

CRESSKILL BOARD OF EDUCATION
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

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, 2023

Prepared by

Finance Department

**CRESSKILL BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

INTRODUCTORY SECTION

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

FINANCIAL SECTION

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

REQUIRED SUPPLEMENTARY INFORMATION- PART I

Management's Discussion and Analysis	4-14
--------------------------------------	------

Basic Financial Statements

A. District-wide Financial Statements

A-1 Statement of Net Position	15
A-2 Statement of Activities	16

B. Fund Financial Statements

Governmental Funds

B-1 Balance Sheet	17-18
B-2 Statement of Revenues, Expenditures, and Changes in Fund Balances	19
B-3 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	20

Proprietary Funds

B-4 Statement of Net Position	21
B-5 Statement of Revenues, Expenses, and Changes in Net Position	22
B-6 Statement of Cash Flows	23

Fiduciary Funds – Not Applicable

Notes to the Financial Statements	24-63
--	-------

**CRESSKILL BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

REQUIRED SUPPLEMENTARY INFORMATION – PART II

C. Budgetary Comparison Schedules

C-1	Budgetary Comparison Schedule – General Fund	64-70
C-2	Budgetary Comparison Schedule – Special Revenue Fund	71

NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – PART II

C-3	Budgetary Comparison Schedule – Required Supplementary Information	72
-----	--	----

REQUIRED SUPPLEMENTARY INFORMATION - PART III

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

L-1	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Public Employees Retirement System	73
L-2	Required Supplementary Information – Schedule of District Contributions – Public Employees Retirement System	74
L-3	Required Supplementary Information – Schedule of the District’s Proportionate Share of the Net Pension Liability – Teachers Pension and Annuity Fund	75
L-4	Notes to Required Supplementary Information – Net Pension Liability	76

M. Schedules Related to Postemployment Benefits Other than Pensions (GASB 75)

M-1	Required Supplementary Information – Schedule of District’s Proportionate Share Of Total OPEB Liability	77
M-2	Notes to Required Supplementary Information – OPEB Liability	78

D. School Level Schedules – Not Applicable

E. Special Revenue Fund

E-1	Combining Schedule of Revenues and Expenditures Special Revenue Fund – Budgetary Basis	79-80
E-2	Schedule of Preschool Education Program Aid Expenditures – Budgetary Basis – Not Applicable	81

F. Capital Projects Fund

F-1	Summary Schedule of Project Expenditures	82
F-2	Summary Schedule of Project Expenditures and Changes in Fund Balance – Budgetary Basis	83
F-2a- F-2b	Schedule of Project Revenues, Expenditures, Project Balance and Project Status – Budgetary Basis	84-85

G. Enterprise Funds

G-1	Combining Statement of Net Position – Not Applicable	86
G-2	Combining Statement of Revenues, Expenses and Changes in Net Position – Not Applicable	86
G-3	Combining Statement of Cash Flows – Not Applicable	86

**CRESSKILL BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

H. Fiduciary Funds – Not Applicable

I. Long-Term Debt

I-1	Schedule of Bonds Payable	87
I-2	Schedule of Leases Payable and Capital Financing Agreements	88
I-3	Debt Service Fund Budgetary Comparison Schedule – Budget and Actual	89
I-4	Schedule of Obligations Subscription-Based Information Technology Arrangements – Not Applicable	90

J. STATISTICAL SECTION (Unaudited)

J-1	Net Position by Component	91
J-2	Changes in Net Position	92-93
J-3	Fund Balances – Governmental Funds	94
J-4	Changes in Fund Balances - Governmental Funds	95
J-5	General Fund Other Local Revenue by Source	96
J-6	Assessed Value and Actual Value of Taxable Property	97
J-7	Direct and Overlapping Property Tax Rates	98
J-8	Principal Property Taxpayers	99
J-9	Property Tax Levies and Collections	100
J-10	Ratios of Outstanding Debt by Type	101
J-11	Ratios of Net General Bonded Debt Outstanding	102
J-12	Computation of Direct and Overlapping Debt	103
J-13	Legal Debt Margin Information	104
J-14	Demographic Statistics	105
J-15	Principal Employers	106
J-16	Full-Time Equivalent District Employees by Function/Program	107
J-17	Operating Statistics	108
J-18	School Building Information	109
J-19	Schedule of Required Maintenance for School Facilities	110
J-20	Schedule of Insurance	111

**CRESSKILL BOARD OF EDUCATION
TABLE OF CONTENTS**

Page

K.		SINGLE AUDIT SECTION	
K-1	Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards – Independent Auditor’s Report		112-113
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		114-116
K-3	Schedule of Expenditures of Federal Awards		117
K-4	Schedule of Expenditures of State Financial Assistance		118
K-5	Notes to the Schedules of Expenditures of Federal Awards and State Financial Assistance		119-120
K-6	Schedule of Findings and Questioned Costs – Part 1 – Summary of Auditor’s Results		121-122
K-6	Schedule of Findings and Questioned Costs – Part 2 – Schedule of Financial Statement Findings		123
K-6	Schedule of Findings and Questioned Costs – Part 3 – Schedule of Federal and State Award Findings and Questioned Costs		124-125
K-7	Summary Schedule of Prior Year Findings		126

INTRODUCTORY SECTION

CRESSKILL PUBLIC SCHOOLS

One Lincoln Drive

Cresskill, NJ 07626

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

January 9, 2024

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 (ACFR) of the Cresskill School District (“The District”) for the fiscal year ended June 30, 2023, 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 Cresskill 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 accordance with the provisions of the Governmental Accounting Standards Board (GASB) Statements. 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 requirements of 2 CFR 200-Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards (U.S. Uniform Guidance), and the State OMB Circular 15-08, “Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid.” Information related to this single audit, including the auditor’s report on the internal control structure and compliance with applicable laws and regulations and findings and questioned costs, are included in the single audit section of this report.

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. The District has no component units included in this report which meet the criteria of legally separate entities for which the District is financially accountable. In addition, the District is not includable in any other reporting entity as a component unit.

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 regular, advanced placement, English as a second language and vocational as well as special education for handicapped youngsters. The District completed the 2022-2023 fiscal year with an enrollment of 1,703 students, which is 4 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>
2022-23	1703	-0.23
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

ECONOMIC CONDITION AND OUTLOOK: The Cresskill Board of Education continues to provide a high-quality education while maintaining a fiscally conservative approach. The Board has controlled costs and been mindful of the impact of its decisions on the local taxpayer. The result is that District has consistently ranked near the bottom in per pupil spending in the county, while provided its students with an excellent education. The State of New Jersey continues to add costly mandates while maintaining or reducing state aid with a 2% budget CAP. Despite the challenging environment, the Cresskill Board of Education is committed to move forward with the expectation of full compliance to regulations, adherence to the strict budget CAP and understanding of the difficult economic conditions of our taxpayers while continuing to provide high quality instruction to students.

The District continues to find itself in a strong economic position as indicated by its AA-Stable long-term credit rating from Standard & Poor’s, Inc. Global (“S&P”), Ratings Services. The S&P report dated October 3, 2023 noted that the Cresskill Board of Education is characterized by strong and stable economy, track record of positive financial performance and very strong reserves. The District’s debt burden is somewhat elevated compared with those of peers that are in part caused by Hurricane Ida-related costs that could ultimately be reimbursed by the Federal Emergency Management Agency.

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. 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). The District continues to face some challenges with the reimbursement of expenses related to flooding of our middle/high school. Majority of the reconstruction is completed and students are utilizing the middle high school, however the school district saw a decrease in enrollment due lack of a permanent facility to educate our middle/high school students.

Academically, the district upgraded its wireless access and continued the purchase of chromebooks to increase the number of devices to be a 1:1 platform in each classroom. 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 administration continued improvement of the district-wide initiative focused on the evaluation/revision of our intervention protocols. 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. We also hired staff to allocate for a second full-time elementary guidance counselor.

RELEVANT FINANCIAL POLICIES

The operations of the Cresskill Board of Education are financed primarily through the local property tax levy; however, the District receives additional revenue from state and federal aid along with other miscellaneous local revenues. The school portion of the property tax levy, the largest revenue source for the district, has been held stable over the past five years at 2% despite increases in contractual salaries and benefits, special educational placements and related transportation.

The administration continues to operate under the District's Standard Operating Procedures and Internal Controls which are reviewed and updated annually by the School Business Administrator. The policies include internal controls, accounting, budget development and purchasing in addition to other standardized procedures.

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, regulations, contracts and grants.

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 re-appropriated are reported as reservations of fund balance at June 30, 2023.

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".

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 U.S. Uniform Guidance and the State OMB Circular 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 and Government Auditing Services are included in the single audit section of this report.

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

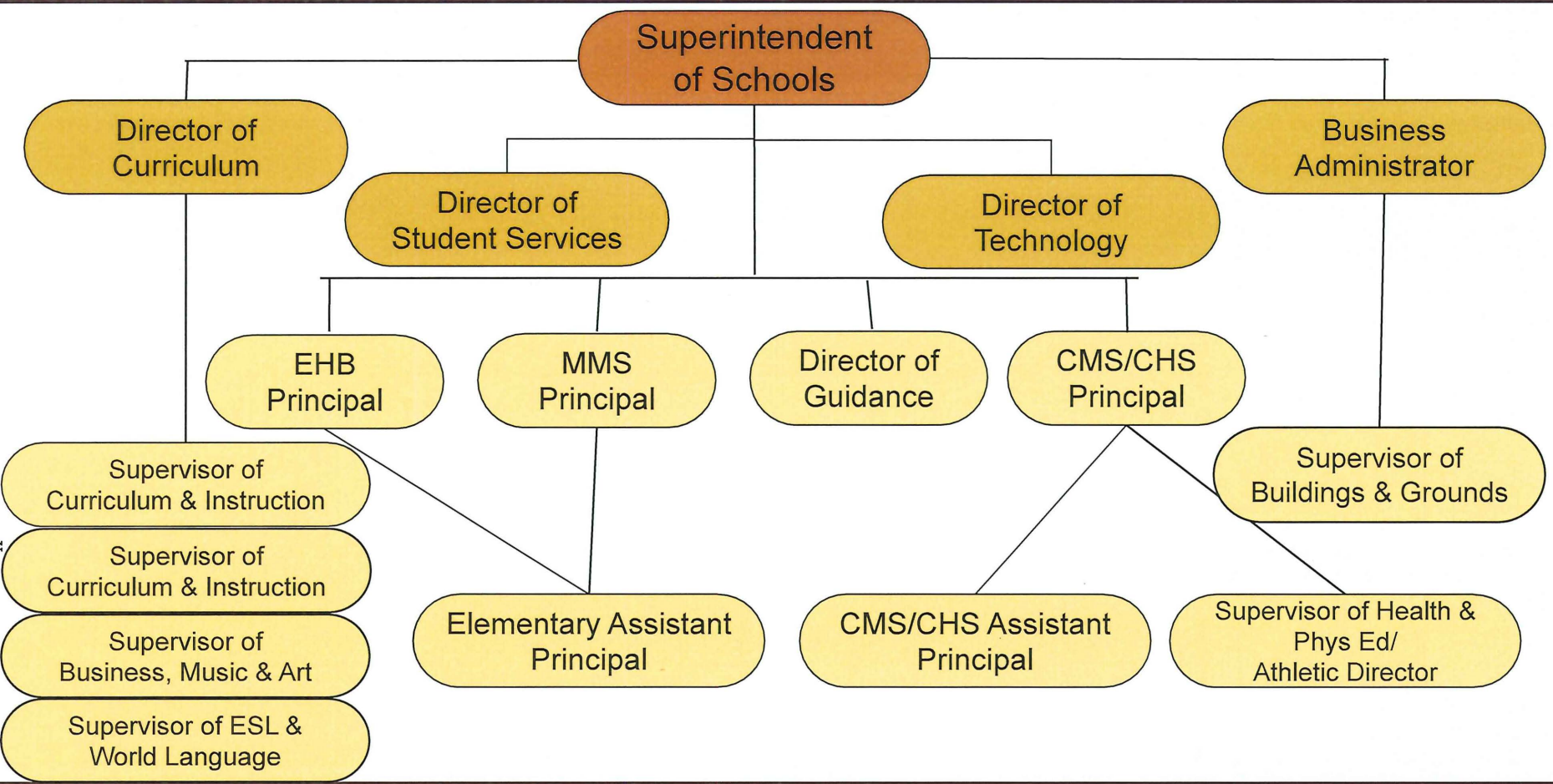
Respectfully submitted,

Dawn Delasandro

Dawn Delasandro
Business Administrator/Board Secretary

Peter Hughes

Dr. Peter Hughes
Superintendent



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

ROSTER OF OFFICIALS
JUNE 30, 2023

<u>Members of the Board of Education</u>	<u>Term Expires</u>
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. 2026
Suzanne Joshi	Jan. 2026
Daniel Nemet-Nejat	Jan. 2024
Daniel Riccardo	Jan. 2025

Other Officials

Dr. Peter Hughes, Superintendent

Dawn Delasandro, Business Administrator/Board Secretary

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

**Consultants and Advisors
June 30, 2023**

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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

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, 2023 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, 2023, 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 9, 2024 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 9, 2024

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

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis

This section of Cresskill Board of Education's annual comprehensive financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2023. The intent of this section is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of the Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement. Certain comparative information between the current year (2022-2023) and the prior year (2021-2022) is required to be presented in the MD&A.

FINANCIAL HIGHLIGHTS

Key financial highlights for the 2022-2023 fiscal year include the following:

- The assets and deferred outflows of resources of the Cresskill Board of Education exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$9,274,584 (net position).
- Overall District revenues were \$43,627,628. General revenues accounted for \$31,673,432 or 73% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$11,954,196 of total revenues.
- The School District had \$41,511,525 in expenses for governmental activities; only \$11,784,978 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes and unrestricted State aid) of \$31,673,026 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance deficit of \$8,974,093 a decrease of \$10,139,774 when compared to the ending fund balance at June 30, 2022 of \$1,165,681. The decrease and resulting deficit is primarily due to the District utilizing temporary financing for certain capital project expenditures related to the 2022 referendum. As these projects are permanently financed, the deficit will be reduced and ultimately eliminated.
- The General Fund unassigned fund balance at June 30, 2023 was \$49,753, a decrease of \$860,410 when compared with the ending, unassigned fund balance of \$910,163 at June 30, 2022.
- The General Fund unassigned budgetary fund balance at June 30, 2023 was \$873,644 which represents a decrease of \$789,592 when compared to the ending unassigned budgetary fund balance at June 30, 2022 of \$1,663,236. This decrease is the result of the State of New Jersey reducing the maximum allowable unassigned fund balance from the previous year.

CRESSKILL BOARD OF EDUCATION

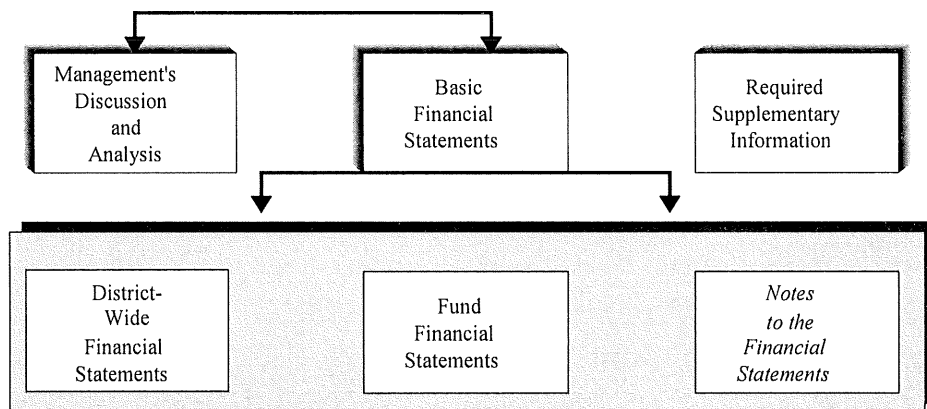
Management's Discussion and Analysis

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 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 table below shows how the various parts of this annual report are arranged and related to one another.



CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis

OVERVIEW OF THE FINANCIAL STATEMENTS (Continued)

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 are summarized below. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Major Features of the District-Wide and Fund Financial Statements

	District-Wide Statements	Fund Financial Statements	
		Governmental Funds	Proprietary Funds
Scope	Entire district	The activities of the district that are not proprietary or fiduciary, such as instruction, special education building maintenance, and community education	Activities the district operates similar to private businesses: Enterprise funds
Required financial statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenues, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenues, Expenses, and Changes in 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 asset/liability information	All assets, deferred outflows, liabilities, deferred inflows, 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 assets, deferred outflows, liabilities, deferred inflows, 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.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis

District-Wide Financial 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, liabilities and 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.

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

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the 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 instruction and special education, transportation, administration, and plant operation and maintenance. State and Federal Aids and tuition charged to other school districts 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 enterprises. The District's Food Service Fund is included here.

Fund Financial Statements

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

- Some funds are required by State law and 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).

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis

Fund Financial Statements (Continued)

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. The District's Enterprise 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.

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 fund financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's budget process. The District adopts an annual expenditure budget for the general, special revenue and debt service funds. A budgetary comparison statement has been provided for these 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 reporting for pensions as required under GASB Statement No. 68 and post-retirement medical benefits as required under GASB Statement No. 75. The required supplementary information can be found following the notes to the financial statements.

Combining and individual financial schedules are presented immediately following the major budgetary comparisons if required.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis

DISTRICT-WIDE FINANCIAL ANALYSIS

Net position may serve over time as a useful indicator of the District's financial position. The District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$9,274,584 and \$7,238,387 as of June 30, 2023 and 2022, respectively, as shown below.

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.

