruction	1,465		1,465	1,299	166
Purchased Professional-Educational Services	26,900	2,520	29,420	29,419	1
General Supplies	500	-	500	210	290
<b>Total Preschool Disabled-Part Time</b>	<b>257,563</b>	<b>(5,680)</b>	<b>251,883</b>	<b>244,297</b>	<b>7,586</b>
<b>Total Special Education</b>	<b>5,246,885</b>	<b>(140,732)</b>	<b>5,106,153</b>	<b>4,562,878</b>	<b>543,275</b>
<b>Basic Skills/Remedial</b>					
Salaries of Teachers	554,245	(30,000)	524,245	521,916	2,329
General Supplies	12,500	-	12,500	996	11,504
<b>Total Basic Skills/Remedial</b>	<b>566,745</b>	<b>(30,000)</b>	<b>536,745</b>	<b>522,912</b>	<b>13,833</b>
<b>Bilingual Education</b>					
Salaries of Teachers	371,432	(19,500)	351,932	340,887	11,045
General Supplies	8,225		8,225	2,222	6,003
Textbooks	4,000	-	4,000	-	4,000
<b>Total Bilingual Education</b>	<b>383,657</b>	<b>(19,500)</b>	<b>364,157</b>	<b>343,109</b>	<b>21,048</b>
<b>School Sponsored Co/Extra Curricular Activities</b>					
Salaries	93,540	21,965	115,505	101,414	14,091
Supplies and Materials	28,775	(705)	28,070	15,690	12,380
Other Objects	9,715	-	9,715	2,000	7,715
<b>Total School Sponsored Co/Extra Curricular Activ.</b>	<b>132,030</b>	<b>21,260</b>	<b>153,290</b>	<b>119,104</b>	<b>34,186</b>



CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original <u>Budget</u>	<u>Adjustments</u>	Final <u>Budget</u>	<u>Actual</u>	Variance Final Budget <u>To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
School Sponsored Athletics					
Salaries	\$ 368,374	(6,300)	\$ 362,074	\$ 313,289	\$ 48,785
Purchased Services	57,500	3,241	60,741	48,458	12,283
Supplies and Materials	38,260	56	38,316	32,160	6,156
Other Objects	43,993	(708)	43,285	40,749	2,536
Transfer to Cover Deficit (Custodial Funds)	37,000	-	37,000	33,000	4,000
<b>Total School Sponsored Athletics</b>	<b>545,127</b>	<b>(3,711)</b>	<b>541,416</b>	<b>467,656</b>	<b>73,760</b>
<b>Total - Instruction</b>	<b>17,913,684</b>	<b>(209,753)</b>	<b>17,703,931</b>	<b>16,747,601</b>	<b>956,330</b>
<b>Undistributed Expenditures</b>					
Instruction					
Tuition to Other LEAs Within the State - Special	141,537	5,450	146,987	133,707	13,280
Tuition to County Voc. School Districts - Regular	456,615	(14,760)	441,855	414,853	27,002
Tuition to Priv.Sch. For the Disabled W/ State	997,515	(12,670)	984,845	912,167	72,678
Tuition to Priv.Sch. For the Disabled & Oth LEAS - Spl	-	44,550	44,550	44,524	26
Tuition - State Facilities	-	-	-	39,872	(39,872)
Tuition - Other	-	-	-	2,200	(2,200)
<b>Total Undistributed Expenditures - Instruction</b>	<b>1,595,667</b>	<b>22,570</b>	<b>1,618,237</b>	<b>1,547,323</b>	<b>70,914</b>
Attendance & Social Work					
Purchased Professional & Technical Services	19,934	-	19,934	19,813	121
Supplies and Materials	-	530	530	470	60
<b>Total Attendance &amp; Social Work</b>	<b>19,934</b>	<b>530</b>	<b>20,464</b>	<b>20,283</b>	<b>181</b>
Health Services					
Salaries	252,801	-	252,801	250,673	2,128
Purchased Professional & Technical Services	12,150	-	12,150	8,000	4,150
Supplies and Materials	4,225	-	4,225	3,317	908
<b>Total Health Services</b>	<b>269,176</b>	<b>-</b>	<b>269,176</b>	<b>261,990</b>	<b>7,186</b>
Speech, OT, PT & Related Services					
Salaries	270,582	(1,650)	268,932	245,861	23,071
Purchased Professional-Educational Services	100,700	73,080	173,780	162,989	10,791
Supplies and Materials	8,527	-	8,527	4,398	4,129
<b>Total Speech, OT, PT &amp; Related Services</b>	<b>379,809</b>	<b>71,430</b>	<b>451,239</b>	<b>413,248</b>	<b>37,991</b>
Other Support Services - Students - Extra Services					
Salaries	231,616	(47,850)	183,766	157,717	26,049
Purchased Professional-Educational Services	337,398	(8,000)	329,398	211,483	117,915
Supplies and Materials	3,225	-	3,225	1,849	1,376
<b>Total Other Support Services-Students-Extra Svcs</b>	<b>572,239</b>	<b>(55,850)</b>	<b>516,389</b>	<b>371,049</b>	<b>145,340</b>
Guidance					
Salaries of Other Professional Staff	592,144	11,005	603,149	601,734	1,415
Salaries of Secretarial and Clerical Assistants	48,360	-	48,360	48,360	-
Purchased Professional-Educational Services	6,200	2,400	8,600	6,649	1,951
Other Purchased Services	8,700	(3,905)	4,795	891	3,904
Supplies and Materials	2,250	-	2,250	1,246	1,004
<b>Total Guidance</b>	<b>657,654</b>	<b>9,500</b>	<b>667,154</b>	<b>658,880</b>	<b>8,274</b>

CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Child Study Teams					
Salaries of Other Professional Staff	\$ 605,231	(56,800)	\$ 548,431	\$ 496,465	\$ 51,966
Salaries of Secretarial and Clerical Assistants	59,655		59,655	59,655	
Purchased Professional-Educational Services	86,351	36,800	123,151	86,911	36,240
Other Purchased Services	900		900	262	638
Supplies and Materials	1,800	-	1,800	931	869
<b>Total Child Study Team</b>	<b>753,937</b>	<b>(20,000)</b>	<b>733,937</b>	<b>644,224</b>	<b>89,713</b>
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	158,350	\$ 6,100	164,450	164,166	284
Salaries of Other Professional Staff	29,274	(5,237)	24,037	9,927	14,110
Purchased Professional-Educational Services	34,425		34,425	34,236	189
Other Purchased Services	2,280		2,280	1,785	495
Supplies and Materials	1,906		1,906	-	1,906
Other Objects	625	-	625	-	625
<b>Total Improvement of Inst. Serv.</b>	<b>226,860</b>	<b>863</b>	<b>227,723</b>	<b>210,114</b>	<b>17,609</b>
Educational Media Services/School Library					
Salaries	115,352		115,352	115,352	
Supplies and Materials	6,350	(530)	5,820	-	5,820
<b>Total Educational Media Services/School Library</b>	<b>121,702</b>	<b>(530)</b>	<b>121,172</b>	<b>115,352</b>	<b>5,820</b>
Instructional Staff Training Services					
Purchased Professional- Educational Services	6,000	(5,000)	1,000	320	680
Other Purchased Services	11,100	-	11,100	3,325	7,775
<b>Total Instructional Staff Training Services</b>	<b>17,100</b>	<b>(5,000)</b>	<b>12,100</b>	<b>3,645</b>	<b>8,455</b>
Support Services General Administration					
Salaries	357,740	838	358,578	358,578	
Legal Services	70,000	(21,056)	48,944	38,314	10,630
Audit Fees	35,000	(4,099)	30,901	30,580	321
Architectural/Engineering Services		8,200	8,200	8,016	184
Other Purchased Professional Services	4,500	300	4,800	4,434	366
Communications/Telephone	17,000	10,761	27,761	20,626	7,135
BOE Other Purchased Services	2,000		2,000	900	1,100
Misc. Purchased Services	68,400	13,624	82,024	80,982	1,042
General Supplies	1,500	(300)	1,200	495	705
BOE In-House Training/Meeting Supplies	2,000	(1,567)	433	37	396
Judgements Against the School District	4,000	3,000	7,000		7,000
Miscellaneous Expenditures	17,750	(14,843)	2,907	2,906	1
BOE Membership Dues and Fees	12,000	(8)	11,992	11,969	23
<b>Total Support Services General Administration</b>	<b>591,890</b>	<b>(5,150)</b>	<b>586,740</b>	<b>557,837</b>	<b>28,903</b>

CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	\$ 939,436	\$ 5,000	\$ 944,436	\$ 922,067	\$ 22,369
Salaries of Other Prof. Staff	538,506	15,800	554,306	548,485	5,821
Salaries of Secretarial and Clerical Assistants	274,881		274,881	273,509	1,372
Other Purchased Services	2,750		2,750	1,118	1,632
Supplies and Materials	49,150	649	49,799	36,386	13,413
Other Objects	11,190	-	11,190	9,325	1,865
<b>Total Support Services School Administration</b>	<b>1,815,913</b>	<b>21,449</b>	<b>1,837,362</b>	<b>1,790,890</b>	<b>46,472</b>
Central Services					
Salaries	270,708	(3,538)	267,170	266,619	551
Purchased Technical Services	97,300		97,300	83,958	13,342
Misc. Purchased Services	3,000	67,040	70,040	976	69,064
Supplies and Materials	7,500	2,660	10,160	10,155	5
Miscellaneous Expenditures	1,250	300	1,550	1,546	4
<b>Total Central Services</b>	<b>379,758</b>	<b>66,462</b>	<b>446,220</b>	<b>363,254</b>	<b>82,966</b>
Admin. Info. Tech					
Salaries	237,989	(5,000)	232,989	188,496	44,493
Purchased Technical Services	102,773	(597)	102,176	98,984	3,192
Other Purchased Services	250	600	850	850	
Supplies and Materials	6,000	375	6,375	700	5,675
<b>Total Admin. Info. Tech</b>	<b>347,012</b>	<b>(4,622)</b>	<b>342,390</b>	<b>289,030</b>	<b>53,360</b>
Required Maintenance for School Facilities					
Salaries	103,000	325	103,325	103,325	
Cleaning, Repair and Maintenance Services	231,858	2,309,016	2,540,874	1,949,319	591,555
General Supplies	10,500	(5,061)	5,439	5,437	2
<b>Total Required Maintenance for School Facilities</b>	<b>345,358</b>	<b>2,304,280</b>	<b>2,649,638</b>	<b>2,058,081</b>	<b>591,557</b>
Custodial Services					
Salaries	890,438	51,570	942,008	935,997	6,011
Salaries of Non-Instructional Aides	126,000	(82,537)	43,463	42,545	918
Purchased Professional and Technical Services	4,000	1,905	5,905	5,900	5
Cleaning, Repair and Maintenance Services	13,250	(7,511)	5,739	2,689	3,050
Rental of Land & Bldg Oth. Than Lease Pur Agrmt	85,000	435,407	520,407	467,264	53,143
Lease Purchase Payments- Energy Savings	75,751		75,751	75,751	
Other Purchased Property Services	35,860	(740)	35,120	32,701	2,419
Insurance	194,400	365	194,765	194,762	3
General Supplies	89,935	(31,019)	58,916	54,000	4,916
Energy (Natural Gas)	90,000	(24,000)	66,000	48,942	17,058
Energy (Electricity)	222,000	95,481	317,481	311,628	5,853
Energy (Gasoline)	3,000	475	3,475	3,473	2
Other Objects	2,575	(2,450)	125	125	-
<b>Total Custodial Services</b>	<b>1,832,209</b>	<b>436,946</b>	<b>2,269,155</b>	<b>2,175,777</b>	<b>93,378</b>
Care and Upkeep of Grounds					
Salaries	93,716	2,700	96,416	92,696	3,720
Purchased Professional and Technical Services	6,000	(3,843)	2,157	2,157	
Cleaning, Repair, and Maintenance Svc.	27,555	(18,717)	8,838	8,837	1
General Supplies	15,631	5,680	21,311	20,967	344
<b>Total Care and Upkeep of Grounds</b>	<b>142,902</b>	<b>(14,180)</b>	<b>128,722</b>	<b>124,657</b>	<b>4,065</b>

CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Security					
Cleaning, Repair and Maintenance Services	\$ 9,000	\$ (2,250)	\$ 6,750	\$ 6,750	-
Total Security	9,000	(2,250)	6,750	6,750	-
Student Transportation Services					
Contracted Services (Aid-In-Lieu) - Choice Students		3,000	3,000	3,000	
Contracted Services (Other Than Between Home and School) - Vendors	115,000	(17,190)	97,810	85,285	12,525
Contracted Services (Between Home and School) - Joint Agreements	33,500	(3,000)	30,500	24,645	5,855
Contract Services (Special Ed) - Vendors		-			
Contracted Services (Sp Ed Stds)-Joint Agreements	300,000	17,190	317,190	317,186	4
Total Student Transportation Services	448,500	-	448,500	430,116	18,384
Unallocated Benefits					
Social Security Contributions	300,000	11,363	311,363	292,674	18,689
Other Retirement Contributions- PERS	350,000	5,670	355,670	355,670	
Other Retirement Contributions - Regular	32,000		32,000	9,931	22,069
Workmens Compensation	107,801		107,801	107,643	158
Health Benefits	3,838,473	(132,740)	3,705,733	3,277,413	428,320
Tuition Reimbursement	5,000		5,000	4,700	300
Other Employee Benefits	105,700	28,285	133,985	121,205	12,780
Unused Sick Payment to Terminated/Retired Staff	46,000	(5,285)	40,715	34,025	6,690
Total Employee Benefits	4,784,974	(92,707)	4,692,267	4,203,261	489,006
On-behalf Contributions					
On-behalf TPAF Contributions (Non-Budgeted)					
Pension - Normal Cost & Accrued Liab.				5,798,343	(5,798,343)
Pension - Non-Contributory Group Life Insurance				81,807	(81,807)
Post Retirement Medical Benefit Contribution				1,373,841	(1,373,841)
Long Term Disability Insurance				2,017	(2,017)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,242,387	(1,242,387)
Total On-Behalf Contributions	-	-	-	8,498,395	(8,498,395)
Total Undistributed Expenditures	15,311,594	2,733,741	18,045,335	24,744,156	(6,698,821)
Interest Earned on Maintenance Reserve	250	-	250	-	250
Total Expenditures - Current Expenditures	33,225,528	2,523,988	35,749,516	41,491,757	(5,742,241)
CAPITAL OUTLAY					
Equipment					
Undistributed					
Required Maintenance for School Facilities		10,881	10,881	10,872	9
Care and Upkeep of Grounds	-	20,019	20,019	20,019	-
Total Equipment	-	30,900	30,900	30,891	9
Facilities Acquisition and Construction Services					
Architectural/Engineering Services	10,500	4,500	15,000	13,985	1,015
Other Purchased Prof. and Tech. Services	4,500	(4,500)			
Construction Services	885,000	62,600	947,600	810,714	136,886
Assessment for Debt Service on SDA Funding	92,970	-	92,970	92,970	-
Total Facilities Acquisition and Construction Services	992,970	62,600	1,055,570	917,669	137,901
Interest Deposit to Capital Reserve	250	-	250	-	250
Total Capital Outlay	993,220	93,500	1,086,720	948,560	138,160
Transfer of Funds to Charter Schools	35,455	(22,570)	12,885	-	12,885
Total Expenditures	34,254,203	2,594,918	36,849,121	42,440,317	(5,591,196)

CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (1,814,098)	\$ (2,594,918)	\$ (4,409,016)	\$ (1,174,491)	\$ 3,234,525
Other Financing Sources (Uses)					
Insurance Proceeds		2,085,196	2,085,196	2,085,196	
Transfer In - Capital Projects Fund				139,153	139,153
Transfer Out-Food Service Enterprise Fund	(7,000)	-	(7,000)	(5,097)	1,903
Total Other Financing Sources	(7,000)	2,085,196	2,078,196	2,219,252	141,056
Net Change in Fund Balances	(1,821,098)	(509,722)	(2,330,820)	1,044,761	3,375,581
Fund Balances, Beginning of Year	5,851,783	-	5,851,783	5,851,783	-
Fund Balances, End of Year	\$ 4,030,685	\$ (509,722)	\$ 3,520,963	\$ 6,896,544	\$ 3,375,581
Recapitulation					
Restricted Fund Balance					
Capital Reserve				\$ 2,200,282	
Maintenance Reserve				536,130	
Excess Surplus - (2023/2024 Budget)				869,745	
Excess Surplus - Designated for Subsequent Year's Expenditures (2022/2023 Budget)				339,725	
Unemployment Compensation Reserve				90,743	
Committed Fund Balance					
Year End Encumbrances				136,884	
Assigned Fund Balance					
Year End Encumbrances				499,524	
Designated for Subsequent Year's Expenditures (2022/2023 Budget)				560,275	
Unassigned Fund Balance				1,663,236	
				6,896,544	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Revenue Not Recognized on GAAP Basis				(753,073)	
Fund Balance per Governmental Funds (GAAP)				\$ 6,143,471	

