

**CRESSKILL BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**County of Bergen, New Jersey**

**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT**

**of the**

**Cresskill Board of Education**

**County of Bergen, New Jersey**

**For The Fiscal Year Ended June 30, 2015**

**Prepared by**

**Finance Department**

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# CRESSKILL PUBLIC SCHOOLS

*One Lincoln Drive  
Cresskill, NJ 07626*

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

December 16, 2015

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

Dear Board Members:

The comprehensive annual financial report of the Cresskill School District ("The District") for the fiscal year ended June 30, 2015, is hereby submitted. Responsibility for both the accuracy of the data and completeness and fairness of the presentation, including all disclosures, rests with the management of the Board of Education ("The Board"). To the best of our knowledge and belief, the data presented in this report is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the various funds of the District. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included.

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

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

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act, as amended, and the U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations", and the NJ Circular OMB 15-08. Information related to this single audit, including the auditors' report on the internal control structure and compliance with applicable laws and regulations and findings and recommendations, are included in the single audit section of this report.

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

**1. REPORTING ENTITY AND ITS SERVICES:** (Continued)

The District provides a full range of educational services appropriate to grade levels Pre-K through 12. These include advanced placement, regular and vocational as well as special education for handicapped youngsters. The District completed the 2014-2015 fiscal year with an enrollment of 1,783 students, which is 34 students greater than the previous year's enrollment.

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

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2014-15	1783	1.94
2013-14	1749	1.16
2012-13	1729	1.37
2011-12	1753	.46
2010-11	1745	.17
2009-10	1742	2.96
2008-09	1692	.35
2007-08	1686	2.06
2006-07	1652	2.54
2005-06	1611	2.35

**2. ECONOMIC CONDITION AND OUTLOOK:** The Borough of Cresskill continues to grow at a steady rate despite the economic climate in the region. The state mandates and potential legislation on property tax may affect enrollment in the future.

**3. MAJOR INITIATIVES:** To continue to focus on maintaining and upgrading technology district wide. This includes but not limited to exploring student management systems, Google Apps for Educators, laptop carts and Chromebooks. Staff development which includes Global Learning, Differentiation, Project ABLE, and Genesis is also an integral part of the technology initiative. We also plan on purchasing computers district wide to continue our annual cycle of computer replacements and to be prepared for the second year of PARCC assessments. The district is actively pursuing all options to address our continued district wide enrollment growth.

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

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

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

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

An encumbrance accounting system is used to record outstanding purchase commitments on a line item basis. Open encumbrances at year-end are either canceled or are included as reappropriations of fund balance in the subsequent year. Those amounts to be reappropriated are reported as reservations of fund balance at June 30, 2015.

**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 Basic Financial Statements", Note 1.

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

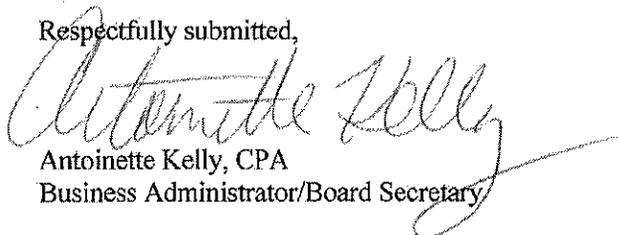
**8. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the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

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

**10. OTHER INFORMATION:** Independent Audit - State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci & Higgins, LLP was selected by the Board. In addition to meeting the requirements set forth in state statutes, the audit also was designed to meet the requirements of the Single Audit Act, as amended, and the related OMB Circular A-133 and NJ Circular OMB 15-08. The auditors' report on the basic financial statements is included in the financial section of this report. The auditors' reports related specifically to the single audit are included in the single audit section of this report.