	Net Position June 30, 2023 and 2022					
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 7,351,026	\$ 19,994,073	\$ 4,158	\$ 1,692	\$ 7,355,184	\$ 19,995,765
Capital Assets	<u>44,781,021</u>	<u>34,800,059</u>	<u>11,803</u>	<u>17,609</u>	<u>44,792,824</u>	<u>34,817,668</u>
Total Assets	<u>52,132,047</u>	<u>54,794,132</u>	<u>15,961</u>	<u>19,301</u>	<u>52,148,008</u>	<u>54,813,433</u>
Deferred Outflows of Resources						
Deferred Amounts on Refunding of Debt	194,197	259,250			194,197	259,250
Deferred Amounts on Net Pension Liability	<u>354,582</u>	<u>102,642</u>	<u>-</u>	<u>-</u>	<u>354,582</u>	<u>102,642</u>
Total Deferred Outflows of Resources	<u>548,779</u>	<u>361,892</u>	<u>-</u>	<u>-</u>	<u>548,779</u>	<u>361,892</u>
Total Assets and Deferred Outflow of Resources	<u>52,680,826</u>	<u>55,156,024</u>	<u>15,961</u>	<u>19,301</u>	<u>52,696,787</u>	<u>55,175,325</u>
Long-Term Liabilities	26,017,768	26,384,932			26,017,768	26,384,932
Other Liabilities	<u>16,583,412</u>	<u>19,107,846</u>	<u>12,421</u>	<u>10,729</u>	<u>16,595,833</u>	<u>19,118,575</u>
Total Liabilities	<u>42,601,180</u>	<u>45,492,778</u>	<u>12,421</u>	<u>10,729</u>	<u>42,613,601</u>	<u>45,503,507</u>
Deferred Inflows of Resources						
Deferred Amounts on Net Pension Liability	<u>808,602</u>	<u>2,433,431</u>	<u>-</u>	<u>-</u>	<u>808,602</u>	<u>2,433,431</u>
Total Deferred Inflows of Resources	<u>808,602</u>	<u>2,433,431</u>	<u>-</u>	<u>-</u>	<u>808,602</u>	<u>2,433,431</u>
Total Liabilities and Deferred Outflow of Resources	<u>43,409,782</u>	<u>47,926,209</u>	<u>12,421</u>	<u>10,729</u>	<u>43,422,203</u>	<u>47,936,938</u>
Net Investment in Capital Assets	9,940,521	8,611,320	11,803	17,609	9,952,324	8,628,929
Restricted	4,595,259	3,108,589			4,595,259	3,108,589
Unrestricted	<u>(5,264,736)</u>	<u>(4,490,094)</u>	<u>(8,263)</u>	<u>(9,037)</u>	<u>(5,272,999)</u>	<u>(4,499,131)</u>
Total Net Position	<u>\$ 9,271,044</u>	<u>\$ 7,229,815</u>	<u>\$ 3,540</u>	<u>\$ 8,572</u>	<u>\$ 9,274,584</u>	<u>\$ 7,238,387</u>

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis

The changes in net position for fiscal years ended 2023 and 2022 are as follows:

	Changes in Net Position					
	For The Fiscal Years Ended June 30, 2023 and 2022					
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Revenues						
Program Revenues						
Charges for Services	\$ 1,615,805	\$ 1,754,843	\$ 169,218		\$ 1,785,023	\$ 1,754,843
Operating Grants and Contributions	9,753,720	10,533,285		\$ 16,478	9,753,720	10,549,763
Capital Grants and Contributions	415,453	2,488,934			415,453	2,488,934
General Revenues						
Property Taxes	31,276,518	30,743,995			31,276,518	30,743,995
State Aid	98,919	97,801			98,919	97,801
Miscellaneous	297,589	87,157	406	5	297,995	87,162
Total Revenues	<u>43,458,004</u>	<u>45,706,015</u>	<u>169,624</u>	<u>16,483</u>	<u>43,627,628</u>	<u>45,722,498</u>
Expenses						
Instruction						
Regular	17,145,767	16,948,162			17,145,767	16,948,162
Special Education	7,958,095	7,908,711			7,958,095	7,908,711
Other Instruction	1,430,740	1,484,028			1,430,740	1,484,028
School Sponsored Activities and Athletics	1,024,282	1,023,844			1,024,282	1,023,844
Support Services						
Student and Instruction Related Services	4,210,867	3,830,685			4,210,867	3,830,685
General Administration Services	820,760	854,330			820,760	854,330
School Administration Services	2,345,007	2,507,405			2,345,007	2,507,405
Central Services and Admin Info. Tech	1,065,723	760,270			1,065,723	760,270
Plant Operations and Maintenance	4,072,522	5,736,266			4,072,522	5,736,266
Pupil Transportation	727,760	430,116			727,760	430,116
Interest on Debt	710,002	760,731			710,002	760,731
Food Services	-	-	183,256	17,880	183,256	17,880
Total Expenses	<u>41,511,525</u>	<u>42,244,548</u>	<u>183,256</u>	<u>17,880</u>	<u>41,694,781</u>	<u>42,262,428</u>
Change in Net Position Before Transfers and Other Special Items	1,946,479	3,461,467	(13,632)	(1,397)	1,932,847	3,460,070
Other Special Items	103,350	(8,458,863)			103,350	(8,458,863)
Transfers	(8,600)	(5,097)	8,600	5,097	-	-
Change in Net Position	2,041,229	(5,002,493)	(5,032)	3,700	2,036,197	(4,998,793)
Net Position, Beginning of Year	<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>
Net Position, End of Year	<u>\$ 9,271,044</u>	<u>\$ 7,229,815</u>	<u>\$ 3,540</u>	<u>\$ 8,572</u>	<u>\$ 9,274,584</u>	<u>\$ 7,238,387</u>

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis

Governmental Activities

As discussed elsewhere in this commentary, the financial position of the District improved significantly. However, maintaining existing programs with decreased enrollment, the provision of a multitude of special programs/services for disabled pupils, and increases in District health benefits costs places a great demand on the District's resources. As a result, careful management of expenses remains essential for the District to sustain its financial health.

Total and Net Cost of Governmental Activities. The following schedule presents the District's total costs of services provided by major activity. After applying program revenues, derived from charges for services, operating grants and contributions and capital grants and contributions, the net cost of these services is presented. The following is a comparative analysis of the total and the net cost of governmental activities for the fiscal years ended June 30, 2023 and 2022.

Total and Net Cost of Governmental Activities For The Fiscal Years Ended June 30, 2023 and 2022

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
	Instruction			
Regular	\$ 17,145,767	\$ 16,948,162	\$ 12,734,039	\$ 12,529,333
Special Education	7,958,095	7,908,711	3,316,838	2,821,833
Other Instruction	1,430,740	1,484,028	1,062,271	1,013,300
School Sponsored Activities and Athletics	1,024,282	1,023,844	673,726	658,986
Support Services			-	-
Student and Instruction Related Services	4,210,867	3,830,685	3,437,177	3,008,381
General Administration Services	820,760	854,330	705,561	711,951
School Administration Services	2,345,007	2,507,405	1,998,398	2,032,544
Central Services and Admin. Info. Tech.	1,065,723	760,270	1,043,818	699,122
Plant Operations and Maintenance	4,072,522	5,736,266	3,448,137	2,935,607
Pupil Transportation	727,760	430,116	645,184	347,589
Interest on Debt	710,002	760,731	661,398	708,840
Total	<u>\$ 41,511,525</u>	<u>\$ 42,244,548</u>	<u>\$ 29,726,547</u>	<u>\$ 27,467,486</u>

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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 financing requirements. In particular, unreserved 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 deficit of \$8,974,093, a decrease of \$10,139,774 from last year's fund balance of \$1,165,681.

Revenues for the District's governmental funds were \$46,508,966; total expenditures were \$56,743,490.

General Fund - The General Fund is the chief operating fund of the District and includes the primary operations in providing educational services to students.

Revenues of the General Fund were \$42,021,629 for the fiscal year ended June 30, 2023. State sources amounted to \$11,100,261 and local sources were \$30,921,368.

Expenditures of the General Fund were \$41,622,569. Instructional expenditures were \$28,938,587, support services were \$12,422,658, debt service was \$97,642 and capital expenditures totaled \$163,682 for the fiscal year ended June 30, 2023.

Special Revenue Fund - The Special Revenue Fund includes all restricted Federal and State sources utilized in the operations of the district in providing educational services to students.

Revenues of the Special Revenue Fund were \$1,957,414 for the fiscal year ended June 30, 2023. State sources amounted to \$181,556, federal sources totaled \$1,375,049 and local sources were \$400,809.

Expenditures of the Special Revenue Fund were \$1,943,990. Instructional expenditures were \$1,486,843, support services were \$454,147 and capital expenditures totaled \$3,000 for the fiscal year ended June 30, 2023.

Capital Projects Fund - The capital projects expenditures and other financing uses exceeded revenues and other financing sources by \$10,728,788, decreasing the fund balance from a deficit balance of \$5,259,224 at June 30, 2022 to a deficit balance of \$15,988,012 at June 30, 2023. This is primarily the result of the District utilizing temporary financing to fund capital expenditures related to the 2022 referendum. As the District permanently finances these expenditures, the capital projects fund deficit will be reduced and ultimately eliminated.

Proprietary Funds

The District maintains an Enterprise Fund to account for activities, which are supported in part through user fees.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis

Enterprise Fund - The District uses Enterprise Funds to report activities related to the Food Services program. The District's Enterprise Fund provides the same type of information found in the district-wide financial statements, business-type activities, but in more detail. Factors concerning the finances of this Fund have already been addressed in the discussion of the District's business-type activities.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- Implementing budgets for specially funded projects, which include both federal and state grants.
- Reappropriation of June 30, 2022 encumbrances.

CAPITAL ASSETS

The District's investment in capital assets for its governmental and business type activities as of June 30, 2023 and 2022 amounts to \$44,792,824 and \$34,817,668 (net of accumulated depreciation), respectively. The capital assets consist of land, site improvements, buildings, building improvements, computers, specialized machinery and various other types of equipment. Depreciation charges for the fiscal year 2022-2023 amounted to \$1,326,961 for governmental activities and \$5,806 for the Business-Type activities.

The following is a comparative analysis of capital assets at June 30, 2023 and 2022.

Capital Assets at June 30, 2023 and 2022						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>
Land	\$ 1,286,701	\$ 1,286,701			\$ 1,286,701	\$ 1,286,701
Construction in Progress	16,888,205	6,671,663			16,888,205	6,671,663
Buildings and Building Improvements	38,909,386	37,894,487	\$ 14,800	\$ 14,800	38,924,186	37,909,287
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>2,217,615</u>	<u>2,141,133</u>	<u>153,571</u>	<u>159,801</u>	<u>2,371,186</u>	<u>2,300,934</u>
	61,360,548	50,052,625	168,371	174,601	61,528,919	50,227,226
Less Accumulated Depreciation	<u>(16,579,527)</u>	<u>(15,252,566)</u>	<u>(156,568)</u>	<u>(156,992)</u>	<u>(16,736,095)</u>	<u>(15,409,558)</u>
Total Capital Assets, Net	<u>\$ 44,781,021</u>	<u>\$ 34,800,059</u>	<u>\$ 11,803</u>	<u>\$ 17,609</u>	<u>\$ 44,792,824</u>	<u>\$ 34,817,668</u>

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

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis

LONG TERM LIABILITIES

At June 30, 2023, the District's long-term liabilities consisted of compensated absences payable of \$1,293,522, serial bonds of \$19,019,004 (including unamortized premium) capital financing agreements of \$67,563, leases payable of \$963,049 and net pension liability of \$4,674,630, totaling \$26,017,768. This is in comparison to long-term liabilities at June 30, 2022 of \$26,384,932, or a decrease of \$367,164.

Additional information on the District's long-term liabilities are presented in the Notes to the Financial Statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

Many factors were considered by the District's administration during the process of developing the fiscal year 2023-2024 budget. The primary factors were the District's projected student population, anticipated state and federal aid as well as increasing labor and related employee benefit costs. Other budgetary increases are anticipated with special education, and utilizes the required investment to repair the District's aging facilities.

These expenditures are to be paid for by the mandated 2% CAP on the property tax levy with certain allowable adjustments to the tax levy. In the future, any such allowable adjustments may not be permitted.

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 Ave., Cresskill, NJ 07626.

BASIC FINANCIAL STATEMENTS

DISTRICT-WIDE FINANCIAL STATEMENTS

**CRESSKILL BOARD OF EDUCATION
STATEMENT OF NET POSITION
AS OF JUNE 30, 2023**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
ASSETS			
Cash and Cash Equivalents	\$ 6,770,301	\$ 33	\$ 6,770,334
Receivables, net	580,725	1,158	581,883
Inventories		2,967	2,967
Capital Assets, Not Being Depreciated	18,174,906		18,174,906
Capital Assets, Being Depreciated	<u>26,606,115</u>	<u>11,803</u>	<u>26,617,918</u>
Total Assets	<u>52,132,047</u>	<u>15,961</u>	<u>52,148,008</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Amounts on Refunding of Debt	194,197		194,197
Deferred Amounts on Net Pension Liability	<u>354,582</u>	<u>-</u>	<u>354,582</u>
Total Deferred Outflows of Resources	<u>548,779</u>	<u>-</u>	<u>548,779</u>
Total Assets and Deferred Outflows of Resources	<u>52,680,826</u>	<u>15,961</u>	<u>52,696,787</u>
LIABILITIES			
Accounts Payable and Other Current Liabilities	1,218,278	5,351	1,223,629
Payable to Other Governments	35,960		35,960
Temporary Note Payable	15,000,000		15,000,000
Accrued Interest Payable	258,293		258,293
Unearned Revenue	70,881	7,070	77,951
Noncurrent Liabilities			
Due Within One Year	1,450,495		1,450,495
Due Beyond One Year	<u>24,567,273</u>	<u>-</u>	<u>24,567,273</u>
Total Liabilities	<u>42,601,180</u>	<u>12,421</u>	<u>42,613,601</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Amounts on Net Pension Liability	<u>808,602</u>	<u>-</u>	<u>808,602</u>
Total Deferred Inflows of Resources	<u>808,602</u>	<u>-</u>	<u>808,602</u>
Total Liabilities and Deferred Inflows of Resources	<u>43,409,782</u>	<u>12,421</u>	<u>43,422,203</u>
NET POSITION			
Net Investment in Capital Assets	9,940,521	11,803	9,952,324
Restricted for			
Capital Projects	3,170,125		3,170,125
Plant Maintenance	1,036,130		1,036,130
Other Purposes	389,004		389,004
Unrestricted	<u>(5,264,736)</u>	<u>(8,263)</u>	<u>(5,272,999)</u>
Total Net Position	<u>\$ 9,271,044</u>	<u>\$ 3,540</u>	<u>\$ 9,274,584</u>

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

**CRESSKILL BOARD OF EDUCATION
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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	\$ 17,145,767	\$ 289,748	\$ 4,121,980		\$ (12,734,039)		\$ (12,734,039)
Special Education	7,958,095	1,018,460	3,622,797		(3,316,838)		(3,316,838)
Other Instruction	1,430,740		368,469		(1,062,271)		(1,062,271)
School Sponsored Activities and Athletics	1,024,282	298,597	51,959		(673,726)		(673,726)
Support Services:							
Student & Instruction Related Services	4,210,867		773,690		(3,437,177)		(3,437,177)
General Administration Services	820,760		115,199		(705,561)		(705,561)
School Administration Services	2,345,007		346,609		(1,998,398)		(1,998,398)
Central Services and Admin Info. Tech.	1,065,723		21,905		(1,043,818)		(1,043,818)
Plant Operations and Maintenance	4,072,522	9,000	199,932	\$ 415,453	(3,448,137)		(3,448,137)
Pupil Transportation	727,760		82,576		(645,184)		(645,184)
Interest on Long-Term Debt	710,002	-	48,604	-	(661,398)	-	(661,398)
Total Governmental Activities	41,511,525	1,615,805	9,753,720	415,453	(29,726,547)	-	(29,726,547)
Business-Type Activities:							
Food Service	183,256	169,218	-	-	-	\$ (14,038)	(14,038)
Total Business-Type Activities	183,256	169,218	-	-	-	(14,038)	(14,038)
Total Primary Government	\$ 41,694,781	\$ 1,785,023	\$ 9,753,720	\$ 415,453	(29,726,547)	(14,038)	(29,740,585)
General Revenues:							
Taxes:							
Property Taxes, levied for General Purposes					29,388,351		29,388,351
Property Taxes Levied for Debt Service					1,888,167		1,888,167
State Aid Restricted for Debt Service Principal					98,919		98,919
Investment Earnings					258,484	406	258,890
Miscellaneous Income					39,105		39,105
Special Items							
Premium on Issuance of Temporary Note					103,350		103,350
Transfers					(8,600)	8,600	-
Total General Revenues, Special Items and Transfers					31,767,776	9,006	31,776,782
Change in Net Position					2,041,229	(5,032)	2,036,197
Net Position, Beginning of Year					7,229,815	8,572	7,238,387
Net Position, End of Year					\$ 9,271,044	\$ 3,540	\$ 9,274,584

FUND FINANCIAL STATEMENTS

**CRESSKILL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
BALANCE SHEET
AS OF JUNE 30, 2023**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
ASSETS					
Cash and Cash Equivalents	\$ 5,898,279	\$ 294,857	\$ 577,164	\$ 1	\$ 6,770,301
Receivables, Net					
Intergovernmental Receivables	100,686	478,430			579,116
Other Receivables	1,609	-			1,609
Due from Other Funds	<u>1,698,926</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,698,926</u>
 Total Assets	 <u>\$ 7,699,500</u>	 <u>\$ 773,287</u>	 <u>\$ 577,164</u>	 <u>\$ 1</u>	 <u>\$ 9,049,952</u>
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts Payable	\$ 892,298	\$ 151,426	\$ 122,373		\$ 1,166,097
Due to Other Funds		256,123	1,442,803		1,698,926
Bond Anticipation Notes Payable			15,000,000		15,000,000
Payable to Other Governments	35,960				35,960
Payroll Deductions and Withholdings Payable	52,181				52,181
Unearned Revenue	<u>-</u>	<u>70,881</u>	<u>-</u>	<u>-</u>	<u>70,881</u>
 Total Liabilities	 <u>980,439</u>	 <u>478,430</u>	 <u>16,565,176</u>	 <u>-</u>	 <u>18,024,045</u>
Fund Balances (Deficits):					
Restricted Fund Balance					
Capital Reserve	3,170,125				3,170,125
Maintenance Reserve	829,555				829,555
Maintenance Reserve - Designated for Subsequent Year's Expenditures (2023/2024 Budget)	206,575				206,575
Excess Surplus	1,125,130				1,125,130
Excess Surplus- Designated for Subsequent Year's Expenditures (2023/2024 Budget)	869,745				869,745
Unemployment Compensation Reserve	94,146				94,146
Scholarships		72,058			72,058
Student Activities		222,799			222,799
Debt Service				1	1
Assigned Fund Balance					
Year End Encumbrances	21,386				21,386
Designated for Subsequent Year's Expenditures (2023/2024 budget)	352,646				352,646
Unassigned Fund Balance (Deficit)	<u>49,753</u>	<u>-</u>	<u>(15,988,012)</u>	<u>-</u>	<u>(15,938,259)</u>
 Total Fund Balances (Deficits)	 <u>6,719,061</u>	 <u>294,857</u>	 <u>(15,988,012)</u>	 <u>1</u>	 <u>(8,974,093)</u>
 Total Liabilities and Fund Balances	 <u>\$ 7,699,500</u>	 <u>\$ 773,287</u>	 <u>\$ 577,164</u>	 <u>\$ 1</u>	 <u>\$ 9,049,952</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, 2023