CRESSKILL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
Federal	\$ 938,317	\$ 1,273,029	\$ 2,211,346	\$ 952,993	\$ (1,258,353)
Local Sources					
Miscellaneous	<u>85,000</u>	<u>97,472</u>	<u>182,472</u>	<u>358,941</u>	<u>176,469</u>
Total Revenues	<u>1,023,317</u>	<u>1,370,501</u>	<u>2,393,818</u>	<u>1,311,934</u>	<u>(1,081,884)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	120,649	193,028	313,677	151,450	162,227
Tuition	311,018	34,937	345,955	326,360	19,595
Purchased Professional and Technical Services	8,510	105,617	114,127	92,635	21,492
Other Purchased Services - Tuition	471,739	(294,034)	177,705	25,168	152,537
General Supplies	88,279	519,039	607,318	32,353	574,965
Other Objects	-	4,918	4,918	-	4,918
Co-Curricular Activities (Non-Budget)	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,648</u>	<u>(305,648)</u>
Total Instruction	<u>1,000,195</u>	<u>563,505</u>	<u>1,563,700</u>	<u>933,614</u>	<u>630,086</u>
Support Services					
Salaries		99,085	99,085	99,085	
Employee Benefits		53,767	53,767		53,767
Purchased Professional and Technical Services		148,598	148,598	67,752	80,846
Purchased Professional-Educational Services	23,122	47	23,169		23,169
Other Purchased Services	-	132,693	132,693	5,500	127,193
Supplies and Materials		272,806	272,806	80,532	192,274
Scholarship Awards (Non-Budget)	<u>-</u>	<u>-</u>	<u>-</u>	<u>44,827</u>	<u>(44,827)</u>
Total Support Services	<u>23,122</u>	<u>706,996</u>	<u>730,118</u>	<u>297,696</u>	<u>432,422</u>
Facilities Acquisition and Construction					
Noninstructional Equipment	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Facilities Acquisition and Construction	<u>-</u>	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Total Expenditures	<u>1,023,317</u>	<u>1,370,501</u>	<u>2,393,818</u>	<u>1,332,790</u>	<u>1,061,028</u>
Net Change in Fund Balances	-	-	-	(20,856)	(20,856)
Fund Balances, Beginning of Year (Restated)	<u>302,289</u>	<u>-</u>	<u>302,289</u>	<u>302,289</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 302,289</u>	<u>\$ -</u>	<u>\$ 302,289</u>	<u>\$ 281,433</u>	<u>\$ (20,856)</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Student Activities				\$ 208,085	
Scholarships				<u>73,348</u>	
				<u>\$ 281,433</u>	

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**  
**BUDGETARY COMPARISON SCHEDULES**

**CRESSKILL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 41,265,826	\$ 1,311,934
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, 2021		2,203
Encumbrances, June 30, 2022		-
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2020-2021)	846,186	
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2021-2022)	<u>(753,073)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 41,358,939</u>	<u>\$ 1,314,137</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total expenditures from the budgetary comparison schedule	\$ 42,440,317	\$ 1,332,790
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, 2021	-	2,203
Encumbrances, June 30, 2022	<u>-</u>	<u>-</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 42,440,317</u>	<u>\$ 1,334,993</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 Eight Fiscal Years\***

	<u>2022</u>	<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)	3.03700%	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)	\$ 3,597,802	\$ 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	\$ 2,174,570	\$ 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	165%	220%	249%	287%	335%	439%	317%	277%	278%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	70.33%	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 Eight Fiscal Years**

	<u>2022</u>	<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	\$ 355,670	\$ 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>355,670</u>	<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>	<u>\$ -</u>
District's Covered Payroll	\$ 2,335,587	\$ 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	15.23%	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 Eight Fiscal Years\*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's Proportion of the Net Position Liability (Asset)	0%	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	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 67,485,131</u>	<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>
<b>Total</b>	<u>\$ 67,485,131</u>	<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	\$ 16,741,742	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	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, 2022**

**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 Five Fiscal Years\*

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 3,586,919	\$ 2,028,798	\$ 1,922,770	\$ 2,182,791	\$ 2,648,039
Interest on Total OPEB Liability	1,598,442	1,483,102	1,761,590	1,900,990	1,629,774
Changes in Benefit Terms	(65,585)				
Differences between Expected and Actual Experiences	(9,680,838)	11,752,475	(6,366,570)	(5,153,729)	
Changes of Assumptions	60,791	12,300,116	609,957	(5,072,154)	(6,801,648)
Gross Benefit Payments	(1,259,125)	(1,172,278)	(1,255,785)	(1,181,888)	(1,509,756)
Contribution from the Member	<u>40,864</u>	<u>35,532</u>	<u>37,225</u>	<u>40,848</u>	<u>55,593</u>
<b>Net Change in Total OPEB Liability</b>	(5,718,532)	26,427,745	(3,290,813)	(7,283,142)	(3,977,998)
<b>Total OPEB Liability - Beginning</b>	<u>67,336,783</u>	<u>40,909,038</u>	<u>44,199,851</u>	<u>51,482,993</u>	<u>55,460,991</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 61,618,251</u>	<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>61,618,251</u>	<u>67,336,783</u>	<u>40,909,038</u>	<u>44,199,851</u>	<u>51,482,993</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 61,618,251</u>	<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>\$ 18,916,312</u>	<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%	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, 2022**

**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, 2022

	Every Student Succeeds Act (ESEA)				IDEA	ARP	IDEA	ARP	Total	Grand
	Title I	Title II-A	Title III	Title IV	Part B- Basic	IDEA Part B- Basic	Part B- Preschool	IDEA Part B- Preschool		
REVENUES										
Intergovernmental										
Federal	\$ 93,052	\$ 23,169	\$ 27,192	\$ 5,109	\$ 308,640	\$ 75,360	\$ 14,563	\$ 6,437	\$ 399,471	\$ 952,993
Local	-	-	-	-	-	-	-	-	358,941	358,941
Total Revenues	93,052	23,169	27,192	5,109	308,640	75,360	14,563	6,437	758,412	1,311,934
EXPENDITURES										
Instruction										
Salaries of Teachers	77,275		1,350	2,850					69,975	151,450
Tuition					263,270	63,090			92,635	326,360
Purchased Professional and Technical Services	14,400	23,169	24,744	759			14,563		15,000	92,635
Other Purchased Services									25,168	25,168
General Supplies			495			12,270			19,588	32,353
Co-Curricular Activities	-	-	-	-	-	-	-	-	305,648	305,648
Total Instruction	91,675	23,169	26,589	3,609	263,270	75,360	14,563	-	435,379	933,614
Support Services										
Salaries									99,085	99,085
Employee Benefits	1,377		103						-	1,480
Purchased Professional and Technical Services								6,437	61,315	67,752
Other Purchased Services			500						5,000	5,500
Supplies and Materials				1,500	45,370				33,662	80,532
Scholarship Awards	-	-	-	-	-	-	-	-	44,827	44,827
Total Support Services	1,377	-	603	1,500	45,370	-	-	6,437	243,889	299,176
Facilities Acquisition and Construction										
Construction Services	-	-	-	-	-	-	-	-	100,000	100,000
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	100,000	100,000
Total Expenditures	93,052	23,169	27,192	5,109	308,640	75,360	14,563	6,437	779,268	1,332,790
Net Change in Fund Balances	-	-	-	-	-	-	-	-	(20,856)	(20,856)
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	302,289	302,289
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 281,433	\$ 281,433

CRESSKILL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

	ESSER II			ESSER III			Local Grants	Student Activities	Scholarship	Total (Carried Forward)
	Mental Health	Learning Acceleration	Coronavirus Supplemental	ARP	ARP - Coach and Educator Support	ARP - Beyond the School Day				
<b>REVENUES</b>										
Intergovernmental										
Federal	\$ 40,500	\$ 5,400	\$ 177,142	\$ 52,069	\$ 112,585	\$ 11,775				\$ 399,471
Local	-	-	-	-	-	-	\$ 29,322	\$ 282,684	\$ 46,935	\$ 358,941
Total Revenues	<u>40,500</u>	<u>5,400</u>	<u>177,142</u>	<u>52,069</u>	<u>112,585</u>	<u>11,775</u>	<u>29,322</u>	<u>282,684</u>	<u>46,935</u>	<u>758,412</u>
<b>EXPENDITURES</b>										
Instruction										
Salaries of Teachers	40,500			17,700		11,775				69,975
Purchased Professional Technical Services			15,000							15,000
Other Purchased Services			25,168							25,168
General Supplies			15,512				4,076			19,588
Co-Curricular Activities	-	-	-	-	-	-	-	305,648	-	305,648
Total Instruction	<u>40,500</u>	<u>-</u>	<u>55,680</u>	<u>17,700</u>	<u>-</u>	<u>11,775</u>	<u>4,076</u>	<u>305,648</u>	<u>-</u>	<u>435,379</u>
Support Services										
Salaries					99,085					99,085
Purchased Professional and Technical Services		5,400	14,295	2,874	13,500		25,246			61,315
Other Purchased Services			5,000							5,000
Supplies and Materials			2,167	31,495	-	-				33,662
Scholarship Awards	-	-	-	-	-	-	-	-	44,827	44,827
Total Support Services	<u>-</u>	<u>5,400</u>	<u>21,462</u>	<u>34,369</u>	<u>112,585</u>	<u>-</u>	<u>25,246</u>	<u>-</u>	<u>44,827</u>	<u>243,889</u>
Facilities Acquisition and Construction										
Construction Services	-	-	100,000	-	-	-	-	-	-	100,000
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>100,000</u>
Total Expenditures	<u>40,500</u>	<u>5,400</u>	<u>177,142</u>	<u>52,069</u>	<u>112,585</u>	<u>11,775</u>	<u>29,322</u>	<u>305,648</u>	<u>44,827</u>	<u>779,268</u>
Net Change in Fund Balances	-	-	-	-	-	-	-	(22,964)	2,108	(20,856)
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	231,049	71,240	302,289
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 208,085</u>	<u>\$ 73,348</u>	<u>\$ 281,433</u>