EXHIBIT B-1

Total Fund Balance (Exhibit B-1) \$ (8,974,093)

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$61,360,548 and the accumulated depreciation is \$16,579,527. 44,781,021

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. 194,197

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	\$ 354,582	
	Deferred Inflow of Resources	<u>(808,602)</u>	
			(454,020)

The District has financed capital assets through the issuance of bonds and long-term lease obligations. The interest accrual at year end is: (258,293)

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)	(19,019,004)	
	Leases Payable	(963,049)	
	Capital Financing Agreements Payable	(67,563)	
	Compensated Absences Payable	(1,293,522)	
	Net Pension Liability	<u>(4,674,630)</u>	
			<u>(26,017,768)</u>

Net Position of Governmental Activities (Exhibit A-1) \$ 9,271,044

CRESSKILL BOARD OF EDUCATION
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	<u>General</u> <u>Fund</u>	<u>Special</u> <u>Revenue</u> <u>Fund</u>	<u>Capital</u> <u>Projects</u> <u>Fund</u>	<u>Debt</u> <u>Service</u> <u>Fund</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
REVENUES					
Local Sources					
Property Tax Levy	\$ 29,388,351			\$ 1,888,167	\$ 31,276,518
Tuition and Related Services Fees	1,308,208				1,308,208
Rentals	9,000				9,000
Interest and Investment Income	176,704		\$ 81,780		258,484
Miscellaneous	39,105	\$ 400,809	-	-	439,914
Total - Local Sources	30,921,368	400,809	81,780	1,888,167	33,292,124
State Sources	11,100,261	181,556		147,523	11,429,340
Federal Sources	-	1,375,049	412,453	-	1,787,502
Total Revenues	<u>42,021,629</u>	<u>1,957,414</u>	<u>494,233</u>	<u>2,035,690</u>	<u>46,508,966</u>
EXPENDITURES					
Current					
Instruction					
Regular Instruction	18,239,318	811,855			19,051,173
Special Education Instruction	8,342,636	329,965			8,672,601
Other Instruction	1,553,125	61,140			1,614,265
School-Sponsored Activities and Athletics	803,508	283,883			1,087,391
Support Services					
Student and Instruction Related Services	4,111,477	454,147			4,565,624
General Administration Services	889,553				889,553
School Administration Services	2,617,251				2,617,251
Central Services and Admin Info. Tech.	1,126,748				1,126,748
Plant Operations and Maintenance	2,949,869				2,949,869
Pupil Transportation	727,760				727,760
Debt Service					
Principal	66,097			1,365,000	1,431,097
Interest	31,545			670,690	702,235
Capital Outlay	163,682	3,000	11,141,241	-	11,307,923
Total Expenditures	<u>41,622,569</u>	<u>1,943,990</u>	<u>11,141,241</u>	<u>2,035,690</u>	<u>56,743,490</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>399,060</u>	<u>13,424</u>	<u>(10,647,008)</u>	<u>-</u>	<u>(10,234,524)</u>
OTHER FINANCING SOURCES (USES)					
Premium on Note Issuance			103,350		103,350
Transfers In	185,130				185,130
Transfers Out	(8,600)	-	(185,130)	-	(193,730)
Total Other Financing Sources and Uses	<u>176,530</u>	<u>-</u>	<u>(81,780)</u>	<u>-</u>	<u>94,750</u>
Net Change in Fund Balances	575,590	13,424	(10,728,788)	-	(10,139,774)
Fund Balance (Deficit), Beginning of Year	<u>6,143,471</u>	<u>281,433</u>	<u>(5,259,224)</u>	<u>1</u>	<u>1,165,681</u>
Fund Balance (Deficit), End of Year	<u>\$ 6,719,061</u>	<u>\$ 294,857</u>	<u>\$ (15,988,012)</u>	<u>\$ 1</u>	<u>\$ (8,974,093)</u>

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

**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, 2023**

Total Net Change in Fund Balances - Governmental Funds (Exhibit B-2) **\$ (10,139,774)**

Amounts reported for governmental activities in the statement of activities (A-2) are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

This is the amount by which capital outlay exceeded depreciation expense in the period.

	\$ 11,307,923	
Capital outlays		
Depreciation expense	<u>(1,326,961)</u>	
		9,980,962

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	1,365,000	
Repayment of Lease Principal	27,860	
Repayment of Capital Financing Principal	<u>38,237</u>	
		1,431,097

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.

	(65,053)	
Amortization of Deferred Amount on Refunding of Debt		
Amortization of Original Issuance Premium	<u>36,125</u>	
		(28,928)

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

Decrease in Accrued Interest		21,161

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.

	(23,230)	
Net Increase in Compensated Absences		
Decrease in Net Pension Expense	<u>799,941</u>	
		<u>776,711</u>

Change in Net Position of Governmental Activities (Exhibit A-2) **\$ 2,041,229**

**CRESSKILL BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF NET POSITION
 AS OF JUNE 30, 2023**

**Business-Type
 Activities
 Enterprise
Food Services**

ASSETS

Current Assets

Cash	\$ 33
Other Accounts Receivable	1,158
Inventories	<u>2,967</u>

Total Current Assets	<u>4,158</u>
----------------------	--------------

Capital Assets

Building Improvements	14,800
Furniture, Machinery and Equipment	153,571
Less: Accumulated Depreciation	<u>(156,568)</u>

Total Capital Assets, Net	<u>11,803</u>
---------------------------	---------------

Total Assets	<u>15,961</u>
--------------	---------------

LIABILITIES

Current Liabilities

Accounts Payable	5,351
Unearned Revenue	<u>7,070</u>

Total Current Liabilities	<u>12,421</u>
---------------------------	---------------

NET POSITION

Investment in Capital Assets	11,803
Unrestricted	<u>(8,263)</u>

Total Net Position	<u>\$ 3,540</u>
--------------------	-----------------

**CRESSKILL BOARD OF EDUCATION
 PROPRIETARY FUND
 STATEMENT OF REVENUES, EXPENSES AND
 CHANGES IN NET POSITION
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business-Type Activities Enterprise <u>Food Services</u>
OPERATING REVENUES	
Charges for Services	
Daily Sales	\$ <u>169,218</u>
 Total Operating Revenues	 <u>169,218</u>
OPERATING EXPENSES	
Salaries and Benefits	79,329
Cost of Sales	72,323
Management Fee	13,275
Other Purchased Services	1,963
Materials and Supplies	5,054
Miscellaneous Expenses	5,506
Depreciation	<u>5,806</u>
 Total Operating Expenses	 <u>183,256</u>
 Operating Income (Loss)	 <u>(14,038)</u>
NONOPERATING REVENUES	
Interest	<u>406</u>
 Total Nonoperating Revenues	 <u>406</u>
 Loss Before Transfers	 (13,632)
 Transfer from General Fund	 <u>8,600</u>
 Change in Net Position	 (5,032)
 Total Net Position - Beginning of Year	 <u>8,572</u>
 Total Net Position - End of Year	 <u>\$ 3,540</u>

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

**CRESSKILL BOARD OF EDUCATION
PROPRIETARY FUND
STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	Business-Type Activities Enterprise <u>Food Services</u>
Cash Flows from Operating Activities	
Cash Received from Customers	\$ 165,792
Cash Payments for Salaries and Benefits	(79,329)
Cash Payments to Suppliers for Goods and Services	<u>(96,142)</u>
Net Cash Used by Operating Activities	<u>(9,679)</u>
Cash Flows from Non Capital Financing Activates	
Transfers from Other Funds	<u>8,600</u>
Net Cash Provided by Capital and Related Financing Activities	<u>8,600</u>
Cash Flows from Investing Activities	
Interest on Investments	<u>406</u>
Net Cash Provided by Investing Activities	<u>406</u>
Net Decrease in Cash and Cash Equivalents	(673)
Cash and Cash Equivalents, Beginning of Year	<u>706</u>
Cash and Cash Equivalents, End of Year	<u>\$ 33</u>
Reconciliation of Operating Loss to Net Cash Used by Operating Activities	
Operating Loss	\$ (14,038)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	5,806
Change in Assets and Liabilities	
(Increase)/Decrease in Inventories	(2,967)
(Increase)/Decrease in Other Accounts Receivable	(172)
Increase/(Decrease) in Accounts Payable	4,946
Increase/(Decrease) in Unearned Revenue	<u>(3,254)</u>
Total Adjustments	<u>4,359</u>
Net Cash Used by Operating Activities	<u>\$ (9,679)</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, 2023**

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 2023, the District adopted the following GASB statements:

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*. 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.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. New Accounting Standards (Continued)

- GASB Statement No. 99, *Omnibus 2022*. 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.

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

- 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.

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.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation - Financial Statements (Continued)

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.

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, grants 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.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

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, leases payable for intangible right-to-use leased assets and subscription arrangements for intangible right-to-use information technology (IT) software assets are reported as other financing sources.

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

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

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

1. *Cash, Cash Equivalents and Investments*

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

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

2. *Receivables*

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

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, 2023**

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

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, 2023**

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 Payable*

Non-cancellable leases for the use of another entity's land, 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 outflows of resources. Bond premiums 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. 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, 2023

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, 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. 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).

Maintenance Reserve - Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of maintenance reserve fund balance appropriated in the adopted 2023/2024 District budget certified for taxes.

Excess Surplus – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2023 audited excess surplus that is required to be appropriated in the 2024/2025 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, 2022 audited excess surplus that was appropriated in the 2023/2024 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, 2023

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.

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

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

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

Designated for Subsequent Year's Expenditures – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2023/2024 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. The District has no committed fund balances at year end.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 1st in the year following the calendar year levy when the same became in arrears, the tax collector of the municipality shall, subject to the provisions of New Jersey Statute, enforce the lien by placing the property on a tax sale. The municipality may institute annual "in rem" tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property.

3. *Tuition Revenues and Expenditures*

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

Tuition Expenditures - Tuition charges for the fiscal years 2021-2022 and 2022-2023 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.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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.

The District must prepare its budget in compliance with applicable laws limiting the amount by which the general fund property tax levy can increase in the annual school budget. The 2010 Tax Levy CAP Law is calculated using the formulas and provisions of NJSA 18A:7F-38. The law was originally adopted in 2007 and was most recently amended in 2018. The core of the tax-levy cap calculation is a 2% increase to the previous budget year’s general fund tax levy with exceptions only for enrollment increases, increases for certain pension contributions in excess of 2%, certain healthcare increases, and amounts approved by a simple majority of voters at a special election. Additionally, school districts can bank the unused tax levy for use in any of the next three (3) succeeding budget years if they were not granted approval to exceed the tax levy cap by the voters. The restrictions are solely on the tax levy for the general fund and are not applicable to the debt service fund.

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. 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 2022/2023. Also, during 2022/2023 the Board increased the original budget of the general fund by \$807,069 and the special revenue fund by \$1,955,270. The increases were funded by grant awards, 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.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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			
Custodial Services			
Rental of Land and Buildings			
Other than Lease Purchase Agreement	\$246,963	\$278,776	\$31,813

The above variance was the result of an audit adjustment and was offset with other available resources.

C. Deficit Fund Equity

The Food Service Enterprise Fund has a deficit in unrestricted net position of \$8,263 as of June 30, 2023. This deficit will be provided for in the 2023/2024 General Fund budget

The District has an accumulated deficit in fund balance of \$15,988,012 in the Capital Projects Fund as of June 30, 2023. 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.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

D. Capital Reserve (Continued)

The activity of the capital reserve for the fiscal year ended June 30, 2023 is as follows:

Balance, July 1, 2022		\$ 2,200,282
Increased by		
Interest Earnings	\$ 14,382	
Deposits Approved by Board Resolution	<u>955,461</u>	
Total Increases		<u>969,843</u>
Balance, June 30, 2023		<u>\$ 3,170,125</u>

The June 30, 2023 LRFP balance of the total costs of uncompleted capital projects is estimated by management to be \$5,618,000.

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.

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, 2023 is as follows:

Balance, July 1, 2022	\$ 536,130
Increased by:	
Deposit Approved by Board Resolution	<u>500,000</u>
Balance, June 30, 2023	<u>\$ 1,036,130</u>

The June 30, 2023 comprehensive maintenance plan indicated a maximum maintenance reserve amount of \$1,394,816. \$206,575 of the maintenance reserve balance at June 30, 2023 was designated and appropriated for use in the 2023/2024 original budget certified for taxes.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY (Continued)

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 2% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year’s budget. The excess fund balance at June 30, 2023 is \$1,994,875. Of this amount, \$869,745 was designated and appropriated in the 2023/2024 original budget certified for taxes and the remaining amount of \$1,125,130 is required to be appropriated in the 2024/2025 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 deposits in excess of the FDIC and NCUSIF insured amounts. GUDPA does not protect intermingled trust funds, withholdings from an employee’s salary or funds which may pass to the local government upon the happening of a future condition.

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, 2023, the book value of the Board's deposits was \$6,770,334 and bank and brokerage firm balances of the Board’s deposits amounted to \$8,048,461. 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	\$ 7,824,851
Uninsured and Collateralized	<u>223,610</u>
	<u>\$ 8,048,461</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, 2023 the Board’s bank balance of \$223,610 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>\$ 223,610</u>
--	-------------------

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

A. Cash Deposits and Investments (Continued)

Investments

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

As of June 30, 2023, the Board had no outstanding investments.

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

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

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

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

B. Receivables

Receivables as of June 30, 2023 for the district’s individual major funds are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Total</u>
Receivables:				
Accounts	\$ 1,609		\$ 1,158	\$ 2,767
Intergovernmental				
Federal		\$ 378,865		378,865
State	59,546	99,565		159,111
Local	<u>41,140</u>	<u>-</u>	<u>-</u>	<u>41,140</u>
Total Receivables	<u>\$ 102,295</u>	<u>\$ 478,430</u>	<u>\$ 1,158</u>	<u>\$ 581,883</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

C. Unearned Revenue

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

	<u>Total</u>
Special Revenue Fund	
Grant Draw Downs for Year-End Encumbrances	\$ 16,775
Unencumbered Grant Draw Downs	<u>54,106</u>
Total Unearned Revenue for Governmental Funds	<u>\$ 70,881</u>

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Adjustments/ Decreases</u>	<u>Balance, June 30, 2023</u>
Governmental Activities:				
Capital Assets, Not Being Depreciated:				
Land	\$ 1,286,701			\$ 1,286,701
Construction in Progress	<u>6,671,663</u>	<u>\$ 11,201,687</u>	<u>\$ (985,145)</u>	<u>16,888,205</u>
Total Capital Assets, Not Being Depreciated	<u>7,958,364</u>	<u>11,201,687</u>	<u>(985,145)</u>	<u>18,174,906</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	37,894,487	\$ 29,754	985,145	38,909,386
Right-to-Use Leased Buildings	1,070,000			1,070,000
Improvements Other Than Buildings	988,641			988,641
Machinery and Equipment	<u>2,141,133</u>	<u>76,482</u>	<u>-</u>	<u>2,217,615</u>
Total Capital Assets Being Depreciated	<u>42,094,261</u>	<u>106,236</u>	<u>985,145</u>	<u>43,185,642</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(12,464,599)	(1,197,691)	-	(13,662,290)
Right-to-Use Leased Buildings	(178,335)	(35,667)		(214,002)
Improvements Other Than Buildings	(670,323)	(24,947)		(695,270)
Machinery and Equipment	<u>(1,939,309)</u>	<u>(68,656)</u>	<u>-</u>	<u>(2,007,965)</u>
Total Accumulated Depreciation	<u>(15,252,566)</u>	<u>(1,326,961)</u>	<u>-</u>	<u>(16,579,527)</u>
Total Capital Assets, Being Depreciated, Net	<u>26,841,695</u>	<u>(1,220,725)</u>	<u>-</u>	<u>26,606,115</u>
Governmental Activities Capital Assets, Net	<u>\$ 34,800,059</u>	<u>\$ 9,980,962</u>	<u>\$ -</u>	<u>\$ 44,781,021</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

D. Capital Assets (Continued)

	<u>Balance, July 1, 2022</u>	<u>Increases</u>	<u>Decreases</u>	<u>Balance, June 30, 2023</u>
Business-Type Activities:				
Capital Assets, Being Depreciated:				
Building Improvements	\$ 14,800			\$ 14,800
Machinery and Equipment	159,801	-	\$ (6,230)	153,571
Total Capital Assets Being Depreciated	<u>174,601</u>	<u>-</u>	<u>(6,230)</u>	<u>168,371</u>
Less Accumulated Depreciation for:				
Building Improvements	(3,830)	\$ (470)		(4,300)
Machinery and Equipment	(153,162)	(5,336)	6,230	(152,268)
Total Accumulated Depreciation	<u>(156,992)</u>	<u>(5,806)</u>	<u>6,230</u>	<u>(156,568)</u>
Total Capital Assets, Being Depreciated, Net	<u>17,609</u>	<u>(5,806)</u>	<u>(12,460)</u>	<u>11,803</u>
Business-Type Activities Capital Assets, Net	<u>\$ 17,609</u>	<u>\$ (5,806)</u>	<u>\$ 6,230</u>	<u>\$ 11,803</u>

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

Governmental activities:

Instruction	
Regular	\$ 48,047
Total Instruction	<u>48,047</u>

Support Services

Student and Instruction Related Services	3,637
School Administration Services	2,316
Plant Operations and Maintenance	1,272,961
Total Support Services	<u>1,278,914</u>

Total Depreciation Expense - Governmental Activities	<u>\$ 1,326,961</u>
--	---------------------

Business-Type Activities:

Food Service Fund	\$ 5,806
Total Depreciation Expense-Business-Type Activities	<u>\$ 5,806</u>

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023. As of June 30, 2023, the District has received a total of \$716,191 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 impairment was reflected in the financial statements for the year ended June 30, 2022, the year of occurrence. The impairments to the District’s assets is summarized as follows:

Buildings and Improvements Impairment	<u>\$ 8,585,658</u>
---------------------------------------	---------------------

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, 2023, the insurers have remitted \$2,085,196. These funds have been utilized by the District for the cleanup of damages caused by the hurricane.

E. Interfund Receivables, Payables, and Transfers

The composition of interfund balances as of June 30, 2023, is as follows:

Due To/From Other Funds

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 256,123
General Fund	Capital Project Fund	<u>1,442,803</u>
Total		<u>\$ 1,698,926</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, 2023**

NOTE 3 DETAILED NOTES ON ALL FUNDS (Continued)

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

Interfund Transfers

	Transfer In:		
	<u>General Fund</u>	<u>Enterprise Food Service</u>	<u>Total</u>
Transfer Out:			
General Fund		\$ 8,600	\$ 8,600
Capital Projects Fund	\$ 185,130	-	185,130
	<u>\$ 185,130</u>	<u>\$ 8,600</u>	<u>\$ 193,730</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 in \$1,070,000. The lease has an interest rate of 2.81%. The District is required to make annual payments of \$55,714 in years 3 through 30. Payments for years 1 and 2 were deferred. As of June 30, 2023 the value of the lease liability was \$963,049. The 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, 2023 is \$1,070,000 and had accumulated depreciation of \$214,002.

The future principal and interest lease payments as of June 30, 2023 were as follows:

Governmental Activities:

<u>Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
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	32,002	23,712	55,714
2029-2033	174,019	104,552	278,571
2034-2038	199,891	78,679	278,570
2039-2043	229,610	48,960	278,570
2044-2047	208,033	14,823	222,856
	<u>\$ 963,049</u>	<u>\$ 374,088</u>	<u>\$ 1,337,137</u>
Total			

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023 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 \$16,714 to \$32,540 through December 20, 2024 interest at 3.60%	\$	49,254
\$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>18,309</u>
Total	\$	<u>67,563</u>

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

Governmental Activities:

Fiscal Year Ending June 30,	<u>Capital Agreements</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2024	\$ 39,802	\$ 2,126	\$ 41,928
2025	24,416	622	25,038
2026	<u>3,345</u>	<u>50</u>	<u>3,395</u>
Total	<u>\$ 67,563</u>	<u>\$ 2,798</u>	<u>\$ 70,361</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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 \$960,000 through February 1, 2025 interest at 3.0% to 4.0%	\$1,680,000
\$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%	6,255,000
\$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%	11,046,000
Total	<u>\$18,981,000</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>	
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	1,355,000	444,758	1,799,758
2029-2033	5,255,000	1,651,340	6,906,340
2034-2038	3,425,000	969,675	4,394,675
2039-2043	3,471,000	362,425	3,833,425
Total	<u>\$ 18,981,000</u>	<u>\$ 5,621,720</u>	<u>\$ 24,602,720</u>

Statutory Borrowing Power

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2023 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 98,479,780
Less: Net Debt Issued and Authorized But Not Issued	<u>39,928,409</u>
Remaining Borrowing Power	<u>\$ 58,551,371</u>

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, was as follows:

	Balance <u>July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2023</u>	Due Within <u>One Year</u>
Governmental Activities:					
Bonds Payable	\$ 20,346,000		\$ 1,365,000	\$ 18,981,000	\$ 1,360,000
Add:					
Unamortized Premiums	74,129	-	36,125	38,004	-
Bonds Payable, Net	20,420,129	-	1,401,125	19,019,004	1,360,000
Leases Payable	990,909		27,860	963,049	28,643
Capital Financing Agreements	105,800		38,237	67,563	39,802
Compensated Absences	1,270,292	\$ 49,005	25,775	1,293,522	22,050
Net Pension Liability	3,597,802	1,076,828	-	4,674,630	-
Governmental Activities Long-Term Liabilities	<u>\$ 26,384,932</u>	<u>\$ 1,125,833</u>	<u>\$ 1,492,997</u>	<u>\$ 26,017,768</u>	<u>\$ 1,450,495</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, 2023 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, 2023 was as follows:

<u>Purpose</u>	<u>Rate %</u>	<u>Maturity Date</u>	<u>Balance, July 1, 2022</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance, June 30, 2023</u>
School Facilities Improvements	5.00%	10/20/2023		\$ 15,000,000		\$ 15,000,000
School Facilities Improvements	2.00%	3/9/2023	\$ 16,200,000	-	\$ 16,200,000	-
			<u>\$ 16,200,000</u>	<u>\$ 15,000,000</u>	<u>\$ 16,200,000</u>	<u>\$ 15,000,000</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 in anticipation of which 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, 2023**

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 June 30,	District Contributions	Employee Contributions	Interest Earnings	Amount Reimbursed	Ending Balance
2023	NONE	\$ 29,013	\$ 3,403	\$ 21,976	\$ 94,146
2022	NONE	29,752	255	5,228	90,743
2021	NONE	35,152	194	1,261	90,488

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, 2023, 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, 2023**

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, 2023 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.

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

The following represents the membership tiers for PERS:

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

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

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

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

Defined Contribution Retirement Program (DCRP) – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007 and employees enrolled in PERS or TPAF on or after July 1, 2007 who earn in excess of established annual maximum compensation limits (equivalent to annual maximum wage for social security deductions). This provision was extended by Chapter 1, P.L. 2010, effective May 21, 2010, to new employees (Tier 2) of the PFRS and new employees who would otherwise be eligible to participate in PERS or TPAF on or after November 2, 2008 and do not earn the minimum salary required 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.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Plan Amendments

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

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

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

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 is \$15.2 billion and the plan fiduciary net position as a percentage of the total pension liability is 62.91% . The collective net pension liability of the State funded TPAF at June 30, 2022 is \$51.7 billion and the plan fiduciary net position as a percentage of total pension liability is 32.29%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the July 1, 2021 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 2023.

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, 2023 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 more 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, 2023, 2022 and 2021 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>
2023	\$ 390,616	\$ 5,935,600	\$ 7,670
2022	355,670	5,880,150	9,931
2021	330,543	4,158,143	7,448

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

Employer and Employee Pension Contributions (Continued)

In addition for fiscal years 2023, 2022 and 2021 the State contributed \$2,114, \$2,017 and \$2,377, 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 \$1,228,206 during the fiscal year ended June 30, 2023 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, 2021 through June 30, 2022. 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, 2022.

At June 30, 2023, the District reported in the statement of net position (accrual basis) a liability of \$4,674,630 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the District's proportionate share was .03097 percent, which was an increase of .0006 percent from its proportionate share measured as of June 30, 2021 of .03037 percent.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension benefit of \$409,325 for PERS. The pension contribution made by the District during the current 2022/2023 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, 2023 with a measurement date of the prior fiscal year end of June 30, 2022. 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, 2023 for contributions made subsequent to the measurement date. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to PERS pension from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 33,739	\$ 29,753
Changes of Assumptions	14,483	699,977
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	193,479	
Changes in Proportion and Differences Between District Contributions and Proportionate Share of Contributions	<u>112,881</u>	<u>78,872</u>
Total	<u>\$ 354,582</u>	<u>\$ 808,602</u>

At June 30, 2023, the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(benefit) as follows:

<u>Year Ending June 30,</u>	<u>Total</u>
2023	\$ (426,265)
2024	(183,373)
2025	(76,208)
2026	231,625
2027	201
Thereafter	<u>-</u>
	<u>\$ (454,020)</u>

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-6.55%
	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 a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for PERS was 7.00% as of June 30, 2022. 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, 2023**

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

	1% Decrease <u>6.00%</u>	Current Discount Rate <u>7.00%</u>	1% Increase <u>8.00%</u>
District's Proportionate Share of the PERS Net Pension Liability	\$ <u>6,005,530</u>	\$ <u>4,674,630</u>	\$ <u>3,541,980</u>

The sensitivity analysis was based on the proportionate share of the District’s net pension liability as of the measurement date of June 30, 2022. A sensitivity analysis specific to the District’s net pension liability at June 30, 2022 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.

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, 2021 through June 30, 2022. 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 more than the actuarial determined amount.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$1,955,784 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, 2023 the State's proportionate share of the net pension liability attributable to the District is \$72,671,151. The net pension liability was measured as of June 30, 2022 and was determined by an actuarial valuation as of July 1, 2021. 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, 2022. At June 30, 2022, the State's share of the net pension liability attributable to the District was .14085 percent, which was an increase of .00048 percent from its proportionate share measured as of June 30, 2021 of .14037 percent.

Actuarial Assumptions

The total pension liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of July 1, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	2.75-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

Mortality Rates

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

The actuarial assumptions used in the July 1, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2018 to June 30, 2021.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

D. Employee Retirement Systems and Pension Plans (Continued)

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

Teachers Pension and Annuity Fund (TPAF) (Continued)

Long-Term Expected Rate of Return

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2022) 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, 2022 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	4.91%
Cash Equivalents	4.00%	1.75%
U.S. Treasuries	4.00%	1.75%
Investment Grade Credit	7.00%	3.38%
US Equity	27.00%	8.12%
Non-US Developed Markets Equity	13.50%	8.38%
Emerging Markets Equity	5.50%	10.33%
High Yield	4.00%	4.95%
Real Assets	3.00%	7.60%
Private Credit	8.00%	8.10%
Real Estate	8.00%	11.19%
Private Equity	13.00%	11.80%

Discount Rate

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2022. 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.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

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:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 85,208,469</u>	<u>\$ 72,671,151</u>	<u>\$ 62,110,036</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, 2022. A sensitivity analysis specific to the State’s proportionate share of the net pension liability attributable to the District at June 30, 2022 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.

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, 2022. 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.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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, the Police and Firemen Retirement System (PFRS) or Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement. 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.

Plan Membership

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2021:

Active Plan Members	213,148
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>151,669</u>
Total	<u>364,817</u>

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.

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

Collective Net OPEB Liability

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2022 is \$50.6 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities at June 30, 2022 were determined based on actuarial valuations as of June 30, 2021 which were rolled forward to June 30, 2022.

Actuarial Methods and Assumptions

In the June 30, 2021 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 \$1.33 billion to the OPEB plan in fiscal year 2022.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2023, 2022 and 2021 were \$1,559,268, \$1,373,841 and \$1,303,097, 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, 2021 through June 30, 2022. Nonemployer allocation percentages have been rounded for presentation purposes.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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)

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, 2023, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$2,488,122. 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, 2023 the State’s proportionate share of the OPEB liability attributable to the District is \$52,575,020. 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, 2022 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2022. At June 30, 2022, the state’s share of the OPEB liability attributable to the District was .10381 percent, which was an increase of .00113 percent from its proportionate share measured as of June 30, 2021 of .10268 percent.

Actuarial Assumptions

The OPEB liability for the June 30, 2022 measurement date was determined by an actuarial valuation as of June 30, 2021, which was rolled forward to June 30, 2022. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>PERS</u>	<u>TPAF</u>
Salary Increases	2.75% to 6.55% Based on Years of Service	2.75% to 4.25% Based on 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 disables 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, 2021 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2018 to June 30, 2021.

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, 2023**

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 6.25% and decreases to a 4.50% long-term trend rate after eight years. For post-65 medical benefits PPO, the trend is initially -1.99% in fiscal year 2023, increasing to 13.44% in fiscal year 2026 and decreases to 4.50% in fiscal year 2033. For HMO the trend is initially -3.54% in fiscal year 2023 , increasing to 15.19% in fiscal year 2026 and decreases to 4.5% in fiscal year 2033. For prescription drug benefits, the initial trend rate is 8.00% and decreases to a 4.50% long-term trend rate after eight years. For the Medicare Part B reimbursement, the trend rate is 5.00%.

Discount Rate

The discount rate for June 30, 2022 was 3.54%. 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, 2023 (measurement date June 30, 2022) is as follows:

	Total OPEB Liability (State Share 100%)
Balance, June 30, 2021 Measurement Date	\$ <u>61,618,251</u>
Changes Recognized for the Fiscal Year:	
Service Cost	3,175,232
Interest on the Total OPEB Liability	1,393,296
Differences Between Expected and Actual Experience	1,827,789
Changes of Assumptions	(14,103,721)
Gross Benefit Payments	(1,380,101)
Contributions from the Member	44,274
Net Changes	\$ <u>(9,043,231)</u>
Balance, June 30, 2022 Measurement Date	\$ <u><u>52,575,020</u></u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.16% in 2021 to 3.54% in 2022.

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, 2022.

**CRESSKILL BOARD OF EDUCATION
 NOTES TO THE FINANCIAL STATEMENTS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 4 OTHER INFORMATION (Continued)

E. Post-Retirement Medical Benefits (Continued)

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

Sensitivity of OPEB Liability

Sensitivity of the total OPEB liability to changes in the discount rate. The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 3.54%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (2.54% percent) or 1-percentage-point higher (4.54% percent) than the current rate:

	1% Decrease (2.54%)	Current Discount Rate (3.54%)	1% Increase (4.54%)
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 61,796,406</u>	<u>\$ 52,575,020</u>	<u>\$ 45,184,540</u>

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

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
State's Proportionate Share of the OPEB Liability Attributable to the District	<u>\$ 43,456,468</u>	<u>\$ 52,575,020</u>	<u>\$ 64,552,792</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2022 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, 2023**

NOTE 5 RECENT HEALTHCARE DEVELOPMENTS

In early March of 2020, the World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a newly discovered strain of coronavirus. On March 13, 2020, the President of the United States declared a national public health emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. The Governor of the State declared a state of emergency and a public health emergency on March 9, 2020. In response to the COVID-19 pandemic, federal and State legislation and executive orders were implemented to mitigate the spread of the disease and provide relief to State and local governments. The pandemic and certain mitigation measures altered the behavior of businesses and people with negative impacts on regional, State and local economies. The national public health emergency and the State public health emergency have since ended, while the state of emergency declared by the State and several executive orders signed by the Governor remain to manage COVID-19 on an endemic level. Depending on future circumstances, ongoing actions could be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19, its variants or other critical health care challenges.

To date, the overall finances and operations of the Board have not been materially adversely affected by the COVID-19 pandemic. Nonetheless, the degree of any future impact to the Board's operations and finances is difficult to predict due to the dynamic nature of the COVID-19 pandemic and any additional actions that may be taken by governmental and other health care authorities to manage the COVID-19 pandemic.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by the President of the United States on March 11, 2021, provided \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic. The Plan, in part, provides funding for State and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Board.

The Board has been awarded a total of \$1,835,034 in federal aid to address the effects of the COVID-19 pandemic.

NOTE 6 SUBSEQUENT EVENTS

School Bonds

On October 19, 2023, the Board issued \$5,415,000 in school bonds to permanently finance a portion of debt previously authorized for the funding of various capital improvements of the School District. The Board awarded the sale of said bonds to Roosevelt & Cross, Inc. at an interest rate of 4.00% to 4.250%. These bonds, dated October 19, 2023, will mature over 18 years with the first maturity due February 1, 2025.

Temporary Notes

On October 19, 2023, the Board issued short term notes in the amount of \$9,585,000 to temporarily finance expenditures related to various capital improvements. The Board has awarded the sale of said notes to Jefferies, LLC at an interest rate of 3.99%. These notes, dated October 19, 2023, will mature on July 19, 2024.

REQUIRED SUPPLEMENTARY INFORMATION - PART II
BUDGETARY COMPARISON SCHEDULES

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
REVENUES					
Local Sources					
Local Tax Levy	\$ 29,388,351		\$ 29,388,351	\$ 29,388,351	
Tuition from Individuals	185,542		185,542	289,748	\$ 104,206
Tuition from Other LEA's Within the State	1,456,333		1,456,333	1,018,460	(437,873)
Interest				158,919	158,919
Interest on Capital Reserve Funds	250		250	14,382	14,132
Interest on Maintenance Reserve Funds	250		250	-	(250)
Interest on Unemployment Reserve Funds				3,403	3,403
Rents and Royalties	10,000		10,000	9,000	(1,000)
Unrestricted Miscellaneous Revenues	40,000	-	40,000	39,105	(895)
Total Local Sources	<u>31,080,726</u>	<u>-</u>	<u>31,080,726</u>	<u>30,921,368</u>	<u>(159,358)</u>
State Sources					
Categorical Special Education Aid	1,553,087		1,553,087	1,553,087	
Categorical Transportation Aid	82,508		82,508	82,508	
Categorical Security Aid	143,116		143,116	143,116	
Extraordinary Aid	448,740		448,740	664,436	215,696
Lead Testing for Schools Aid				2,744	2,744
On-behalf TPAF Contributions (Non-budgeted)					
Pension - Normal Cost & Accrued Liab. Contribution				5,854,377	5,854,377
Pension - Non-Contributory Group Life Insurance				81,223	81,223
Post Retirement Medical Benefit Contribution				1,559,268	1,559,268
Long Term Disability Insurance				2,114	2,114
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,228,206	1,228,206
Total State Sources	<u>2,227,451</u>	<u>-</u>	<u>2,227,451</u>	<u>11,171,079</u>	<u>8,943,628</u>
Total Revenues	<u>33,308,177</u>	<u>-</u>	<u>33,308,177</u>	<u>42,092,447</u>	<u>8,784,270</u>
EXPENDITURES					
CURRENT EXPENDITURES					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	499,632	\$ 2,800	502,432	502,373	59
Grades 1-5	4,041,500	(92,200)	3,949,300	3,926,363	22,937
Grades 6-8	2,301,146	(32,034)	2,269,112	2,233,310	35,802
Grades 9-12	3,291,119	(307,879)	2,983,240	2,950,967	32,273
Regular Programs - Home Instruction					
Salaries of Teachers	22,500	260	22,760	10,445	12,315
Purchased Professional-Educational Services	4,750	1,000	5,750	3,369	2,381
Regular Programs - Undistributed Instruction					
Purchased Professional-Educational Services	262,180	150,079	412,259	383,760	28,499
Other Purchased Services	127,584	343	127,927	107,435	20,492
General Supplies	738,565	71,182	809,747	637,197	172,550
Textbooks	60,350	(1,695)	58,655	8,793	49,862
Total Regular Programs	<u>11,349,326</u>	<u>(208,144)</u>	<u>11,141,182</u>	<u>10,764,012</u>	<u>377,170</u>
Special Education					
Cognitive-Mild					
Salaries of Teachers	189,768	2,422	192,190	146,287	45,903
Other Salaries for Instruction	93,335	(31,000)	62,335	11,621	50,714
Purchased Professional- Educational Services	20,000	(20,000)			
Other Purchased Services	1,000	-	1,000	935	65
General Supplies	18,530	(1,298)	17,232	13,568	3,664
Total Cognitive Mild	<u>322,633</u>	<u>(49,876)</u>	<u>272,757</u>	<u>172,411</u>	<u>100,346</u>