22

**CRESSKILL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION PROGRAM AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**CRESSKILL BOARD OF EDUCATION**  
**CAPITAL PROJECTS FUND**  
**SUMMARY SCHEDULE OF PROJECT EXPENDITURES**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

<u>Project</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance,</u> <u>June 30, 2022</u>
		<u>Prior Year</u>	<u>Current Year</u>	
2017 Referendum Projects - Various Renovations, Alterations and Improvements to All District Schools	\$ 12,446,400	\$ 12,261,998	\$ 160,006	\$ 24,396
2022 Referendum - Hurricane Ida	<u>21,663,200</u>	<u>-</u>	<u>5,586,958</u>	<u>16,076,242</u>
	<u>\$ 34,109,600</u>	<u>\$ 12,261,998</u>	<u>\$ 5,746,964</u>	<u>\$ 16,100,638</u>
<b><u>Reconciliation to GAAP</u></b>				
Project Balance (Budgetary Basis)				\$ 16,100,638
Bonds Authorized But Not Issued				
Bonds Authorized			\$ (21,663,600)	
Less:				
FEMA Reimbursements			<u>303,738</u>	
Remaining Bonds Authorized But Not Issued				<u>(21,359,862)</u>
Fund Balance, GAAP Basis				<u>\$ (5,259,224)</u>
<b><u>Recapitulation of Fund Balance</u></b>				
Restricted for Capital Projects:				
Year-End Encumbrances				\$ 7,032,587
Available for Capital Projects				<u>(12,291,811)</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ (5,259,224)</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, 2022**

**Revenues and Other Financing Sources**

**Revenues**

Local Sources	
Interest Earned	\$ 12,358
Federal Sources	
FEMA Reimbursements - Hurricane Ida	303,738

**Other Financing Sources**

Premium on Issuance of Bond Anticipation Notes	<u>126,795</u>
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Total Revenues and Other Financing Sources	<u>442,891</u>
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**Expenditures and Other Financing Uses**

**Expenditures**

Cleaning, Repair and Maintenance Services	271,534
Transportation Services	381,892
Furniture and Supplies	292,313
Equipment	53,774
Legal Services	49,963
Architectural/Engineering Services	563,683
Other Purchased Prof. and Tech. Services	150,431
Construction Services	3,878,800
Miscellaneous Expenditures	104,574

**Other Financing Uses**

Transfer to General Fund	<u>139,153</u>
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Total Expenditures and Other Financing Uses	<u>5,886,117</u>
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Deficiency of Revenues and Other Financing Sources under Expenditures and Other Financing Uses	(5,443,226)
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Fund Balance, Beginning of Year	<u>184,002</u>
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Fund Balance, End of Year	<u>\$ (5,259,224)</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, 2022**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds	\$ 12,446,000	-	\$ 12,446,000	\$ 12,446,400
Total Revenues	<u>12,446,000</u>	<u>-</u>	<u>12,446,000</u>	<u>12,446,400</u>
<b>Expenditures and Other Financing Uses</b>				
Legal Services	25,611		25,611	26,848
Architectural/Engineering Services	1,144,087	\$ 15,440	1,159,527	1,160,000
Other Purchased Prof. and Tech. Services	338,303		338,303	246,152
Construction Services	9,328,274	144,566	9,472,840	9,755,400
Land Acquisition	1,238,071		1,238,071	1,238,000
Materials and Supplies	151,128		151,128	10,000
Instructional Equipment	36,524	-	36,524	10,000
Total Expenditures	<u>12,261,998</u>	<u>160,006</u>	<u>12,422,004</u>	<u>12,446,400</u>
Excess of Revenue Over Expenditures	<u>\$ 184,002</u>	<u>\$ (160,006)</u>	<u>\$ 23,996</u>	<u>\$ -</u>
<b>Additional Project Information:</b>				
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	2022/2023			



**CRESSKILL BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
2022 REFERENDUM PROJECT - HURRICANE IDA  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
Bond Proceeds				\$ 21,359,462
FEMA Reimbursements	-	\$ 303,738	\$ 303,738	303,738
Total Revenues	-	303,738	303,738	21,663,200
 <b>Expenditures and Other Financing Uses</b>				
Cleaning, Repair and Maintenance Services		271,534	271,534	299,864
Transportation Services		381,892	381,892	397,012
Furniture and Supplies		292,313	292,313	1,000,000
Equipment		53,774	53,774	86,216
Legal Services		49,963	49,963	250,000
Architectural/Engineering Services		548,243	548,243	1,333,120
Other Purchased Prof. and Tech. Services		150,431	150,431	1,030,000
Construction Services		3,734,234	3,734,234	16,966,804
Miscellaneous Expenditures	-	104,574	104,574	300,184
Total Expenditures	-	5,586,958	5,586,958	21,663,200
Excess of Revenue Over Expenditures	\$ -	\$ (5,283,220)	\$ (5,283,220)	\$ -

**Additional Project Information:**

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	1/25/2022
Bonds Authorized	\$ 21,663,200
Bonds Issued	-
Original Authorized Cost	21,663,200
Additional Authorized Cost	-
Revised Authorized Cost	21,663,200
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	25.79%
Original Target Completion Date	2022/23
Revised Target Completion Date	2022/23

**EXHIBIT G-1**

**CRESSKILL BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
AS OF JUNE 30, 2022**

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, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**EXHIBIT G-3**

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**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, 2022**

<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, 2021</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
			<u>Date</u>	<u>Amount</u>				
Refunding School Bonds	8/15/2012	\$ 8,960,000	2/1/2023	\$ 965,000	3.0-4.0%	\$ 3,610,000	\$ 965,000	\$ 2,645,000
			2/1/2024	960,000				
			2/1/2025	720,000				
Refunding School Bonds	2/22/2013	6,700,000	2/1/2023-24	50,000	2.0-3.0%	6,350,000	45,000	6,305,000
			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>\$ 21,706,000</u>	<u>\$ 1,360,000</u>	<u>\$ 20,346,000</u>
Paid by Budget Appropriation							<u>\$ 1,360,000</u>	

**CRESSKILL BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF LEASES PAYABLE AND CAPITAL FINANCING AGREEMENTS  
FOR THE FISCAL YEAR JUNE 30, 2022**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2021</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2022</u>
<b><u>Leases Payable</u></b>						
Leased Premises - Borough of Cresskill	2.81%	\$ 1,070,000	\$ <u>1,018,007</u>	<u>\$ -</u>	\$ <u>27,098</u>	\$ <u>990,909</u>
<b><u>Capital Financing Agreements</u></b>						
LED Lighting Project	1.924%	\$ 392,429	\$ 74,321		\$ 74,321	
2020 Atlantic Copier Lease	3.600%	154,360	110,928		30,283	\$ 80,645
2021 Atlantic Copier Lease	3.600%	35,205	<u>31,611</u>	<u>-</u>	<u>6,456</u>	<u>25,155</u>
			<u>\$ 216,860</u>	<u>\$ -</u>	<u>\$ 111,060</u>	<u>\$ 105,800</u>

**CRESSKILL BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 1,931,886		\$ 1,931,886	\$ 1,931,886	
Intergovernmental State					
Debt Service Aid Type II	<u>149,692</u>	<u>-</u>	<u>149,692</u>	<u>149,692</u>	<u>-</u>
 Total Revenues	 <u>2,081,578</u>	 <u>-</u>	 <u>2,081,578</u>	 <u>2,081,578</u>	 <u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	1,360,000		1,360,000	1,360,000	
Interest	<u>721,578</u>	<u>-</u>	<u>721,578</u>	<u>721,578</u>	<u>-</u>
 Total Expenditures	 <u>2,081,578</u>	 <u>-</u>	 <u>2,081,578</u>	 <u>2,081,578</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>					
Designated in Subsequent Year's Budget				<u>\$ 1</u>	

## STATISTICAL SECTION

This part of the Cresskill Board of Education's annual comprehensive 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 district'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 district'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 district's current levels of outstanding debt and the district'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 district'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 district's financial report relates to the services the district provides and the activities it performs.