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Special Education (Continued)					
Learning and/or Language Disabilities					
Salaries of Teachers	\$ 516,371	\$ (38,559)	\$ 477,812	\$ 445,797	\$ 32,015
Other Salaries for Instruction	37,128	5,603	42,731	42,230	501
Purchased Professional- Educational Services	184,210	(44,233)	139,977	127,084	12,893
General Supplies	2,136		2,136	824	1,312
Textbooks	324	-	324	256	68
Total Learning and/or Language Disabilities	<u>740,169</u>	<u>(77,189)</u>	<u>662,980</u>	<u>616,191</u>	<u>46,789</u>
Multiple Disabilities					
Salaries of Teachers	310,639	26,663	337,302	330,776	6,526
Other Salaries for Instruction	73,214	1,774	74,988	67,934	7,054
Purchased Professional- Educational Services	229,192	(35,000)	194,192	132,473	61,719
General Supplies	300	-	300	111	189
Total Multiple Disabilities	<u>613,345</u>	<u>(6,563)</u>	<u>606,782</u>	<u>531,294</u>	<u>75,488</u>
Resource Room/Resource Center					
Salaries of Teachers	1,510,885	119,031	1,629,916	1,469,408	160,508
Purchased Professional- Educational Services	167,276	(22,800)	144,476	90,590	53,886
General Supplies	2,331	-	2,331	1,359	972
Total Resource Room/Resource Center	<u>1,680,492</u>	<u>96,231</u>	<u>1,776,723</u>	<u>1,561,357</u>	<u>215,366</u>
Autism					
Salaries of Teachers	689,876	88,872	778,748	680,224	98,524
Other Salaries for Instruction	211,165	21,430	232,595	178,540	54,055
Purchased Professional-Educational Services	822,415	53,328	875,743	643,623	232,120
General Supplies	18,567	1,400	19,967	17,478	2,489
Total Autism	<u>1,742,023</u>	<u>165,030</u>	<u>1,907,053</u>	<u>1,519,865</u>	<u>387,188</u>
Preschool Disabled- Part Time					
Salaries of Teachers	233,569	3,400	236,969	220,346	16,623
Other Salaries for Instruction	1,465	1,302	2,767	2,766	1
Purchased Professional-Educational Services	27,875		27,875	17,839	10,036
General Supplies	250	-	250	20	230
Total Preschool Disabled-Part Time	<u>263,159</u>	<u>4,702</u>	<u>267,861</u>	<u>240,971</u>	<u>26,890</u>
Total Special Education	<u>5,361,821</u>	<u>132,335</u>	<u>5,494,156</u>	<u>4,642,089</u>	<u>852,067</u>
Basic Skills/Remedial					
Salaries of Teachers	582,143		582,143	539,037	43,106
General Supplies	6,020	(1,000)	5,020	122	4,898
Total Basic Skills/Remedial	<u>588,163</u>	<u>(1,000)</u>	<u>587,163</u>	<u>539,159</u>	<u>48,004</u>
Bilingual Education					
Salaries of Teachers	385,897	13,045	398,942	354,454	44,488
General Supplies	6,225	(2,820)	3,405	1,823	1,582
Textbooks	2,500	-	2,500	374	2,126
Total Bilingual Education	<u>394,622</u>	<u>10,225</u>	<u>404,847</u>	<u>356,651</u>	<u>48,196</u>
School Sponsored Co/Extra Curricular Activities					
Salaries	95,410	28,684	124,094	108,444	15,650
Supplies and Materials	30,150	3,726	33,876	29,358	4,518
Other Objects	9,315	-	9,315	1,575	7,740
Total School Sponsored Co/Extra Curricular Activ.	<u>134,875</u>	<u>32,410</u>	<u>167,285</u>	<u>139,377</u>	<u>27,908</u>

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
School Sponsored Athletics					
Salaries	\$ 375,189	\$ 400	\$ 375,589	\$ 324,429	\$ 51,160
Purchased Services	57,500	7,149	64,649	57,115	7,534
Supplies and Materials	40,260	(6,294)	33,966	32,788	1,178
Other Objects	45,487	(5,146)	40,341	31,083	9,258
Transfer to Cover Deficit (Custodial Funds)	50,000	-	50,000	30,000	20,000
Total School Sponsored Athletics	568,436	(3,891)	564,545	475,415	89,130
Total - Instruction	18,397,243	(38,065)	18,359,178	16,916,703	1,442,475
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	125,000	39,170	164,170	159,473	4,697
Tuition to County Voc. School Districts - Regular	418,068	19,990	438,058	437,544	514
Tuition to CSSD & Regional Day Schools	88,415	53,000	141,415	135,450	5,965
Tuition to Priv. Sch. For the Disabled W/I State	1,003,197	(101,009)	902,188	868,131	34,057
Tuition to Priv. Sch. For the Disabled & Oth LEAS-Spl-Out of State	-	13,149	13,149	13,149	-
Total Undistributed Expenditures - Instruction	1,634,680	24,300	1,658,980	1,613,747	45,233
Attendance & Social Work					
Purchased Professional & Technical Services	20,804		20,804	20,400	404
Supplies and Materials	600	(300)	300	-	300
Total Attendance & Social Work	21,404	(300)	21,104	20,400	704
Health Services					
Salaries	258,422	11,349	269,771	267,210	2,561
Purchased Professional & Technical Services	11,650	(3,849)	7,801	7,800	1
Supplies and Materials	8,325	(1,189)	7,136	6,173	963
Total Health Services	278,397	6,311	284,708	281,183	3,525
Speech, OT, PT & Related Services					
Salaries	277,675	(9,354)	268,321	257,696	10,625
Purchased Professional-Educational Services	89,763	159,540	249,303	246,111	3,192
Supplies and Materials	6,810	170	6,980	6,143	837
Total Speech, OT, PT & Related Services	374,248	150,356	524,604	509,950	14,654
Other Support Services - Students - Extra Svcs					
Salaries	194,927	108	195,035	170,342	24,693
Purchased Professional-Educational Services	357,248	(145,000)	212,248	188,409	23,839
Supplies and Materials	2,765	700	3,465	2,594	871
Total Other Support Services-Students-Extra Svcs	554,940	(144,192)	410,748	361,345	49,403
Guidance					
Salaries of Other Professional Staff	633,877	78,494	712,371	711,965	406
Salaries of Secretarial and Clerical Assistants	48,360	2,946	51,306	51,305	1
Purchased Professional-Educational Services	6,330	5,408	11,738	10,751	987
Other Purchased Services	6,600	(4,080)	2,520	2,341	179
Supplies and Materials	3,150	(1,730)	1,420	1,346	74
Total Guidance	698,317	81,038	779,355	777,708	1,647

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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	\$ 550,714	54,477	\$ 605,191	\$ 592,960	\$ 12,231
Salaries of Secretarial and Clerical Assistants	60,656	1	60,657	60,655	2
Purchased Professional-Educational Services	82,231	13,037	95,268	89,317	5,951
Other Purchased Services	350	6	356	305	51
Supplies and Materials	1,800	(200)	1,600	1,374	226
Total Child Study Team	695,751	67,321	763,072	744,611	18,461
Improvement of Instructional Services					
Salaries of Supervisor of Instruction	167,200	\$ 1	167,201	167,200	1
Salaries of Other Professional Staff	20,375	(1,500)	18,875	2,714	16,161
Purchased Professional-Educational Services	32,529	4,845	37,374	37,278	96
Other Purchased Services	1,070	84	1,154	753	401
Supplies and Materials	1,250	(202)	1,048		1,048
Other Objects	625	-	625	125	500
Total Improvement of Inst. Serv.	223,049	3,228	226,277	208,070	18,207
Educational Media Services/School Library					
Salaries	115,952		115,952	115,952	
Supplies and Materials	3,450	-	3,450	443	3,007
Total Educational Media Services/School Library	119,402	-	119,402	116,395	3,007
Instructional Staff Training Services					
Purchased Professional- Educational Services	150		150		150
Other Purchased Services	10,250	(3,028)	7,222	2,261	4,961
Total Instructional Staff Training Services	10,400	(3,028)	7,372	2,261	5,111
Support Services General Administration					
Salaries	321,428	21,700	343,128	334,916	8,212
Legal Services	60,000		60,000	42,029	17,971
Audit Fees	32,000		32,000	31,700	300
Architectural/Engineering Services		15,000	15,000	14,019	981
Other Purchased Professional Services	4,800	35	4,835	4,835	
Communications/Telephone	23,490	741	24,231	20,105	4,126
BOE Other Purchased Services	7,200	(35)	7,165	5,318	1,847
Misc. Purchased Services	80,400	657	81,057	78,839	2,218
General Supplies	1,500		1,500	682	818
BOE In-House Training/Meeting Supplies	2,000		2,000	285	1,715
Judgements Against the School District	4,000	3,000	7,000	-	7,000
Miscellaneous Expenditures	5,900	1,100	7,000	5,605	1,395
BOE Membership Dues and Fees	12,000	-	12,000	11,969	31
Total Support Services General Administration	554,718	42,198	596,916	550,302	46,614

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<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)					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	\$ 879,477	\$ 89,336	\$ 968,813	\$ 917,926	\$ 50,887
Salaries of Other Prof. Staff	434,437	4,726	439,163	437,436	1,727
Salaries of Secretarial and Clerical Assistants	240,243	8,505	248,748	245,953	2,795
Other Purchased Services	68,000		68,000	68,000	
Supplies and Materials	50,200		50,200	34,101	16,099
Other Objects	11,145	-	11,145	9,295	1,850
Total Support Services School Administration	<u>1,683,502</u>	<u>102,567</u>	<u>1,786,069</u>	<u>1,712,711</u>	<u>73,358</u>
Central Services					
Salaries	284,275		284,275	281,326	2,949
Purchased Technical Services	99,900		99,900	85,566	14,334
Misc. Purchased Services	3,500	(500)	3,000	849	2,151
Supplies and Materials	7,500		7,500	6,928	572
Interest on BANS	196,305	126,795	323,100	323,100	
Miscellaneous Expenditures	1,250	-	1,250	1,240	10
Total Central Services	<u>592,730</u>	<u>126,295</u>	<u>719,025</u>	<u>699,009</u>	<u>20,016</u>
Admin. Info. Tech					
Salaries	210,945		210,945	203,513	7,432
Purchased Technical Services	127,344	(49,688)	77,656	59,317	18,339
Other Purchased Services	500		500	146	354
Supplies and Materials	5,000	-	5,000	1,911	3,089
Total Admin. Info. Tech	<u>343,789</u>	<u>(49,688)</u>	<u>294,101</u>	<u>264,887</u>	<u>29,214</u>
Required Maintenance for School Facilities					
Salaries	107,120		107,120	107,120	
Cleaning, Repair and Maintenance Services	162,050	396,887	558,937	435,981	122,956
General Supplies	11,000	600	11,600	8,451	3,149
Total Required Maintenance for School Facilities	<u>280,170</u>	<u>397,487</u>	<u>677,657</u>	<u>551,552</u>	<u>126,105</u>
Custodial Services					
Salaries	967,934	12,334	980,268	956,287	23,981
Salaries of Non-Instructional Aides	85,001	(47,083)	37,918	35,108	2,810
Purchased Professional and Technical Services	2,900		2,900	2,900	
Cleaning, Repair and Maintenance Services	11,750	272	12,022	5,541	6,481
Rental of Land & Bldg Oth. Than Lease Pur Agrmt	227,000	19,963	246,963	278,776	(31,813)
Other Purchased Property Services	35,850		35,850	32,591	3,259
Insurance	233,250	4,000	237,250	237,104	146
General Supplies	65,700	6,430	72,130	63,200	8,930
Energy (Natural Gas)	94,600		94,600	78,956	15,644
Energy (Electricity)	268,500	35,681	304,181	287,678	16,503
Energy (Gasoline)	3,000	81	3,081	3,081	
Other Objects	2,250	-	2,250	1,142	1,108
Total Custodial Services	<u>1,997,735</u>	<u>31,678</u>	<u>2,029,413</u>	<u>1,979,464</u>	<u>49,949</u>
Care and Upkeep of Grounds					
Salaries	101,887	100	101,987	95,676	6,311
Purchased Professional and Technical Services	5,100		5,100	2,236	2,864
Cleaning, Repair, and Maintenance Svc.	12,500	18,244	30,744	26,780	3,964
General Supplies	18,300	6,415	24,715	24,715	-
Total Care and Upkeep of Grounds	<u>137,787</u>	<u>24,759</u>	<u>162,546</u>	<u>149,407</u>	<u>13,139</u>

CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	Original Budget	Adjustments	Final Budget	Actual	Variance Final Budget To Actual
EXPENDITURES					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Security					
Cleaning, Repair and Maintenance Services	\$ 8,300	\$ (200)	\$ 8,100	\$ 7,180	920
Total Security	8,300	(200)	8,100	7,180	920
Student Transportation Services					
Contracted Services (Aid-In-Lieu) - Choice Students	5,000		5,000	3,066	1,934
Contracted Services (Other Than Between Home and School) - Vendors	95,500	6,034	101,534	80,268	21,266
Contracted Services (Between Home and School) - Joint Agreements	26,000	10,510	36,510	34,670	1,840
Contract Services (Special Ed) - Vendors					
Contracted Services (Sp Ed Stds)-Joint Agreements	328,000	281,756	609,756	609,756	-
Total Student Transportation Services	454,500	298,300	752,800	727,760	25,040
Unallocated Benefits					
Social Security Contributions	312,875	3,279	316,154	310,447	5,707
Other Retirement Contributions- PERS	382,000	8,616	390,616	390,616	
Other Retirement Contributions - Regular	22,000		22,000	7,670	14,330
Workmens Compensation	127,985		127,985	126,160	1,825
Health Benefits	4,053,830	(519,816)	3,534,014	3,530,900	3,114
Tuition Reimbursement		5,000	5,000	4,500	500
Other Employee Benefits	122,980	20,609	143,589	133,151	10,438
Unused Sick Payment to Terminated/Retired Staff	31,975	-	31,975	25,775	6,200
Total Employee Benefits	5,053,645	(482,312)	4,571,333	4,529,219	42,114
On-behalf Contributions					
On-behalf TPAF Contributions (Non-Budgeted)					
Pension - Normal Cost & Accrued Liab.				5,854,377	(5,854,377)
Pension - Non-Contributory Group Life Insurance				81,223	(81,223)
Post Retirement Medical Benefit Contribution				1,559,268	(1,559,268)
Long Term Disability Insurance				2,114	(2,114)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,228,206	(1,228,206)
Total On-Behalf Contributions	-	-	-	8,725,188	(8,725,188)
Total Undistributed Expenditures	15,717,464	676,118	16,393,582	24,532,349	(8,138,767)
Interest Earned on Maintenance Reserve	250	(250)	-	-	-
Total Expenditures - Current Expenditures	34,114,957	637,803	34,752,760	41,449,052	(6,696,292)
Increase in Capital Reserve	-	-	-	-	-
CAPITAL OUTLAY					
Equipment					
Undistributed					
Required Maintenance for School Facilities		6,233	6,233	5,089	1,144
School Sponsored Co-Curricular	-	15,012	15,012	15,012	-
Total Equipment	-	21,245	21,245	20,101	1,144
Facilities Acquisition and Construction Services					
Construction Services		136,886	136,886	60,446	76,440
Assessment for Debt Service on SDA Funding	92,970	-	92,970	92,970	-
Total Facilities Acquisition and Construction Services	92,970	136,886	229,856	153,416	76,440
Interest Deposit to Capital Reserve	250	(250)	-	-	-
Total Capital Outlay	93,220	157,881	251,101	173,517	77,584
Total Expenditures	34,208,177	795,684	35,003,861	41,622,569	(6,618,708)

**CRESSKILL BOARD OF EDUCATION
GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (900,000)	\$ (795,684)	\$ (1,695,684)	\$ 469,878	\$ 2,165,562
Other Financing Sources (Uses)					
Transfer In - Capital Projects Fund	-	(11,385)	(11,385)	185,130	185,130
Transfer Out-Food Service Enterprise Fund	-	(11,385)	(11,385)	(8,600)	2,785
Total Other Financing Sources	-	(11,385)	(11,385)	176,530	187,915
Net Change in Fund Balances	(900,000)	(807,069)	(1,707,069)	646,408	2,353,477
Fund Balances, Beginning of Year	6,896,544	-	6,896,544	6,896,544	-
Fund Balances, End of Year	\$ 5,996,544	\$ (807,069)	\$ 5,189,475	\$ 7,542,952	\$ 2,353,477
Recapitulation					
Restricted Fund Balance					
Capital Reserve				\$ 3,170,125	
Maintenance Reserve				829,555	
Maintenance Reserve- Designated for Subsequent Year's Expenditures				206,575	
Excess Surplus - (2024/2025 Budget)				1,125,130	
Excess Surplus - Designated for Subsequent Year's Expenditures (2023/2024 Budget)				869,745	
Unemployment Compensation Reserve				94,146	
Assigned Fund Balance					
Year End Encumbrances				21,386	
Designated for Subsequent Year's Expenditures (2023/2024 Budget)				352,646	
Unassigned Fund Balance				873,644	
				7,542,952	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Revenue Not Recognized on GAAP Basis				(823,891)	
Fund Balance per Governmental Funds (GAAP)				\$ 6,719,061	