J-16 to J-20

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive 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.									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 8,611,320
Restricted	364,709	413,870	929,245	646,274	1,315,072	1,514,654	1,452,620	1,959,960	3,178,690	3,108,589
Unrestricted	(232,308)	(6,635,207)	(6,811,314)	(6,950,121)	(7,780,872)	(8,165,212)	(7,549,406)	(6,581,432)	(6,463,065)	(4,490,094)
Total Governmental Activities Net Position	\$ 12,958,928	\$ 7,028,129	\$ 7,701,500	\$ 7,838,139	\$ 7,851,366	\$ 8,346,078	\$ 9,770,479	\$ 10,930,037	\$ 12,232,308	\$ 7,229,815
Business-Type Activities										
Net Investment in Capital Assets	\$ 18,893	\$ 16,677	\$ 16,616	\$ 14,161	\$ 25,766	\$ 22,571	\$ 25,879	\$ 24,675	\$ 21,142	\$ 17,609
Unrestricted	73,516	67,281	54,663	44,422	13,131	10,909	(6,573)	(11,797)	(16,270)	(9,037)
Total Business-Type Activities Net Position	\$ 92,409	\$ 83,958	\$ 71,279	\$ 58,583	\$ 38,897	\$ 33,480	\$ 19,306	\$ 12,878	\$ 4,872	\$ 8,572
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 8,628,929
Restricted	364,709	413,870	929,245	646,274	1,315,072	1,514,654	1,452,620	1,959,960	3,178,690	3,108,589
Unrestricted	(158,792)	(6,567,926)	(6,756,651)	(6,905,699)	(7,767,741)	(8,154,303)	(7,555,979)	(6,593,229)	(6,479,335)	(4,499,131)
Total District Net Position	\$ 13,051,337	\$ 7,112,087	\$ 7,772,779	\$ 7,896,722	\$ 7,890,263	\$ 8,379,558	\$ 9,789,785	\$ 10,942,915	\$ 12,237,180	\$ 7,238,387

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.

Note 3 - Net Position at June 30, 2021 was restated to reflect the implementation of GASB Statement No. 87 "Leases".

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental Activities</b>										
<b>Instruction</b>										
Regular	\$ 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	\$ 16,948,162
Special Education	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	7,908,711
Other Instruction	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	1,484,028
School Sponsored Activities And Athletics	719,481	741,117	811,390	904,425	1,005,498	975,125	786,069	771,306	894,905	1,023,844
<b>Support Services:</b>										
Student & Instruction Related Services	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	3,830,685
General Administration Services	791,756	670,510	652,965	648,006	710,738	735,828	782,521	824,708	864,384	854,330
School Administration Services	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	2,507,405
Central Services/Business Services	601,111	643,264	678,291	682,143	669,237	798,100	808,375	814,213	878,777	760,270
Plant Operations And Maintenance	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	5,736,266
Pupil Transportation	310,917	322,389	340,074	385,357	418,144	456,471	454,426	393,077	308,144	430,116
Interest On Long-Term Debt	664,229	602,569	580,644	542,990	514,990	607,871	870,109	832,624	786,091	760,731
<b>Total Governmental Activities Expenses</b>	<b>29,771,626</b>	<b>29,803,535</b>	<b>34,028,381</b>	<b>36,717,315</b>	<b>40,216,583</b>	<b>41,851,744</b>	<b>40,104,923</b>	<b>40,605,002</b>	<b>44,048,675</b>	<b>42,244,548</b>
<b>Business-Type Activities:</b>										
Food Service	341,879	349,623	355,614	336,671	338,082	347,883	355,719	234,957	14,293	17,880
<b>Total Business-Type Activities Expense</b>	<b>341,879</b>	<b>349,623</b>	<b>355,614</b>	<b>336,671</b>	<b>338,082</b>	<b>347,883</b>	<b>355,719</b>	<b>234,957</b>	<b>14,293</b>	<b>17,880</b>
<b>Total District Expenses</b>	<b>\$ 30,113,505</b>	<b>\$ 30,153,158</b>	<b>\$ 34,383,995</b>	<b>\$ 37,053,986</b>	<b>\$ 40,554,665</b>	<b>\$ 42,199,627</b>	<b>\$ 40,460,642</b>	<b>\$ 40,839,959</b>	<b>\$ 44,062,968</b>	<b>\$ 42,262,428</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
<b>Charges For Services:</b>										
Regular Instruction	\$ 395,221	\$ 306,004	\$ 274,131	\$ 247,599	\$ 257,635	\$ 283,190	\$ 286,592	\$ 215,957	\$ 187,820	\$ 325,519
Special Education Instruction	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	1,418,559
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	10,765
Operating Grants And Contributions	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	10,533,285
Capital Grants And Contributions	-	50,576	115,399	157,961	4,350	17,013	-	-	-	2,488,934
<b>Total Governmental Activities Program Revenues</b>	<b>5,434,671</b>	<b>5,215,481</b>	<b>8,948,357</b>	<b>10,566,384</b>	<b>13,219,714</b>	<b>14,377,327</b>	<b>12,093,678</b>	<b>11,365,048</b>	<b>15,041,563</b>	<b>14,777,062</b>
<b>Business-Type Activities:</b>										
<b>Charges For Services</b>										
Food Service	345,410	340,680	342,634	323,646	318,162	341,968	341,057	216,993	-	16,478
Operating Grants And Contributions	1,789	-	-	-	-	-	-	-	-	-
<b>Total Business Type Activities Program Revenues</b>	<b>347,199</b>	<b>340,680</b>	<b>342,634</b>	<b>323,646</b>	<b>318,162</b>	<b>341,968</b>	<b>341,057</b>	<b>216,993</b>	<b>-</b>	<b>16,478</b>
<b>Total District Program Revenues</b>	<b>\$ 5,781,870</b>	<b>\$ 5,556,161</b>	<b>\$ 9,290,991</b>	<b>\$ 10,890,030</b>	<b>\$ 13,537,876</b>	<b>\$ 14,719,295</b>	<b>\$ 12,434,735</b>	<b>\$ 11,582,041</b>	<b>\$ 15,041,563</b>	<b>\$ 14,793,540</b>
<b>Net (Expense)/Revenue</b>										
<b>Governmental Activities</b>	\$ (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)	\$ (27,467,486)
<b>Business-Type Activities</b>	5,320	(8,943)	(12,980)	(13,025)	(19,920)	(5,915)	(14,662)	(17,964)	(14,293)	(1,402)
<b>Total District-Wide Net Expense</b>	<b>\$ (24,331,635)</b>	<b>\$ (24,596,997)</b>	<b>\$ (25,093,004)</b>	<b>\$ (26,163,956)</b>	<b>\$ (27,016,789)</b>	<b>\$ (27,480,332)</b>	<b>\$ (28,025,907)</b>	<b>\$ (29,257,918)</b>	<b>\$ (29,021,405)</b>	<b>\$ (27,468,888)</b>

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

	Fiscal Year Ending June 30.									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 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	\$ 28,812,109
Property Taxes Levied For Debt Service, Net	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	1,931,886
State Aid Restricted for Debt Service	18,237	18,681	18,485	18,560	17,694	23,761	19,059	141,420	97,193	97,801
Unrestricted State Aid										
Investment Earnings	14,826	14,474	11,026	12,157	16,250	47,901	175,532	86,221	18,466	26,870
Miscellaneous Income	72,933	79,786	79,173	83,136	78,819	46,928	40,471	104,329	61,400	60,287
Special Items									1,500	(8,458,863)
Transfers	-	-	-	-	-	-	-	(11,336)	(6,269)	(5,097)
<b>Total Governmental Activities</b>	<b>24,442,958</b>	<b>24,907,666</b>	<b>25,753,395</b>	<b>26,287,570</b>	<b>27,010,096</b>	<b>27,969,129</b>	<b>29,435,646</b>	<b>29,973,953</b>	<b>30,400,058</b>	<b>22,464,993</b>
Business-Type Activities:										
Investment Earnings	526	492	301	329	234	498	488	200	18	5
Transfers	-	-	-	-	-	-	-	11,336	6,269	5,097
<b>Total Business-Type Activities</b>	<b>526</b>	<b>492</b>	<b>301</b>	<b>329</b>	<b>234</b>	<b>498</b>	<b>488</b>	<b>11,536</b>	<b>6,287</b>	<b>5,102</b>
<b>Total District-Wide</b>	<b>\$ 24,443,484</b>	<b>\$ 24,908,158</b>	<b>\$ 25,753,696</b>	<b>\$ 26,287,899</b>	<b>\$ 27,010,330</b>	<b>\$ 27,969,627</b>	<b>\$ 29,436,134</b>	<b>\$ 29,985,489</b>	<b>\$ 30,406,345</b>	<b>\$ 22,470,095</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 106,003	\$ 319,612	\$ 673,371	\$ 136,639	\$ 13,227	\$ 494,712	\$ 1,424,401	\$ 733,999	\$ 1,392,946	\$ (5,002,493)
Business-Type Activities	5,846	(8,451)	(12,679)	(12,696)	(19,686)	(5,417)	(14,174)	(6,428)	(8,006)	3,700
<b>Total District</b>	<b>\$ 111,849</b>	<b>\$ 311,161</b>	<b>\$ 660,692</b>	<b>\$ 123,943</b>	<b>\$ (6,459)</b>	<b>\$ 489,295</b>	<b>\$ 1,410,227</b>	<b>\$ 727,571</b>	<b>\$ 1,384,940</b>	<b>\$ (4,998,793)</b>

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.									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Restricted	\$ 748,529	\$ 497,305	\$ 703,528	\$ 687,028	\$ 1,575,384	\$ 1,708,274	\$ 2,477,619	\$ 3,505,792	\$ 4,137,223	\$ 4,036,625
Committed										136,884
Assigned	20,200	177,320	177,320	277,729	171,773	161,800	409,737	29,741	85,638	1,059,799
Unassigned	343,108	360,425	338,202	338,549	260,093	312,160	293,041	283,493	782,736	910,163
Total General Fund	\$ 1,113,837	\$ 1,035,050	\$ 1,219,050	\$ 1,303,306	\$ 2,007,250	\$ 2,182,234	\$ 3,180,397	\$ 3,819,026	\$ 5,005,597	\$ 6,143,471
All Other Governmental Funds										
Restricted	\$ 58,041	\$ 113,297	\$ 326,126	\$ 91,202	\$ 266	\$ 10,843,272	\$ 4,620,302	\$ 878,835	\$ 486,292	\$ (4,977,790)
Total All Other Governmental Funds	\$ 58,041	\$ 113,297	\$ 326,126	\$ 91,202	\$ 266	\$ 10,843,272	\$ 4,620,302	\$ 878,835	\$ 486,292	\$ (4,977,790)

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,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax Levy	\$ 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	\$ 30,743,995
Tuition Charges	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	1,744,078
Interest Earnings	14,826	21,400	11,026	12,157	16,250	47,901	175,532	86,221	18,466	26,870
Miscellaneous	173,016	174,654	168,855	185,535	174,410	125,681	126,808	200,633	317,910	429,993
State Sources	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	10,866,880
Federal Sources	391,357	393,771	406,754	531,495	474,118	541,414	505,934	520,080	811,219	1,258,934
<b>Total Revenue</b>	<b>29,877,629</b>	<b>30,123,147</b>	<b>31,817,056</b>	<b>32,901,247</b>	<b>34,109,660</b>	<b>35,954,376</b>	<b>38,114,998</b>	<b>39,217,744</b>	<b>41,501,547</b>	<b>45,070,750</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	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	18,230,660
Special Education Instruction	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	8,355,464
Other Instruction	1,104,449	745,794	800,594	882,335	1,070,505	1,134,871	1,234,927	1,266,967	1,650,876	1,597,779
School Sponsored Activities and Athletics	719,420	739,173	733,150	785,938	819,829	796,898	754,622	769,635	876,451	1,055,928
<b>Support Services:</b>										
Student and Inst. Related Services	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	4,029,378
General Administrative Services	791,713	669,020	649,309	633,126	663,886	683,916	739,582	807,538	824,411	901,139
School Administrative Services	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	2,675,755
Central Services/Business Services	600,945	641,394	673,758	663,041	608,022	703,440	779,572	804,034	843,907	787,456
Plant Operations And Maintenance	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	4,582,652
Pupil Transportation	310,917	322,389	340,074	385,357	418,144	456,471	454,426	393,077	308,144	430,116
Capital Outlay	215,365	383,905	280,377	468,152	437,422	2,005,582	6,318,385	4,423,294	454,146	6,702,554
<b>Debt Service:</b>										
Principal	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	1,498,158
Interest and Other Charges	758,463	604,208	575,999	535,549	503,055	475,012	811,113	829,996	781,024	756,813
Advance Refunding Escrow	-	-	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>30,060,415</b>	<b>30,146,778</b>	<b>31,420,227</b>	<b>33,051,915</b>	<b>33,889,081</b>	<b>37,382,386</b>	<b>43,339,805</b>	<b>42,889,165</b>	<b>40,736,455</b>	<b>51,603,852</b>
<b>Excess (Deficiency) of Revenues Over (Under) Expenditures</b>	<b>(182,786)</b>	<b>(23,631)</b>	<b>396,829</b>	<b>(150,668)</b>	<b>220,579</b>	<b>(1,428,010)</b>	<b>(5,224,807)</b>	<b>(3,671,421)</b>	<b>765,092</b>	<b>(6,533,102)</b>
<b>Other Financing Sources (Uses)</b>										
Bond Sale Proceeds	15,660,000	-	-	-	-	12,446,000	-	-	-	-
Capital Leases (Non-Budgeted)	-	-	-	-	-	-	-	-	-	-
Premium on Sale of Bonds/Notes	1,052,504	-	-	-	-	-	-	-	-	126,795
Payment to Refunded Bond Escrow Agent	(16,485,842)	-	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	-	-	-	-	-	-	-	2,085,196
Lease Purchase Proceeds	-	-	-	-	392,429	-	-	154,360	35,205	-
Transfers In	134,765	306,817	398,653	50,209	121,300	367,674	105,724	29,190	907	139,153
Transfers Out	(134,765)	(306,817)	(398,653)	(50,209)	(121,300)	(367,674)	(105,724)	(40,526)	(7,176)	(144,250)
<b>Total Other Financing Sources (Uses)</b>	<b>226,662</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>392,429</b>	<b>12,446,000</b>	<b>-</b>	<b>143,024</b>	<b>28,936</b>	<b>2,206,894</b>
<b>Net Change in Fund Balances</b>	<b>\$ 43,876</b>	<b>\$ (23,631)</b>	<b>\$ 396,829</b>	<b>\$ (150,668)</b>	<b>\$ 613,008</b>	<b>\$ 11,017,990</b>	<b>\$ (5,224,807)</b>	<b>\$ (3,528,397)</b>	<b>\$ 794,028</b>	<b>\$ (4,326,208)</b>
<b>Debt Service as a Percentage of Noncapital Expenditures</b>	<b>5.58%</b>	<b>5.36%</b>	<b>5.11%</b>	<b>4.90%</b>	<b>4.76%</b>	<b>4.84%</b>	<b>5.83%</b>	<b>5.93%</b>	<b>5.58%</b>	<b>5.02%</b>

\* 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)**

<b>Fiscal Year Ended June 30,</b>	<b><u>Tuition</u></b>	<b><u>Related Services Provided to Other LEAs</u></b>	<b><u>Interest on Invest.</u></b>	<b><u>Rentals</u></b>	<b><u>E-Rate Reimbursement</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
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
2022	1,744,078	-	14,512	10,765	11,577	48,710	1,829,642

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 <sup>a</sup>
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	2,237,068,139	1.40
2022	17,261,100	2,095,831,000	144,492,100	9,166,500	9,321,200	2,276,071,900	-	2,276,071,900	2,344,715,722	1.38

Source: County Abstract of Ratables

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

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

<u>Calendar Year</u>	<u>Total Direct School Tax Rate Cresskill Local School District</u>	<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
		<u>Municipality of Cresskill</u>	<u>County of Bergen</u>	
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
2022	1.38	0.783	0.249	2.41

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	2022	
	Taxable Assessed Value	% of Total District Net Assessed Value
CNL Retirement Sun1 Cresskill	34,167,600	1.50%
Care One at Dunroven	9,987,200	0.44%
Cresskill Mill C/O Asset Realty	6,598,500	0.29%
P.S. Realty, LLC C/O CVS	5,770,700	0.25%
Kings Supermarkets, Inc.	5,500,000	0.24%
JKP Broadway Associates LLC NJ Resident	5,283,100	0.23%
Brentwood Manor LLC	4,922,900	0.22%
Flower Center Real Est.	4,163,900	0.18%
101 Broadway Cresskill LLC	4,065,000	0.18%
	3,883,400	0.17%
	<b>\$ 84,342,300</b>	<b>3.71%</b>

Taxpayer	2013	
	Taxable Assessed Value	% of Total District's Net Assessed Value
CNL Retirement Sun1 Cresskill	\$ 36,757,300	2.07%
Care One at Dunroven	6,100,000	0.48%
Kings Supermarket Inc.	5,635,300	0.32%
MTX Wealth Mang-D. Carl Trust	4,210,700	0.27%
P.S. Realty, L.L.C.	3,188,000	0.25%
Resident	3,999,000	0.25%
Resident	3,800,000	0.23%
Cresskill Industrial Park	3,798,200	0.21%
Cresskill Mill C/O Asset Realty	3,759,000	0.21%
Resident	3,145,800	0.21%
	<b>\$ 74,393,300</b>	<b>4.20%</b>

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	
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%	
2022	30,743,995	30,743,995	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	Leases Payable/Capital Financing Agreements			
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		1,234,867	22,940,867	9,101	2,521
2022	20,346,000		1,096,709	21,442,709	9,101 E	2,356

Source: District records

E: Estimated

**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
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%	2,385
2022	20,346,000		20,346,000	0.89%	2,236

Source: District records

**CRESSKILL BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(UNAUDITED)**

Municipal Debt:	
Cresskill Board of Education (as of June 30, 2022)	\$ 41,705,862
Borough of Cresskill	<u>19,617,456</u>
 Total Direct Debt	 <u>61,323,318</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	1,880,867
Bergen County Utilities Authority - Water Pollution (B)	<u>2,184,861</u>
 Total Overlapping Debt	 <u>4,065,728</u>
 Total Direct and Overlapping Debt	 <u>\$ 65,389,046</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2021 equalized value by the total 2021 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

## Sources:

Borough of Cresskill 2021 Annual Debt Statement  
BCUA 2021 Audit  
Bergen County 2021 Annual Debt Statement