**CRESSKILL BOARD OF EDUCATION
SPECIAL REVENUE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Intergovernmental					
State		\$ 377,316	\$ 377,316	\$ 192,144	\$ (185,172)
Federal	\$ 421,795	1,442,739	1,864,534	1,381,236	(483,298)
Local Sources					
Miscellaneous	<u>85,000</u>	<u>135,215</u>	<u>220,215</u>	<u>400,809</u>	<u>180,594</u>
Total Revenues	<u>506,795</u>	<u>1,955,270</u>	<u>2,462,065</u>	<u>1,974,189</u>	<u>(487,876)</u>
EXPENDITURES					
Instruction					
Salaries of Teachers	102,551	295,683	398,234	218,104	180,130
Tuition	292,356	74,634	366,990	366,990	
Purchased Professional and Technical Services	7,234	71,229	78,463	76,940	1,523
Other Purchased Services	-	142,536	142,536	75,120	67,416
General Supplies	85,000	586,472	671,472	461,182	210,290
Co-Curricular Activities (Non-Budget)	<u>-</u>	<u>-</u>	<u>-</u>	<u>283,883</u>	<u>(283,883)</u>
Total Instruction	<u>487,141</u>	<u>1,170,554</u>	<u>1,657,695</u>	<u>1,482,219</u>	<u>175,476</u>
Support Services					
Salaries		11,075	11,075	8,162	2,913
Employee Benefits		60,466	60,466	8,516	51,950
Purchased Professional and Technical Services		117,529	117,529	29,825	87,704
Purchased Professional-Educational Services	19,654	(15,654)	4,000		4,000
Other Purchased Services	-	234,982	234,982	173,662	61,320
Supplies and Materials		271,113	271,113	209,359	61,754
Scholarship Awards (Non-Budget)	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,022</u>	<u>(46,022)</u>
Total Support Services	<u>19,654</u>	<u>679,511</u>	<u>699,165</u>	<u>475,546</u>	<u>223,619</u>
Facilities Acquisition and Construction					
Instructional Equipment					
Noninstructional Equipment	<u>-</u>	<u>105,205</u>	<u>105,205</u>	<u>3,000</u>	<u>102,205</u>
Total Facilities Acquisition and Construction	<u>-</u>	<u>105,205</u>	<u>105,205</u>	<u>3,000</u>	<u>102,205</u>
Total Expenditures	<u>506,795</u>	<u>1,955,270</u>	<u>2,462,065</u>	<u>1,960,765</u>	<u>501,300</u>
Net Change in Fund Balances	-	-	-	13,424	13,424
Fund Balances, Beginning of Year	<u>281,433</u>	<u>-</u>	<u>281,433</u>	<u>281,433</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ 281,433</u>	<u>\$ -</u>	<u>\$ 281,433</u>	<u>\$ 294,857</u>	<u>\$ 13,424</u>
Recapitulation of Fund Balance					
Restricted Fund Balance					
Student Activities				\$ 222,799	
Scholarships				<u>72,058</u>	
				<u>\$ 294,857</u>	

**CRESSKILL BOARD OF EDUCATION
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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

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

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

	General Fund	Special Revenue Fund
Sources/Inflows of Resources		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 42,092,447	\$ 1,974,189
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, 2022		-
Encumbrances, June 30, 2023		(16,775)
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2021-2022)	753,073	
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2022-2023)	(823,891)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 42,021,629</u>	<u>\$ 1,957,414</u>
Uses/Outflows of Resources		
Actual amounts (budgetary basis) total expenditures from the budgetary comparison schedule	\$ 41,622,569	\$ 1,960,765
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, 2022		-
Encumbrances, June 30, 2023	-	(16,775)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 41,622,569</u>	<u>\$ 1,943,990</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 Ten Fiscal Years*

	<u>2023</u>	<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)	0.03097%	0.03037%	0.03022%	0.03035%	0.03159%	0.03163%	0.03366%	0.03335%	0.03304%	0.03270%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 4,674,630	\$ 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	\$ 2,335,587	\$ 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	200%	165%	220%	249%	287%	335%	439%	317%	277%	278%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	62.91%	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.

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

Public Employees Retirement System

Last Ten Fiscal Years

	<u>2023</u>	<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	\$ 390,616	\$ 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>390,616</u>	<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>	<u>\$ -</u>
District's Covered Payroll	\$ 2,232,611	\$ 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	17.50%	15.23%	15.20%	13.16%	14.30%	13.52%	13.62%	12.63%	11.54%	10.94%

**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 Ten Fiscal Years*

	<u>2023</u>	<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)	0%	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	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 72,671,151</u>	<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>
Total	<u>\$ 72,671,151</u>	<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	\$ 17,060,592	\$ 16,841,742	\$ 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%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	32.29%	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.

**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, 2023**

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 Six Fiscal Years*

	2023	2022	2021	2020	2019	2018
Total OPEB Liability						
Service Cost	\$ 3,175,232	\$ 3,586,919	\$ 2,028,798	\$ 1,922,770	\$ 2,182,791	\$ 2,648,039
Interest on Total OPEB Liability	1,393,296	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	1,827,789	(9,680,838)	11,752,475	(6,366,570)	(5,153,729)	
Changes of Assumptions	(14,103,721)	60,791	12,300,116	609,957	(5,072,154)	(6,801,648)
Gross Benefit Payments	(1,380,101)	(1,259,125)	(1,172,278)	(1,255,785)	(1,181,888)	(1,509,756)
Contribution from the Member	44,274	40,864	35,532	37,225	40,848	55,593
Net Change in Total OPEB Liability	(9,043,231)	(5,718,532)	26,427,745	(3,290,813)	(7,283,142)	(3,977,998)
Total OPEB Liability - Beginning	61,618,251	67,336,783	40,909,038	44,199,851	51,482,993	55,460,991
Total OPEB Liability - Ending	\$ 52,575,020	\$ 61,618,251	\$ 67,336,783	\$ 40,909,038	\$ 44,199,851	\$ 51,482,993
District's Proportionate Share of OPEB Liability	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
State's Proportionate Share of OPEB Liability	52,575,020	61,618,251	67,336,783	40,909,038	44,199,851	51,482,993
Total OPEB Liability - Ending	\$ 52,575,020	\$ 61,618,251	\$ 67,336,783	\$ 40,909,038	\$ 44,199,851	\$ 51,482,993
District's Covered Payroll	\$ 19,396,179	\$ 19,016,312	\$ 18,263,692	\$ 17,517,130	\$ 16,986,197	\$ 16,638,556
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	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, 2023**

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, 2023

	Every Student Succeeds Act (ESEA)				IDEA Part B- Basic	IDEA Part B- Preschool	SDA Capital and Emergent Need	Water Bond Act Grant	Climate Change Grant	Total Page 2	Grand Total
	Title I	Title II-A	Title III	Title IV							
REVENUES											
Intergovernmental											
State											
Federal	\$ 93,356	\$ 24,396	\$ 24,450	\$ 19,509	\$ 348,878	\$ 19,377	\$ 85,979	\$ 99,505	\$ 6,660	\$ 851,270	\$ 1,381,236
Local	-	-	-	-	-	-	-	-	-	400,809	400,809
Total Revenues	93,356	24,396	24,450	19,509	348,878	19,377	85,979	99,505	6,660	1,252,079	1,974,189
EXPENDITURES											
Instruction											
Salaries of Teachers	72,172		14,175	5,443						126,314	218,104
Tuition				\$ -	298,138					68,852	366,990
Purchased Professional and Technical Services	15,726	-	-	4,950	12,450	19,377				24,437	76,940
Other Purchased Services										75,120	75,120
General Supplies			5,231	5,000					6,660	444,291	461,182
Co-Curricular Activities	-	-	-	-	-	-	-	-	-	283,883	283,883
Total Instruction	87,898	-	19,406	15,393	310,588	19,377	-	-	6,660	1,022,897	1,482,219
Support Services											
Salaries		7,746		416							8,162
Employee Benefits	5,458	592	1,084							1,382	8,516
Purchased Professional and Technical Services			2,400							27,425	29,825
Other Purchased Services		16,058	1,560	3,700			85,979			66,365	173,662
Supplies and Materials				-	38,290			99,505		71,564	209,359
Scholarship Awards	-	-	-	-	-	-	-	-	-	46,022	46,022
Total Support Services	5,458	24,396	5,044	4,116	38,290	-	85,979	99,505	-	212,758	475,546
Facilities Acquisition and Construction											
Construction Services	-	-	-	-	-	-	-	-	-	3,000	3,000
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-	3,000	3,000
Total Expenditures	93,356	24,396	24,450	19,509	348,878	19,377	85,979	99,505	6,660	1,238,655	1,960,765
Net Change in Fund Balances	-	-	-	-	-	-	-	-	-	13,424	13,424
Fund Balance, Beginning of Year	-	-	-	-	-	-	-	-	-	281,433	281,433
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 294,857	\$ 294,857

79

CRESSKILL BOARD OF EDUCATION
SPECIAL REVENUE FUND
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	ESSER II			ESSER III		Local Grants	Student Activities	Scholarship	Total (Carried Forward)
	ACSERS	Learning Acceleration	Coronavirus Supplemental	ARP	ARP -Coach and Educator Support				
REVENUES									
Intergovernmental									
Federal	\$ 158,851	\$ 20,148	\$ 181,969	\$ 468,315	\$ 21,987				\$ 851,270
Local	-	-	-	-	-	\$ 57,480	\$ 298,597	\$ 44,732	400,809
Total Revenues	<u>158,851</u>	<u>20,148</u>	<u>181,969</u>	<u>468,315</u>	<u>21,987</u>	<u>57,480</u>	<u>298,597</u>	<u>44,732</u>	<u>1,252,079</u>
EXPENDITURES									
Instruction									
Salaries of Teachers	89,999	18,066	1,959	16,290					126,314
Tuition	68,852								68,852
Purchased Professional Technical Services		700	-	1,750	21,987				24,437
Other Purchased Services			75,120						75,120
General Supplies			33,662	356,149		54,480			444,291
Co-Curricular Activities	-	-	-	-	-	-	283,883	-	283,883
Total Instruction	<u>158,851</u>	<u>18,766</u>	<u>110,741</u>	<u>374,189</u>	<u>21,987</u>	<u>54,480</u>	<u>283,883</u>	<u>-</u>	<u>1,022,897</u>
Support Services									
Salaries									-
Employee Benefits		1,382							1,382
Purchased Professional and Technical Services				27,425					27,425
Purchased Property Services									-
Other Purchased Services			65,000	1,365					66,365
Supplies and Materials			6,228	65,336					71,564
Scholarship Awards	-	-	-	-	-	-	-	46,022	46,022
Total Support Services	<u>-</u>	<u>1,382</u>	<u>71,228</u>	<u>94,126</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,022</u>	<u>212,758</u>
Facilities Acquisition and Construction									
Construction Services	-	-	-	-	-	3,000	-	-	3,000
Total Facilities Acquisition and Construction	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,000</u>	<u>-</u>	<u>-</u>	<u>3,000</u>
Total Expenditures	<u>158,851</u>	<u>20,148</u>	<u>181,969</u>	<u>468,315</u>	<u>21,987</u>	<u>57,480</u>	<u>283,883</u>	<u>46,022</u>	<u>1,238,655</u>
Net Change in Fund Balances		-	-	-	-	-	14,714	(1,290)	13,424
Fund Balance, Beginning of Year	-	-	-	-	-	-	208,085	73,348	281,433
Fund Balance, End of Year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 222,799	\$ 72,058	\$ 294,857

**CRESSKILL BOARD OF EDUCATION
SPECIAL REVENUE FUND
SCHEDULE OF PRESCHOOL EDUCATION PROGRAM AID EXPENDITURES
BUDGETARY BASIS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOT APPLICABLE

CAPITAL PROJECTS FUND

**CRESSKILL BOARD OF EDUCATION
CAPITAL PROJECTS FUND
SUMMARY SCHEDULE OF PROJECT EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

<u>Project</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Balance, June 30, 2023</u>
		<u>Prior Year</u>	<u>Current Year</u>	
2017 Referendum Projects - Various Renovations, Alterations and Improvements to All District Schools	\$ 12,446,400	\$ 12,422,004	\$ 9,077	\$ 15,319
2022 Referendum - Hurricane Ida	<u>21,663,200</u>	<u>5,586,958</u>	<u>11,132,164</u>	<u>4,944,078</u>
	<u>\$ 34,109,600</u>	<u>\$ 18,008,962</u>	<u>\$ 11,141,241</u>	<u>\$ 4,959,397</u>
 <u>Reconciliation to GAAP</u>				
Project Balance (Budgetary Basis)				\$ 4,959,397
Bonds Authorized But Not Issued				
Bonds Authorized			\$ (21,663,600)	
Less:				
FEMA Reimbursements			<u>716,191</u>	
Remaining Bonds Authorized But Not Issued				<u>(20,947,409)</u>
Fund Balance, GAAP Basis				<u>\$ (15,988,012)</u>
 <u>Recapitulation of Fund Balance</u>				
Restricted for Capital Projects:				
Year-End Encumbrances				\$ 206,972
Available for Capital Projects				<u>(16,194,984)</u>
Total Fund Balance - Restricted for Capital Projects				<u>\$ (15,988,012)</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, 2023**

Revenues and Other Financing Sources**Revenues**

Local Sources

Interest Earned	\$ 81,780
-----------------	-----------

Federal Sources

FEMA Reimbursements - Hurricane Ida	412,453
-------------------------------------	---------

Other Financing Sources

Premium on Issuance of Bond Anticipation Notes	103,350
--	---------

Total Revenues and Other Financing Sources	597,583
--	---------

Expenditures and Other Financing Uses**Expenditures**

Materials, Furniture and Supplies	1,732,682
-----------------------------------	-----------

Equipment	81,383
-----------	--------

Legal Services	20,277
----------------	--------

Architectural/Engineering Services	516,761
------------------------------------	---------

Other Purchased Prof. and Tech. Services	
--	--

Construction Services	8,631,878
-----------------------	-----------

Textbooks	18,239
-----------	--------

Miscellaneous Expenditures	140,021
----------------------------	---------

Other Financing Uses

Transfer to General Fund	185,130
--------------------------	---------

Total Expenditures and Other Financing Uses	11,326,371
---	------------

Deficiency of Revenues and Other Financing Sources under Expenditures and Other Financing Uses	(10,728,788)
--	--------------

Fund Balance, Beginning of Year	(5,259,224)
---------------------------------	-------------

Fund Balance, End of Year	\$ (15,988,012)
---------------------------	-----------------

**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, 2023**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds	\$ 12,446,000	-	\$ 12,446,000	\$ 12,446,400
 Total Revenues	 <u>12,446,000</u>	 <u>-</u>	 <u>12,446,000</u>	 <u>12,446,400</u>
Expenditures and Other Financing Uses				
Legal Services	25,611		25,611	26,848
Architectural/Engineering Services	1,159,527		1,159,527	1,160,000
Other Purchased Prof. and Tech. Services	338,303		338,303	246,152
Construction Services	9,472,840		9,472,840	9,755,400
Land Acquisition	1,238,071		1,238,071	1,238,000
Materials and Supplies	151,128	\$ 9,077	160,205	10,000
Instructional Equipment	36,524	-	36,524	10,000
 Total Expenditures	 <u>12,422,004</u>	 <u>9,077</u>	 <u>12,431,081</u>	 <u>12,446,400</u>
 Excess of Revenue Over Expenditures	 <u>\$ 23,996</u>	 <u>\$ (9,077)</u>	 <u>\$ 14,919</u>	 <u>\$ -</u>

Additional Project Information:

Project Number	N/A
Grant Date	N/A
Bond Authorization Date	9/26/2017
Bonds Authorized	\$ 12,446,400
Bonds Issued	12,446,000
Original Authorized Cost	12,446,400
Additional Authorized Cost	-
Revised Authorized Cost	-
 Percentage Increase Over Original Authorized Cost	 0%
Percentage Completion	63.00%
Original Target Completion Date	2018/2019
Revised Target Completion Date	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, 2023**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
Revenues and Other Financing Sources				
Bond Proceeds				\$ 20,947,009
FEMA Reimbursements	303,738	\$ 412,453	\$ 716,191	716,191
	<u>303,738</u>	<u>412,453</u>	<u>716,191</u>	<u>21,663,200</u>
Total Revenues				
	<u>303,738</u>	<u>412,453</u>	<u>716,191</u>	<u>21,663,200</u>
Expenditures and Other Financing Uses				
Cleaning, Repair and Maintenance Services	271,534		271,534	271,534
Transportation Services	381,892		381,892	381,892
Furniture and Supplies	292,313	1,723,605	2,015,918	2,406,561
Equipment	53,774	81,383	135,157	187,663
Legal Services	49,963	20,277	70,240	245,000
Architectural/Engineering Services	548,243	516,761	1,065,004	1,447,973
Other Purchased Prof. and Tech. Services	150,431		150,431	629,737
Construction Services	3,734,234	8,631,878	12,366,112	15,575,679
Textbooks		18,239	18,239	150,000
Miscellaneous Expenditures	104,574	140,021	244,595	367,161
	<u>5,586,958</u>	<u>11,132,164</u>	<u>16,719,122</u>	<u>21,663,200</u>
Total Expenditures				
	<u>5,586,958</u>	<u>11,132,164</u>	<u>16,719,122</u>	<u>21,663,200</u>
Excess of Revenue Over Expenditures	<u>\$ (5,283,220)</u>	<u>\$ (10,719,711)</u>	<u>\$ (16,002,931)</u>	<u>\$ -</u>

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	77.18%
Original Target Completion Date	2022/23
Revised Target Completion Date	2023/24

PROPRIETARY FUNDS

ENTERPRISE FUNDS

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, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

EXHIBIT G-3

**COMBINING STATEMENT OF CASH FLOWS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

INTERNAL SERVICE FUND

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

NOT APPLICABLE

FIDUCIARY FUNDS

NOT APPLICABLE

LONG-TERM DEBT

**CRESSKILL BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF LEASES PAYABLE AND CAPITAL FINANCING AGREEMENTS
FOR THE FISCAL YEAR JUNE 30, 2023**

<u>Series</u>	<u>Interest Rate</u>	<u>Amount of Original Issue</u>	<u>Balance, July 1, 2022</u>	<u>Issued</u>	<u>Retired</u>	<u>Balance, June 30, 2023</u>
<u>Leases Payable</u>						
Leased Premises - Borough of Cresskill	2.81%	\$ 1,070,000	\$ <u>990,909</u>	\$ <u>-</u>	\$ <u>27,860</u>	\$ <u>963,049</u>
<u>Capital Financing Agreements</u>						
2020 Atlantic Copier Lease	3.600%	154,360	\$ 80,645		\$ 31,391	\$ 49,254
2021 Atlantic Copier Lease	3.600%	35,205	<u>25,155</u>	<u>-</u>	<u>6,846</u>	<u>18,309</u>
			<u>\$ 105,800</u>	<u>\$ -</u>	<u>\$ 38,237</u>	<u>\$ 67,563</u>

**CRESSKILL BOARD OF EDUCATION
DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 1,888,167		\$ 1,888,167	\$ 1,888,167	
Intergovernmental State					
Debt Service Aid Type II	<u>147,523</u>	<u>-</u>	<u>147,523</u>	<u>147,523</u>	<u>-</u>
 Total Revenues	 <u>2,035,690</u>	 <u>-</u>	 <u>2,035,690</u>	 <u>2,035,690</u>	 <u>-</u>
EXPENDITURES					
Regular Debt Service					
Principal	1,365,000		1,365,000	1,365,000	
Interest	<u>670,691</u>	<u>-</u>	<u>670,691</u>	<u>670,690</u>	<u>1</u>
 Total Expenditures	 <u>2,035,691</u>	 <u>-</u>	 <u>2,035,691</u>	 <u>2,035,690</u>	 <u>1</u>
 Net Changes in Fund Balance	 (1)	 -	 (1)	 -	 (1)
 Fund Balance, Beginning of Year	 <u>1</u>	 <u>-</u>	 <u>1</u>	 <u>1</u>	 <u>-</u>
 Fund Balance, End of Year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ 1</u>	 <u>\$ (1)</u>

Recapitulation of Fund Balance

Restricted for Debt Service \$ 1

**CRESSKILL BOARD OF EDUCATION
LONG-TERM DEBT
SCHEDULE OF OBLIGATIONS UNDER SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS
FOR THE FISCAL YEAR JUNE 30, 2023**

Not Applicable

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental Activities										
Net Investment in Capital Assets	\$ 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	\$ 9,940,521
Restricted	413,870	929,245	646,274	1,315,072	1,514,654	1,452,620	1,959,960	3,178,690	3,108,589	4,595,259
Unrestricted	<u>(6,635,207)</u>	<u>(6,811,314)</u>	<u>(6,950,121)</u>	<u>(7,780,872)</u>	<u>(8,165,212)</u>	<u>(7,549,406)</u>	<u>(6,581,432)</u>	<u>(6,463,065)</u>	<u>(4,490,094)</u>	<u>(5,264,736)</u>
Total Governmental Activities Net Position	\$ 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	\$ 9,271,044
Business-Type Activities										
Net Investment in Capital Assets	\$ 16,677	\$ 16,616	\$ 14,161	\$ 25,766	\$ 22,571	\$ 25,879	\$ 24,675	\$ 21,142	\$ 17,609	\$ 11,803
Unrestricted	<u>67,281</u>	<u>54,663</u>	<u>44,422</u>	<u>13,131</u>	<u>10,909</u>	<u>(6,573)</u>	<u>(11,797)</u>	<u>(16,270)</u>	<u>(9,037)</u>	<u>(8,263)</u>
Total Business-Type Activities Net Position	\$ 83,958	\$ 71,279	\$ 58,583	\$ 38,897	\$ 33,480	\$ 19,306	\$ 12,878	\$ 4,872	\$ 8,572	\$ 3,540
District-Wide										
Net Investment in Capital Assets	\$ 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	\$ 9,952,324
Restricted	413,870	929,245	646,274	1,315,072	1,514,654	1,452,620	1,959,960	3,178,690	3,108,589	4,595,259
Unrestricted	<u>(6,567,926)</u>	<u>(6,756,651)</u>	<u>(6,905,699)</u>	<u>(7,767,741)</u>	<u>(8,154,303)</u>	<u>(7,555,979)</u>	<u>(6,593,229)</u>	<u>(6,479,335)</u>	<u>(4,499,131)</u>	<u>(5,272,999)</u>
Total District Net Position	\$ 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	\$ 9,274,584

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,

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses										
Governmental Activities										
Instruction										
Regular	\$ 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	\$ 17,145,767
Special Education	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	7,958,095
Other Instruction	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	1,430,740
School Sponsored Activities And Athletics	741,117	811,390	904,425	1,005,498	975,125	786,069	771,306	894,905	1,023,844	1,024,282
Support Services:										
Student & Instruction Related Services	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	4,210,867
General Administration Services	670,510	652,965	648,006	710,738	735,828	782,321	824,708	864,384	854,330	820,760
School Administration Services	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	2,345,007
Central Services/Business Services	643,264	678,291	682,143	669,237	798,100	808,375	814,213	878,777	760,270	1,065,723
Plant Operations And Maintenance	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	4,072,522
Pupil Transportation	322,389	340,074	385,357	418,144	456,471	454,426	393,077	308,144	430,116	727,760
Interest On Long-Term Debt	602,569	580,644	542,990	514,990	607,871	870,109	832,624	786,091	760,731	710,002
Total Governmental Activities Expenses	29,803,535	34,028,381	36,717,315	40,216,583	41,851,744	40,104,923	40,605,002	44,048,675	42,244,548	41,511,525
Business-Type Activities:										
Food Service	349,623	355,614	336,671	338,082	347,883	355,719	234,957	14,293	17,880	183,256
Total Business-Type Activities Expense	349,623	355,614	336,671	338,082	347,883	355,719	234,957	14,293	17,880	183,256
Total District Expenses	\$ 30,153,158	\$ 34,383,995	\$ 37,053,986	\$ 40,554,665	\$ 42,199,627	\$ 40,460,642	\$ 40,839,959	\$ 44,062,968	\$ 42,262,428	\$ 41,694,781
Program Revenues										
Governmental Activities:										
Charges For Services:										
Regular Instruction	\$ 306,004	\$ 274,131	\$ 247,599	\$ 257,635	\$ 283,190	\$ 286,592	\$ 215,957	\$ 187,820	\$ 325,519	\$ 289,748
Special Education Instruction	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	1,018,460
School Sponsored Co-Curricular Activities										298,597
Student & Instruction Related Services					97,150	101,276				
Plant Operations And Maintenance	21,400	9,820	9,567	10,700	10,700	6,525	3,100	1,750	10,765	9,000
Operating Grants And Contributions	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	9,753,720
Capital Grants And Contributions	50,576	115,399	157,961	4,350	17,013	-	-	-	2,488,934	415,453
Total Governmental Activities Program Revenues	5,215,481	8,948,357	10,566,384	13,219,714	14,377,327	12,093,678	11,365,048	15,041,563	14,777,062	11,784,978
Business-Type Activities:										
Charges For Services										
Food Service	340,680	342,634	323,646	318,162	341,968	341,057	216,993		16,478	169,218
Operating Grants And Contributions	-	-	-	-	-	-	-	-	-	-
Total Business Type Activities Program Revenues	340,680	342,634	323,646	318,162	341,968	341,057	216,993	-	16,478	169,218
Total District Program Revenues	\$ 5,556,161	\$ 9,290,991	\$ 10,890,030	\$ 13,537,876	\$ 14,719,295	\$ 12,434,735	\$ 11,582,041	\$ 15,041,563	\$ 14,793,540	\$ 11,954,196
Net (Expense)/Revenue										
Governmental Activities	\$ (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)	\$ (29,726,547)
Business-Type Activities	(8,943)	(12,980)	(13,025)	(19,920)	(5,915)	(14,662)	(17,964)	(14,293)	(1,402)	(14,038)
Total District-Wide Net Expense	\$ (24,596,997)	\$ (25,093,004)	\$ (26,163,956)	\$ (27,016,789)	\$ (27,480,332)	\$ (28,025,907)	\$ (29,257,918)	\$ (29,021,405)	\$ (27,468,888)	\$ (29,740,585)

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

	Fiscal Year Ending June 30,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 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	\$ 29,388,351
Property Taxes Levied For Debt Service, Net	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	1,888,167
State Aid Restricted for Debt Service	18,681	18,485	18,560	17,694	23,761	19,059	141,420	97,193	97,801	98,919
Unrestricted State Aid					-					
Investment Earnings	14,474	11,026	12,157	16,250	47,901	175,532	86,221	18,466	26,870	258,484
Miscellaneous Income	79,786	79,173	83,136	78,819	46,928	40,471	104,329	61,400	60,287	39,105
Special Items								1,500	(8,458,863)	103,350
Transfers	-	-	-	-	-	-	(11,336)	(6,269)	(5,097)	(8,600)
Total Governmental Activities	24,907,666	25,753,395	26,287,570	27,010,096	27,969,129	29,435,646	29,973,953	30,400,058	22,464,993	31,767,776
Business-Type Activities:										
Investment Earnings	492	301	329	234	498	488	200	18	5	406
Transfers	-	-	-	-	-	-	11,336	6,269	5,097	8,600
Total Business-Type Activities	492	301	329	234	498	488	11,536	6,287	5,102	9,006
Total District-Wide	\$ 24,908,158	\$ 25,753,696	\$ 26,287,899	\$ 27,010,330	\$ 27,969,627	\$ 29,436,134	\$ 29,985,489	\$ 30,406,345	\$ 22,470,095	\$ 31,776,782
Change in Net Position										
Governmental Activities	\$ 319,612	\$ 673,371	\$ 136,639	\$ 13,227	\$ 494,712	\$ 1,424,401	\$ 733,999	\$ 1,392,946	\$ (5,002,493)	\$ 2,041,229
Business-Type Activities	(8,451)	(12,679)	(12,696)	(19,686)	(5,417)	(14,174)	(6,428)	(8,006)	3,700	(5,032)
Total District	\$ 311,161	\$ 660,692	\$ 123,943	\$ (6,459)	\$ 489,295	\$ 1,410,227	\$ 727,571	\$ 1,384,940	\$ (4,998,793)	\$ 2,036,197

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,									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund										
Restricted	\$ 497,305	\$ 703,528	\$ 687,028	\$ 1,575,384	\$ 1,708,274	\$ 2,477,619	\$ 3,505,792	\$ 4,137,223	\$ 4,036,625	\$ 6,295,276
Committed									136,884	-
Assigned	177,320	177,320	277,729	171,773	161,800	409,737	29,741	85,638	1,059,799	374,032
Unassigned	<u>360,425</u>	<u>338,202</u>	<u>338,549</u>	<u>260,093</u>	<u>312,160</u>	<u>293,041</u>	<u>283,493</u>	<u>782,736</u>	<u>910,163</u>	<u>49,753</u>
Total General Fund	<u>\$ 1,035,050</u>	<u>\$ 1,219,050</u>	<u>\$ 1,303,306</u>	<u>\$ 2,007,250</u>	<u>\$ 2,182,234</u>	<u>\$ 3,180,397</u>	<u>\$ 3,819,026</u>	<u>\$ 5,005,597</u>	<u>\$ 6,143,471</u>	<u>\$ 6,719,061</u>
All Other Governmental Funds										
Restricted	\$ 113,297	\$ 326,126	\$ 91,202	\$ 266	\$ 10,843,272	\$ 4,620,302	\$ 878,835	\$ 486,292	\$ 281,434	\$ 294,858
Unassigned	-	-	-	-	-	-	-	-	(5,259,224)	(15,988,012)
Total All Other Governmental Funds	<u>\$ 113,297</u>	<u>\$ 326,126</u>	<u>\$ 91,202</u>	<u>\$ 266</u>	<u>\$ 10,843,272</u>	<u>\$ 4,620,302</u>	<u>\$ 878,835</u>	<u>\$ 486,292</u>	<u>\$ (4,977,790)</u>	<u>\$ (15,693,154)</u>

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

Source: District financial statements

**CRESSKILL BOARD OF EDUCATION
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(Unaudited)**

(modified accrual basis of accounting)

	Fiscal Year Ending June 30,										
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues											
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	\$ 31,276,518
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	1,308,208
Interest Earnings	14,826	21,400	11,026	12,157	16,250	47,901	175,532	86,221	18,466	26,870	258,484
Miscellaneous	173,016	174,654	168,855	185,535	174,410	125,681	126,808	200,633	317,910	429,993	448,914
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	11,429,340
Federal Sources	391,357	393,771	406,754	531,495	474,118	541,414	505,934	520,080	811,219	1,258,934	1,787,502
Total Revenue	29,877,629	30,123,147	31,817,056	32,901,247	34,109,660	35,954,376	38,114,998	39,217,744	41,501,547	45,070,750	46,508,966
Expenditures											
Instruction											
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	19,051,173
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	8,672,601
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	1,614,265
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	1,087,391
Support Services:											
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	4,565,624
General Administrative Services	791,713	669,020	649,309	633,126	663,886	683,916	739,582	807,538	824,411	901,139	889,553
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	2,617,251
Central Services/Business Services	600,945	641,394	673,758	663,041	608,022	703,440	779,572	804,034	843,907	787,456	1,126,748
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	2,949,869
Pupil Transportation	310,917	322,389	340,074	385,357	418,144	456,471	454,426	393,077	308,144	430,116	727,760
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	11,307,923
Debt Service:											
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	1,431,097
Interest and Other Charges	758,463	604,208	575,999	535,549	503,055	475,012	811,113	829,996	781,024	756,813	702,235
Advance Refunding Escrow	-	-	-	-	-	-	-	-	-	-	-
Cost of Issuance	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	30,060,415	30,146,778	31,420,227	33,051,915	33,889,081	37,382,386	43,339,805	42,889,165	40,736,455	51,603,852	56,743,490
Excess (Deficiency) of Revenues Over (Under) Expenditures	(182,786)	(23,631)	396,829	(150,668)	220,579	(1,428,010)	(5,224,807)	(3,671,421)	765,092	(6,533,102)	(10,234,524)
Other Financing Sources (Uses)											
Bond Sale Proceeds	15,660,000	-	-	-	-	12,446,000	-	-	-	-	-
Premium on Sale of Bonds/Notes	1,052,504	-	-	-	-	-	-	-	-	126,795	103,350
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	185,130
Transfers Out	(134,765)	(306,817)	(398,653)	(50,209)	(121,300)	(367,674)	(105,724)	(40,526)	(7,176)	(144,250)	(193,730)
Total Other Financing Sources (Uses)	226,662	-	-	-	392,429	12,446,000	-	143,024	28,936	2,206,894	94,750
Net Change in Fund Balances	\$ 43,876	\$ (23,631)	\$ 396,829	\$ (150,668)	\$ 613,008	\$ 11,017,990	\$ (5,224,807)	\$ (3,528,397)	\$ 794,028	\$ (4,326,208)	\$ (10,139,774)
Debt Service as a Percentage of Noncapital Expenditures	5.58%	5.36%	5.11%	4.90%	4.76%	4.84%	5.83%	5.93%	5.58%	5.02%	4.70%

* Noncapital expenditures are total expenditures less capital outlay.

Source: School District's financial statements

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

Fiscal Year Ended June 30,	<u>Tuition</u>	<u>Related Services Provided to Other LEAs</u>	<u>Interest on Invest.</u>	<u>Rentals</u>	<u>E-Rate Reimbursement</u>	<u>Miscellaneous</u>	<u>Total</u>
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
2023	1,308,208		176,704	9,000	12,912	26,193	1,533,017

Source School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate ^a
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	\$ 1.439
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	1.470
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	1.510
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	1.550
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	1.385
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	1.389
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	1.401
2021	17,984,200	2,013,931,700	141,173,600	8,094,700	7,399,300	2,188,583,500	8,094,700	2,188,583,500	2,237,068,139	1.400
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	1.375
2023	16,102,500	2,246,386,500	153,045,200	11,395,100	9,785,200	2,436,714,500	-	2,436,714,500	2,577,620,552	1.306

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>	
2014	\$ 1.439	\$ 0.784	\$ 0.259	\$ 2.482
2015	1.473	0.806	0.280	2.559
2016	1.510	0.821	0.305	2.636
2017	1.550	0.860	0.310	2.720
2018	(1) 1.385	0.759	0.255	2.399
2019	1.390	0.762	0.256	2.408
2020	1.401	0.762	0.269	2.432
2021	1.400	0.775	0.262	2.437
2022	1.375	0.783	0.249	2.407
2023	1.306	0.762	0.253	2.321

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	2023	
	Taxable Assessed Value	% of Total District Net Assessed Value
CNL Retirement Suni Cresskill	37,213,000	1.53%
Care One at Dunroven	10,574,800	0.43%
Cresskill Mill C/O Asset Realty	5,172,400	0.21%
P.S. Realty, L.L.C. C/O CVS	6,322,400	0.26%
JKP Broadway Associates LLC NJ	6,300,600	0.26%
Kings Supermarket Inc. Resident	6,091,900	0.25%
101 Broadway Cresskill LLC	5,127,900	0.21%
Flower Central Real Est.	5,094,500	0.21%
Brentwood Manor LLC	4,929,100	0.20%
	4,344,300	0.18%
	\$ 91,170,900	3.74%
	2014	
	Taxable Assessed Value	% of Total District's Net Assessed Value
CNL Retirement Suni Cresskill	\$ 36,757,300	2.06%
Care One at Dunroven	6,100,000	0.34%
Kings Supermarket Inc.	5,635,300	0.32%
P.S. Realty, L.L.C.	4,434,000	0.25%
MTX Wealth Mang-D. Carl Trust	4,210,700	0.24%
Resident	3,999,000	0.22%
Resident	3,800,000	0.21%
Cresskill Industrial Park	3,798,200	0.21%
Cresskill Mill C/O Asset Realty	3,759,000	0.21%
Resident	3,350,000	0.19%
	\$ 75,843,500	4.28%

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	
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%	
2023	31,276,518	31,276,518	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	Bond Anticipation Notes (BANs)			
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	\$ 16,200,000	37,642,709	9,072	4,149
2023	18,981,000		1,030,612	15,000,000	35,011,612	9,072 E	3,859

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
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%	2,243
2022	18,981,000		18,981,000	0.78%	2,092

Source: District records

**CRESSKILL BOARD OF EDUCATION
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
FOR THE YEAR ENDED DECEMBER 31, 2022
(UNAUDITED)**

Municipal Debt:	
Cresskill Board of Education (June 30, 2023)	\$ 39,928,409
Borough of Cresskill	<u>19,860,559</u>
 Total Direct Debt	 <u>59,788,968</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	18,174,111
Bergen County Utilities Authority - Water Pollution (B)	<u>1,979,019</u>
 Total Overlapping Debt	 <u>20,153,130</u>
 Total Direct and Overlapping Debt	 <u>\$ 79,942,098</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2022 equalized value by the total 2022 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:

Borough of Cresskill 2022 Annual Debt Statement
BCUA 2022 Audit
Bergen County 2022 Annual Debt Statement