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

**Legal Debt Margin Calculation for Fiscal Year 2022**

	Equalized valuation basis	
	2019	\$ 2,330,518,223
	2020	2,279,404,817
	2021	<u>2,408,212,478</u>
		<u>\$ 7,018,135,518</u>
Average equalized valuation of taxable property	\$	2,339,378,506.00
Debt limit (4 % of average equalization value)		93,575,140
Total Net Debt Applicable to Limit		<u>41,705,862</u>
Legal debt margin	\$	<u>51,869,278</u>

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt Limit	\$ 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	\$ 93,575,140
Total Net Debt Applicable to Limit	<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>	<u>41,705,862</u>
Legal Debt Margin	<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>	<u>\$ 51,869,278</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	21.17%	20.51%	20.17%	18.67%	16.82%	29.10%	26.84%	24.87%	23.42%	44.57%

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>	
2013	4.5	\$ 71,286	8,652	
2014	4.5	73,883	8,659	
2015	4.5	77,323	8,673	
2016	3.7	78,836	8,658	
2017	3.3	81,024	8,767	
2018	3.2	85,191	8,722	
2019	2.8	88,241	8,669	
2020	7.4	91,972	8,626	
2021	5.2	Not Available	9,101	
2022	Not Available	Not Available	9,101	(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>Employer</u>	<u>2022</u>		<u>2013</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>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>	<u>2022</u>
Instruction											
Regular	116.50	113.80	116.40	117.10	120.30	122.30	124.30	122.30	122.00	124.00	121.00
Special Education	41	58	63	62	48	49	49	53	53	54	53
Support Services:											
Student and Instruction Related Services	42.6	37.2	38.4	42.0	42.0	42.0	42.0	42.0	34.0	35.0	30.0
General Administration	2	3	3	3	3	3	3	3	3	3	3
School Administrative Services	13	16.6	17.4	18.5	18.5	18.5	18.0	18.0	16.0	15.0	16.0
Central Services	4	3	3	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	1	1	2	2	2
Plant Operations And Maintenance	28	28	28	26	26	26	26	20	18	18	18
Pupil Transportation	-	-	-	-	-	-	-	-	-	-	-
Total	<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>	<u>246.00</u>

Source: District Personnel Records

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

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Teaching Staff	Pupil/Teacher Ratio		Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Junior Senior High School				
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	12:0:1	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%
2022	1,707.0	42,646,327	24,983	16.87%	162	10.7:1	10.4:1	1,724.0	1,644.4	-3.09%	95.39%

Sources: District records

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<u>District Building</u>										
<u>Elementary</u>										
<u>Edward H. Bryan School</u>										
Square Feet	48,738	48,738	48,738	48,738	48,738	48,738	48,738	61,138	61,138	61,138
Capacity (students)	378	378	378	378	378	378	378	475	475	475
Enrollment	460	471	483	496	496	500	478	484	499	521
<u>Merrill Memorial School</u>										
Square Feet	42,540	42,540	42,540	42,540	42,540	42,540	42,540	42,540	42,540	42,540
Capacity (students)	313	313	313	313	313	313	313	313	313	313
Enrollment	303	323	340	335	335	357	352	359	295	290
<u>Middle School/High School</u>										
Square Feet	141,769	141,769	141,769	141,769	141,769	141,769	141,769	141,769	141,769	141,769
Capacity (students)	956	956	956	956	956	956	956	956	956	956
Enrollment	966	955	960	963	963	982	968	982	985	896

Number of Schools at June 30, 2022

Elementary = 2

Junior/Senior High School = 1

Source: District Records

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

<u>School Facilities</u>	<u>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>	<u>2022</u>
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>	<u>-</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>	<u>\$ -</u>
											<u>2,329,615</u>

**CRESSKILL BOARD OF EDUCATION**  
**SCHEDULE OF INSURANCE**  
**JUNE 30, 2022**  
**(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy -		
General Liability		
General Aggregate	\$ 1,000,000	
Products Completed Operations	1,000,000	
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	5,000
Forgery & Alteration	\$500,000 Per Loss	100,000
	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**

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, 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, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA

**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, 2022 and the related notes to the financial statements, which collectively comprise the Cresskill Board of Education's basic financial statements and have issued our report thereon dated January 30, 2023.

**Report on 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.

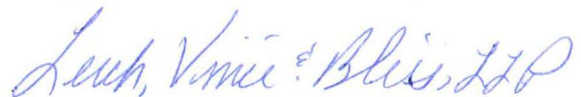
### **Report on Compliance and Other Matters**

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 January 30, 2023.

### **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 & BLISS, LLP  
Certified Public Accountants  
Public School Accountants



Robert W. Haag  
Public School Accountant  
PSA Number CS002364

Fair Lawn, New Jersey  
January 30, 2023





# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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CHRISTINA CUIFFO, CPA

**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 Trustees  
Cresskill Board of Education  
Cresskill, New Jersey

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

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

We have audited the Cresskill Board of Education’s compliance with the types of compliance requirements identified as subject to audit 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, 2022. 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.

In our opinion, the Cresskill Board of Education complied, in all material respects, with the 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, 2022.

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

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 prescribed by the Office of School Finance, Department of Education, State of New Jersey; audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and audit requirements of New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Our responsibilities under those standards, U.S. Uniform Guidance and New Jersey OMB Circular are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Cresskill Board of Education and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal and state program. Our audit does not provide a legal determination of the Cresskill Board of Education’s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulation, rules, and provisions of contracts or grant agreements applicable to the Cresskill Board of Education's federal and state programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Cresskill Board of Education's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance and New Jersey OMB Circular 15-08 will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omission, misrepresentation, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Cresskill Board of Education's compliance with the requirements of each major federal and state program as a whole.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards, audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, U.S. Uniform Guidance, and New Jersey OMB Circular 15-08, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Cresskill Board of Education's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Cresskill Board of Education's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Cresskill Board of Education's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

### **Report on 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 Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 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 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, 2022, and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We have issued our report thereon dated January 30, 2023, 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 & BLISS, LLP  
Certified Public Accountants  
Public School Accountants