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

Legal Debt Margin Calculation for Fiscal Year 2023

	Equalized valuation basis	
	2020	\$ 2,279,404,817
	2021	2,408,212,478
	2022	<u>2,698,366,212</u>
		<u>\$ 7,385,983,507</u>
	Average equalized valuation of taxable property	\$ 2,461,994,502.33
	Debt limit (4 % of average equalization value)	98,479,780
	Total Net Debt Applicable to Limit	<u>39,928,409</u>
	Legal debt margin	<u>\$ 58,551,371</u>

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Debt Limit	\$ 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	\$ 98,479,780
Total Net Debt Applicable to Limit	<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>	<u>39,928,409</u>
Legal Debt Margin	<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>	<u>\$ 58,551,371</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	20.51%	20.17%	18.67%	16.82%	29.10%	26.84%	24.87%	23.42%	44.57%	40.54%

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	97,343	9,101	
2022	2.7	Not Available	9,072	
2023	Not Available	Not Available	9,072	(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)

	2023		2014	
<u>Employer</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>	<u>Employees</u>	<u>Percentage of Total Municipal Employment</u>

INFORMATION NOT AVAILABLE

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

<u>Function/Program</u>	<u>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>	<u>2023</u>
Instruction										
Regular	116.40	117.10	120.30	122.30	124.30	122.30	122.00	124.00	121.00	113.00
Special Education	63	62	48	49	49	53	53	54	53	50
Support Services:										
Student and Instruction Related Services	38.4	42.0	42.0	42.0	42.0	42.0	34.0	35.0	30.0	30.0
General Administration	3	3	3	3	3	3	3	3	3	2
School Administrative Services	17.4	18.5	18.5	18.5	18.0	18.0	16.0	15.0	16.0	15.0
Central Services	3	3	3	3	3	3	3	3	3	3
Administrative Information Technology	1	1	1	1	1	1	2	2	2	2
Plant Operations And Maintenance	28	26	26	26	26	20	18	18	18	18
Pupil Transportation	-	-	-	-	-	-	-	-	-	-
Total	<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>	<u>233.00</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					
2014	1,749.0	\$ 28,168,565	16,106	-1.19%	143	12:1	12:01	1,706.4	1,649.4	0.87%	96.66%	
2015	1,783.0	29,548,461	16,572	2.90%	150	12.1:1	11.7:1	1,777.3	1,718.0	4.15%	96.66%	
2016	1,794.0	30,988,214	17,273	4.23%	153	12.8:1	10.9:1	1,799.1	1,740.5	1.23%	96.74%	
2017	1,840.0	31,858,604	17,314	0.24%	156	12.7:1	10.9:1	1,848.8	1,784.0	2.76%	96.50%	
2018	1,848.0	33,664,186	18,217	5.21%	158	12.3:1	11.3:1	1,850.7	1,783.8	0.10%	96.39%	
2019	1,835.0	34,864,265	19,000	4.30%	159	12.1:1	11.1:1	1,812.9	1,746.7	-2.04%	96.35%	
2020	1,844.0	36,043,157	19,546	2.88%	160	12.1:1	11.5:1	1,824.7	1,774.8	0.65%	97.27%	
2021	1,779.0	38,030,599	21,378	9.37%	159	10.7:1	1.6:1	1,778.9	1,734.5	-2.51%	97.50%	
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%	95.38%	
2023	1,703.0	43,302,235	25,427	1.78%	157	11.1:1	10.6:1	1,696.0	1,613.6	-1.62%	95.14%	

Sources: District records

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
District Building										
<u>Elementary</u>										
<u>Edward H. Bryan School</u>										
Square Feet	48,738	48,738	48,738	48,738	48,738	48,738	61,138	61,138	61,138	61,138
Capacity (students)	378	378	378	378	378	378	475	475	475	475
Enrollment	471	483	496	496	500	478	484	499	521	543
<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	323	340	335	335	357	352	359	295	290	286
<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	955	960	963	963	982	968	982	985	896	874

Number of Schools at June 30, 2023

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>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>	<u>2023</u>
Edward H. Bryan	\$ 85,821	\$ 88,975	\$ 54,592	\$ 89,714	\$ 86,697	\$ 70,115	\$ 42,274	\$ 50,905	\$ 67,941	\$ 61,496
Merritt Memorial School	109,760	116,412	76,734	86,103	78,006	63,087	38,037	45,804	62,207	37,838
Middle School/High School	<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>1,927,933</u>	<u>452,218</u>
Total School Facilities	<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>\$ 2,058,081</u>	<u>\$ 551,552</u>

CRESSKILL BOARD OF EDUCATION
SCHEDULE OF INSURANCE
JUNE 30, 2023
(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
	\$500,000 Per Loss	100,000
Forgery & Alteration	100,000	1,000
Workers' Compensation - Safety National		
BI by Accident - Each Accident	1,000,000	
BI by Accident - Each Employee	1,000,000	
BI by Disease - Policy Limit	1,000,000	
Employers Liability Retained Limit	1,000,000	
Cyber Liability-Indian Harbor		
Each Claim	1,000,000	
Aggregate	6,000,000	
Privacy and Cyber Security	2,000,000	
Data Breach Response and Crisis Management	1,000,000	

SINGLE AUDIT SECTION



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN 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, 2023 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 9, 2024.

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 a certain matter that is 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 9, 2024.

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 9, 2024



LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

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, PSA
CHRISTOPHER M. VINCI, CPA, PSA
CHRISTINA CUIFFO, CPA, PSA
JOHN CUIFFO, CPA, PSA

**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, 2023. 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, 2023.

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, 2023, 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 9, 2024, 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 9, 2024

CRESSKILL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	FAIN Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2022	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, 2023 Unearned Revenue	Due to Grantor	MEMO GAAP Receivable
U.S. Department of Education																	
Passed-through State Department of Education																	
ESEA Title I - Grants to Local Education Agencies	84.010	S010A220030	ESEA30990-22	7/1/22-9/30/23	\$ 87,468		\$ 14,012	\$ (14,012)	\$ 62,897	\$ 77,831				\$ (38,583)	\$ 23,649		\$ (14,934)
ESEA Title I - Grants to Local Education Agencies	84.010	S010A210030	ESEA30990-22	7/1/21-9/30/22	104,549	(22,627)	(14,012)	(14,012)	38,152	15,525							
Total Title I Cluster						(22,627)			101,049	93,356				(38,583)	23,649		(14,934)
ESEA Title IIA - Supporting Effective Instruction	84.367A	S367A220029	ESEA30990-22	7/1/22-9/30/23	26,992				10,544	24,396				(16,448)	2,596		(13,852)
ESEA Title IIA - Supporting Effective Instruction	84.367A	S367A210029	ESEA30990-22	7/1/21-9/30/22	21,531	(5,777)			5,777								
Total Title II Cluster						(5,777)			16,321	24,396				(16,448)	2,596		(13,852)
ESEA Title III - English Language Acquisition	84.365	S365A220030	ESEA30990-22	7/1/22-9/30/23	25,086		8,146	(8,146)	16,521	24,450				(16,711)	8,782		(7,929)
ESEA Title III - English Language Acquisition	84.365	S365A210030	ESEA30990-22	7/1/21-9/30/22	30,588	(25,342)	(8,146)	(8,146)	25,342								
Total Title III Cluster						(25,342)			41,863	24,450				(16,711)	8,782		(7,929)
ESEA Title IV - Student Support and Academic Enrichment	84.424	S424A220031	ESEA30990-22	7/1/22-9/30/23	10,000		10,000	(10,000)	9,143	19,509				(10,857)	491		(10,366)
ESEA Title IV - Student Support and Academic Enrichment	84.424	S424A210031	ESEA30990-22	7/1/21-9/30/22	10,000	(1,500)	(10,000)	10,000	1,500								
Total Title IV Cluster						(1,500)			10,643	19,509				(10,857)	491		(10,366)
Coronavirus Response and Relief Supplemental Act (CRRSA - ESSER II)																	
Coronavirus Supplemental Approp Learning Acceleration	84.425D	S425D210027	N/A	3/13/20-9/30/23	404,086	3,669			97,059	181,969				(89,304)	8,063		(81,241)
Coronavirus Supplemental Approp Learning Acceleration	84.425D	S425D210027	N/A	3/13/20-9/30/23	25,932	(301)			11,276	20,148				(9,557)	384		(9,173)
Coronavirus Supplemental Approp Mental Health	84.425D	S425D210027	N/A	3/13/20-9/30/23	45,000	(40,500)			40,500					(4,500)	4,500		
American Rescue Plan - Elementary and Secondary Schools																	
Emergency Relief Fund (ARP - ESSER)																	
ARP	84.425U	S425U210027	N/A	3/13/20-9/30/24	908,157	(52,069)			450,184	468,315				(457,973)	387,773		(70,200)
Accelerated Learning Coach and Educator Support	84.425U	S425U210027	N/A	3/13/20-9/30/24	146,488	(112,585)			134,098	21,987				(12,390)	11,916		(474)
Evidence Based Summer Learning and Enrichment	84.425U	S425U210027	N/A	3/13/20-9/30/24	40,000									(40,000)	40,000		
Evidence Based Comprehensive Beyond the School Day	84.425U	S425U210027	N/A	3/13/20-9/30/24	40,000	(11,775)			11,775					(28,225)	28,225		
NTSS Mental Health Support Staffing	84.425U	S425U210027	N/A	3/13/20-9/30/24	45,000									(45,000)	45,000		
Total Elementary and Secondary School Emergency Relief Fund Cluster (ESSER)						(213,561)			744,892	692,419				(686,949)	525,861		(161,088)
Individuals with Disabilities Education Act (IDEA)																	
ARP - IDEA Basic	84.027X	H027X210100	FT-03-0990-22	7/1/21-9/30/23	75,360	(63,090)			63,090								
IDEA Basic	84.027A	H027A220100	FT-03-0990-22	7/1/22-9/30/23	330,561		25,817	(25,817)	272,216	348,878				(84,162)	7,500		(76,662)
IDEA Basic	84.027A	H027A210100	FT-03-0990-22	7/1/21-9/30/22	329,156	(36,321)	(25,817)	25,817	36,321								
ARP - IDEA Preschool	84.173X	H173X210114	PS-03-0990-22	7/1/21-9/30/23	6,437				1,391								
IDEA Preschool	84.173A	H173A220114	PS-03-0990-22	7/1/22-9/30/23	16,225		5,969	(5,969)	4,768	19,377				(17,426)	2,817		(14,609)
IDEA Preschool	84.173A	H173A210114	PS-03-0990-22	7/1/21-9/30/22	14,792	(4,930)	(5,969)	5,969	4,930								
Total Special Education (IDEA) Cluster						(105,732)			382,716	368,255				(101,588)	10,317		(91,271)
Total U.S. Department of Education/Special Revenue Fund						(374,539)			1,297,484	1,222,385				(871,136)	571,696		(299,440)
U.S. Department of Treasury																	
Passed-Through State Department of Education																	
Additional Compensatory Special Education and Related Services (ASCERS)	21.027	SLFRFDOED1SES	7/1/22-6/30/23	7/1/22-9/30/23	158,851				79,426	158,851				(79,425)			(79,425)
Total Special Revenue Fund						(374,539)			1,376,910	1,381,236				(950,561)	571,696		(378,865)
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	066-1200-100-C84	N/A	716,191				412,453	412,453							
Total U.S. Department of Homeland Security/Capital Projects Fund									412,453	412,453							
						\$ (374,539)	\$ -	\$ -	\$ 1,789,363	\$ 1,793,689	\$ -	\$ -	\$ -	\$ (950,561)	\$ 571,696	\$ -	\$ (378,865)

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

118

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2022	Cash Received	Budgetary Expenditures	Balance, June 30, 2023			Memo	
							(Accounts Receivable)	Unearned Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
General Fund											
State Department of Education											
Special Education Categorical Aid	23-495-034-5120-089	7/1/22-6/30/23	\$ 1,553,087		\$ 1,413,858	\$ 1,553,087	\$ (139,229)				\$ 1,553,087
Special Education Categorical Aid	22-495-034-5120-089	7/1/21-6/30/22	1,283,512	\$ (116,117)	116,117	-	-	-	-	-	-
Security Aid	23-495-034-5120-084	7/1/22-6/30/23	143,116		130,286	143,116	(12,830)				143,116
Security Aid	22-495-034-5120-084	7/1/21-6/30/22	143,116	(12,948)	12,948	-	-	-	-	-	-
Total State Aid Public Cluster				(129,065)	1,673,209	1,696,203	(152,059)	-	-	-	1,696,203
Transportation Aid	23-495-034-5120-014	7/1/22-6/30/23	82,508		75,112	82,508	(7,396)				82,508
Transportation Aid	22-495-034-5120-014	7/1/21-6/30/22	82,508	(7,464)	7,464	-	-	-	-	-	-
Lead Testing for School Aid	23-495-034-5120-104	7/1/22-6/30/23	2,744		2,744	2,744	-				2,744
Extraordinary Sp. Ed. Costs Aid	23-495-034-5120-044	7/1/22-6/30/23	664,436		664,436	664,436	(664,436)				664,436
Extraordinary Sp. Ed. Costs Aid	22-495-034-5120-044	7/1/21-6/30/22	616,544	(616,544)	616,544	-	-	-	-	-	-
TPAF On behalf Contributions											
Pension - Normal Cost & Accrued Liability	23-495-034-5095-002	7/1/22-6/30/23	5,854,377		5,854,377	5,854,377					5,854,377
Pension - Non-Contributory Insurance	23-495-034-5094-004	7/1/22-6/30/23	81,223		81,223	81,223					81,223
Post Retirement Medical Benefit Contrib	23-495-034-5095-001	7/1/22-6/30/23	1,559,268		1,559,268	1,559,268					1,559,268
Long Term Disability Insurance	23-495-034-5094-004	7/1/22-6/30/23	2,114		2,114	2,114					2,114
Reimbursed TPAF Social Security	23-495-034-5095-003	7/1/22-6/30/23	1,228,206	-	1,168,660	1,228,206	(59,546)	-	-	\$ (59,546)	1,228,206
Total General Fund				(753,073)	11,040,715	11,171,079	(883,437)	-	-	(59,546)	11,171,079
Special Revenue Fund											
State Department of Education											
Climate Change Awareness Grant	2023-034-5063-100-359	7/1/22-6/30/23	6,660	-	6,600	6,660	(60)	-	-	(60)	6,660
New Jersey Schools Development Authority											
Water Infrastructure Grant			109,600			99,505	(109,600)	10,095		(99,505)	99,505
School Security Grant (Alyssa's Grant)	20E00459	7/1/20-6/30/22	102,205			-	(102,205)	102,205		-	-
Emergent and Capital Maintenance Needs	N/A	7/1/22-6/30/23	42,220		42,220	42,220					42,220
Emergent and Capital Maintenance Needs	N/A	7/1/21-6/30/22	43,759	43,759	-	43,759					43,759
Total Special Revenue Fund				43,759	48,820	192,144	(211,865)	112,300	-	(99,565)	192,144
Debt Service Fund											
State Department of Education											
Debt Service Aid	23-100-034-5120-075	7/1/22-6/30/23	147,523	-	147,523	147,523	-	-	-	-	147,523
Total Debt Service Fund				-	147,523	147,523	-	-	-	-	147,523
Total State Financial Assistance Subject to Single Audit Determination				\$ (709,314)	\$ 11,237,058	\$ 11,510,746	\$ (1,095,302)	\$ 112,300	\$ -	\$ (159,111)	\$ 11,510,746
State Financial Assistance Not Subject to Single Audit Determination											
General Fund											
On-Behalf TPAF Pension-NCGI	23-495-034-5095-002	7/1/22-6/30/23			(5,854,377)	(5,854,377)					(5,854,377)
On-Behalf TPAF Pension-Normal Costs	23-495-034-5094-004	7/1/22-6/30/23			(81,223)	(81,223)					(81,223)
On-Behalf TPAF-Long Term Disability	23-495-034-5095-001	7/1/22-6/30/23			(1,559,268)	(1,559,268)					(1,559,268)
On-Behalf TPAF Post Retirement Medical	23-495-034-5094-004	7/1/22-6/30/23			(2,114)	(2,114)					(2,114)
Total State Financial Assistance Subject to Major Program Determination				\$ (709,314)	\$ 3,740,076	\$ 4,013,764	\$ (1,095,302)	\$ 112,300	\$ -	\$ (159,111)	\$ 4,013,764

**CRESSKILL BOARD OF EDUCATION
NOTES TO THE SCHEDULES OF EXPENDITURES OF
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

NOTE 1 REPORTING ENTITY

The Cresskill Board of Education (the “Board” or the “District”) received and participated in numerous Federal Award and State Financial Assistance programs in the form of cost reimbursement grants and revenue sharing entitlements. The Board is the reporting entity for these programs. The Board is defined in Note 1 (A) to the Board’s Financial Statements.

NOTE 2 BASIS OF PRESENTATION

The accompanying schedules of expenditures of federal awards and state financial assistance (the “Schedules”) present the activity of all federal and state programs of the Board. All federal awards received directly from federal agencies or passed through other government agencies are included on the schedule of expenditures of federal awards. All state awards received directly from state agencies or passed through other government agencies are included in the schedule of expenditures of state financial assistance. The information in these Schedules are 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* (Uniform Guidance) and New Jersey OMB Circular Letter 15-08 *Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid*.

NOTE 3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The 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 the Notes to the Budgetary Comparison Schedules (RSI) and Note 1(D) to the Board's financial statements, respectively. Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements. The Board’s summary of significant accounting policies are described in Note 1 to the Board’s financial statements.

NOTE 4 RELATIONSHIP TO FINANCIAL STATEMENTS

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$70,818 for the general fund and a decrease of \$16,775 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		\$ 11,100,261	\$ 11,100,261
Special Revenue Fund	\$ 1,375,049	181,556	1,556,605
Capital Projects Fund	412,453		412,453
Debt Service Fund	-	147,523	147,523
	<u> </u>	<u> </u>	<u> </u>
Total Financial Assistance	<u>\$ 1,787,502</u>	<u>\$ 11,429,340</u>	<u>\$ 13,216,842</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, 2023**

NOTE 5 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 6 OTHER INFORMATION

TPAF Social Security contributions in the amount of \$1,228,206 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, 2023. The amount reported as TPAF Pension System Contributions in the amount of \$5,935,600, TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,559,268 and TPAF Long-Term Disability Insurance in the amount of \$2,114 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2023.

NOTE 7 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 8 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, 2023**

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>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

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

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

**CRESSKILL BOARD OF EDUCATION
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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, 2023**

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, 2023**

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, 2023**

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.