Robert W. Haag  
Public School Accountant  
PSA Number CS002364

Fair Lawn, New Jersey  
January 30, 2023

**CRESSKILL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Federal AL Number	Grant Period	Award Amount	Balance July 1, 2021	Carryover/ Deferred Revenue	Carryover/ (Accounts Receivable)	Cash Received	Budgetary Expenditures	Refund of Prior Years Balances	Funds Released Adjust Deferred Revenue	Adjust (Accounts Receivable)	(Accounts Receivable)	June 30, 2022 Unearned Revenue	Due to Grantor	MEMO GAAP Receivable
<b>U.S. Department of Education</b>																
<b>Passed-through State Department of Education</b>																
ESEA Title I - Grants to Local Education Agencies	84.010	S010A210030	7/1/21-9/30/22	\$ 104,549		\$ 18,040	\$ (18,040)	\$ 70,425	\$ 93,052			\$ (52,164)	\$ 29,537		\$ (22,627)	
ESEA Title I - Grants to Local Education Agencies	84.010	S010A200030	7/1/20-9/30/21	122,605	(159,305)	(18,040)	18,040	159,305	-	-	-	-	-	-	-	
Total Title I Cluster					(159,305)	-	-	229,730	93,052	-	-	(52,164)	29,537	-	(22,627)	
ESEA Title II A - Supporting Effective Instruction	84.367A	S367A210029	7/1/21-9/30/22	21,531		1,638	(1,638)	17,392	23,169			(5,777)	-		(5,777)	
ESEA Title II A - Supporting Effective Instruction	84.367A	S367A200029	7/1/20-9/30/21	27,202	(27,125)	(1,638)	1,638	27,125	-	-	-	-	-	-	-	
Total Title II Cluster					(27,125)	-	-	44,517	23,169	-	-	(5,777)	-	-	(5,777)	
ESEA Title III - English Language Acquisition	84.365	S365A210030	7/1/21-9/30/22	30,588		4,750	(4,750)	1,850	27,192			(33,488)	8,146		(25,342)	
ESEA Title III - English Language Acquisition	84.365	S365A200030	7/1/20-9/30/21	18,953	(32,636)	(4,750)	4,750	32,636	-	-	-	-	-	-	-	
ESEA Title III-Immigrant - English Language Acquisition	84.365	S365A200030	7/1/20-9/30/21	15,182	(16,899)	-	-	16,899	-	-	-	-	-	-	-	
Total Title III Cluster					(49,535)	-	-	51,385	27,192	-	-	(33,488)	8,146	-	(25,342)	
ESEA Title IV - Student Support and Academic Enrichment	84.424	S424A210031	7/1/21-9/30/22	10,000		10,713	(10,713)	3,609	5,109			(17,104)	15,604		-	
ESEA Title IV - Student Support and Academic Enrichment	84.424	S424A200031	7/1/20-9/30/21	10,000	(7,297)	(10,713)	10,713	15,499	-	-	(8,202)	-	-	-	-	
Total Title IV Cluster					(7,297)	-	-	19,108	5,109	-	-	(8,202)	(17,104)	15,604	-	
Coronavirus Relief and Economic Security Act - Elementary and and Secondary School Emergency Relief Funds (CARES - ESSER I) CARES Emergency Relief Grant	84.425D	S425D200027	3/13/20-9/30/22	98,574	(38,827)			38,827								
Coronavirus Response and Relief Supplemental Act (CRRSA - ESSER II) Coronavirus Supplemental Approp Learning Acceleration Mental Health	84.425D 84.425D 84.425D	S425D210027 S425D210027 S425D210027	3/13/20-9/30/23 3/13/20-9/30/23 3/13/20-9/30/23	404,086 25,932 45,000	(36,912)			217,723 5,099 40,500	177,142 5,400 40,500			(186,363) (20,833) (45,000)	190,032 20,532 4,500		(301) (40,500)	
American Rescue Plan - Elementary and Secondary Schools Emergency Relief Fund (ARP - ESSER) ARP Accelerated Learning Coach and Educator Support Evidence Based Summer Learning and Enrichment Evidence Based Comprehensive Beyond the School Day NJTSS Mental Health Support Staffing	84.425U 84.425U 84.425U 84.425U 84.425U	S425U210027 S425U210027 S425U210027 S425U210027 S425U210027	3/13/20-9/30/24 3/13/20-9/30/24 3/13/20-9/30/24 3/13/20-9/30/24 3/13/20-9/30/24	908,157 146,488 40,000 40,000 45,000				52,069 112,585 - 11,775 -				(908,157) (146,488) (40,000) (40,000) (45,000)	856,088 33,903 40,000 28,225 45,000		(52,069) (112,585) (11,775)	
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)					(75,739)	-	-	261,649	399,471	-	-	(1,431,841)	1,218,280	-	(217,230)	
Individuals with Disabilities Education Act (IDEA) ARP - IDEA Basic IDEA Basic IDEA Basic IDEA Basic ARP - IDEA Preschool IDEA Preschool IDEA Preschool	84.027X 84.027A 84.027A 84.027A 84.027A 84.173X 84.173A 84.173A	H027X210100 H027A210100 H027A200100 H027A190100 H173X210114 H173A210114 H173A200114	7/1/21-9/30/22 7/1/21-9/30/22 7/1/20-6/30/21 7/1/19-6/30/20 7/1/21-9/30/22 7/1/21-9/30/22 7/1/20-6/30/21	75,360 329,156 251,118 328,136 6,437 14,792 14,785		5,301 (5,301) 284	(5,301) 5,301	12,270 272,319 81,274 -	75,360 308,640 81,274 -			(63,090) (62,138) -	25,817 -		(63,090) (36,321)	
Total Special Education (IDEA) Cluster					(84,851)	-	-	384,403	405,000	284	-	(137,518)	31,786	-	(105,732)	
Total U.S. Department of Education/Special Revenue Fund					(403,852)	-	-	990,792	952,993	284	-	(8,202)	(1,677,892)	1,303,353	(376,708)	
U.S. Department of Homeland Security Federal Emergency Management Agency (Passed Through New Jersey State Department of Public Safety) Disaster Grant - Public Assistance	97.036	N/A	N/A	303,738				303,738	303,738							
Total U.S. Department of Homeland Security/Capital Projects Fund								303,738	303,738							
					\$ (403,852)	\$ -	\$ -	\$ 1,294,530	\$ 1,256,731	\$ 284	\$ -	\$ (8,202)	\$ 1,303,353	\$ -	\$ (376,708)	

130

**CRESSKILL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

121

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2021	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	(Accounts Receivable)	June 30, 2022 Unearned Revenue	Due to Grantor	Memo	
											GAAP Receivable	Cumulative Total Expenditures
<b>General Fund</b>												
State Department of Education												
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	\$ 1,283,512		\$ 1,167,395	\$ 1,283,512		\$ (116,117)				\$ 1,283,512
Special Education Categorical Aid	21-495-034-5120-089	7/1/20-6/30/21	999,519	\$ (90,654)	90,654							
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	143,116		130,168	143,116		(12,948)				143,116
Security Aid	21-495-034-5120-084	7/1/20-6/30/21	143,116	(12,980)	12,980							
<b>Total State Aid Public Cluster</b>				<b>(103,634)</b>	<b>1,401,197</b>	<b>1,426,628</b>	<b>-</b>	<b>(129,065)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,426,628</b>
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	82,508		75,044	82,508		(7,464)				82,508
Transportation Aid	21-495-034-5120-014	7/1/20-6/30/21	82,508	(7,483)	7,483							
Extraordinary Sp. Ed. Costs Aid	22-495-034-5120-044	7/1/21-6/30/22	616,544			616,544		(616,544)				616,544
Extraordinary Sp. Ed. Costs Aid	21-495-034-5120-044	7/1/20-6/30/21	735,069	(735,069)	735,069							
<b>TPAF On behalf Contributions</b>												
Pension - Normal Cost & Accrued Liability	22-495-034-5095-002	7/1/21-6/30/22	5,798,343		5,798,343	5,798,343						5,798,343
Pension - Non-Contributory Insurance	22-495-034-5094-004	7/1/21-6/30/22	81,807		81,807	81,807						81,807
Post Retirement Medical Benefit Contrib	22-495-034-5095-001	7/1/21-6/30/22	1,373,841		1,373,841	1,373,841						1,373,841
Long Term Disability Insurance	22-495-034-5094-004	7/1/21-6/30/22	2,017		2,017	2,017						2,017
Reimbursed TPAF Social Security	22-495-034-5095-003	7/1/21-6/30/22	1,242,387	-	1,242,387	1,242,387	-	-	-	-	-	1,242,387
<b>Total General Fund</b>				<b>(846,186)</b>	<b>10,717,188</b>	<b>10,624,075</b>	<b>-</b>	<b>(753,073)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,624,075</b>
<b>Special Revenue Fund</b>												
New Jersey Schools Development Authority Emergent and Capital Maintenance Needs	N/A	N/A	43,759	-	43,759	-	-	-	43,759	-	-	-
<b>Total Special Revenue Fund</b>				<b>-</b>	<b>43,759</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>43,759</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Debt Service Fund</b>												
State Department of Education Debt Service Aid	22-100-034-5120-075	7/1/21-6/30/22	149,692	-	149,692	149,692	-	-	-	-	-	149,692
<b>Total Debt Service Fund</b>				<b>-</b>	<b>149,692</b>	<b>149,692</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>149,692</b>
<b>Total State Financial Assistance Subject to Single Audit Determination</b>				<b>\$ (846,186)</b>	<b>\$ 10,910,639</b>	<b>\$ 10,773,767</b>	<b>\$ -</b>	<b>\$ (753,073)</b>	<b>\$ 43,759</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 10,773,767</b>
<b>State Financial Assistance Not Subject to Single Audit Determination</b>												
<b>General Fund</b>												
On-Behalf TPAF Pension-NCGI	22-100-034-5094-004	7/1/21-6/30/22			(5,798,343)	(5,798,343)						(5,798,343)
On-Behalf TPAF Pension-Normal Costs	22-100-034-5094-006	7/1/21-6/30/22			(81,807)	(81,807)						(81,807)
On-Behalf TPAF-Long Term Disability	22-100-034-5094-004	7/1/21-6/30/22			(1,373,841)	(1,373,841)						(1,373,841)
On-Behalf TPAF Post Retirement Medical	22-100-034-5094-001	7/1/21-6/30/22			(2,017)	(2,017)						(2,017)
<b>Total State Financial Assistance Subject to Major Program Determination</b>				<b>\$ (846,186)</b>	<b>\$ 3,654,631</b>	<b>\$ 3,517,759</b>	<b>\$ -</b>	<b>\$ (753,073)</b>	<b>\$ 43,759</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 3,517,759</b>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

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

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$93,113 for the general fund and an increase of \$2,203 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		\$ 10,717,188	\$ 10,717,188
Special Revenue Fund	\$ 955,196		955,196
Capital Projects Fund	303,738		303,738
Debt Service Fund	-	149,692	149,692
	<u>          </u>	<u>          </u>	<u>          </u>
Total Financial Assistance	<u>\$ 1,258,934</u>	<u>\$ 10,866,880</u>	<u>\$ 12,125,814</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, 2022**

**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 \$1,242,387 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, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$5,880,150, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,373,841 and TPAF Long-Term Disability Insurance in the amount of \$2,017 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

**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, 2022**

*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>Federal AL Number</u>	<u>FAIN Numbers</u>	<u>Name of Federal Program or Cluster</u>
<u>84.425D</u>	<u>S425D210027</u>	<u>Coronavirus Response and Relief Supplemental Act (CRRSA)</u>
<u>84.425U</u>	<u>S425U210027</u>	<u>American Rescue Plan - Elementary and Secondary School Emergency Relief Fund</u>
<u>84.027X</u>	<u>H027X210100</u>	<u>ARP - IDEA Basic</u>
<u>84.027A</u>	<u>H027A210100</u>	<u>IDEA Basic</u>
<u>84.173X</u>	<u>H173X210114</u>	<u>ARP - IDEA Preschool</u>
<u>84.173A</u>	<u>H173A210114</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  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

***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, 2022**

*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, 2022**

*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, 2022**

*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**

There were none.