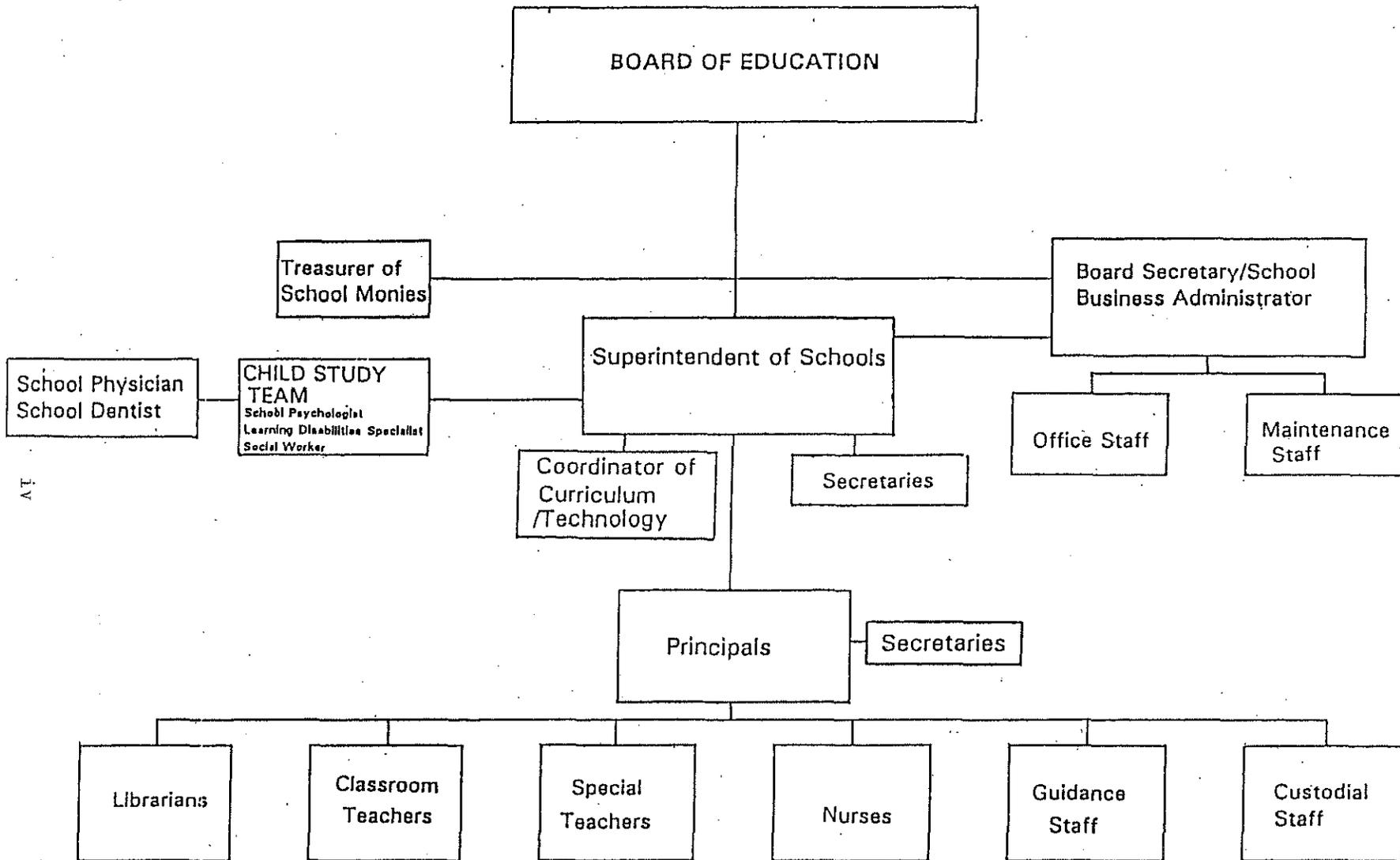
**11. ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Cresskill School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our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

  
Antoinette Kelly, CPA  
Business Administrator/Board Secretary

  
Mr. Michael Burke  
Superintendent

# ORGANIZATIONAL CHART - CRESSKILL PUBLIC SCHOOLS



AT

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

**ROSTER OF OFFICIALS  
JUNE 30, 2015**

<u>Members of the Board of Education</u>	<u>Term Expires January</u>
Denise Villani , President	2018
Mary Klein, Vice President	2018
Bill Anastassatos	2017
Caryn Aronson	2017
Sally Cummings	2016
Stephen Moldt	2016
John Park	2015
Dr. Rosanne Rabinowitz	2016
Cindy Wolfer	2017
<u>Other Officials</u>	
Dr. Loretta Bellina, Superintendent (7/1/14-8/31/14)	
Michael Burke, Superintendent (9/1/14-6/30/15)	
Antoinette Kelly, CPA, Business Administrator/Board Secretary	

**CRESSKILL BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**Architect**

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

**Audit Firm**

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

**Attorney**

Fogarty & Hara, Inc.  
16-00 Route 208 South  
Fair Lawn, NJ 07410

**Official Depository**

Capital One Bank  
710 Rte. 46  
Fairfield, NJ 07004

**FINANCIAL SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
JEFFREY C. BLISS, CPA, RMA, PSA  
PAUL J. LERCH, CPA, RMA, PSA  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA

DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
MARK SACO, CPA  
SHERYL M. NICOLosi, CPA  
KATHLEEN WANG, CPA  
ROBERT AMPONSAH, CPA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, 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**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cresskill Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

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

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

### ***Auditor's Responsibility***

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

## *Opinions*

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cresskill Board of Education as of June 30, 2015, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## *Emphasis of Matter*

### *Adoption of New Accounting Pronouncement*

As discussed in Note 1 to the financial statements, in the fiscal year ended June 30, 2015, the Cresskill Board of Education adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 68, Accounting and Financial Reporting for Pensions. Our opinion is not modified with respect to this matter.

## *Other Matters*

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cresskill Board of Education's basic financial statements. The introductory section, combining fund financial statements, financial schedules, statistical section, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Cresskill Board of Education.

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

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

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

In accordance with Government Auditing Standards, we have also issued our report dated December 16, 2015 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 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 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.

*Leach, Vinci & Higgins, LLP*

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



Donna L. Japhet  
Public School Accountant  
PSA Number CS002314

Fair Lawn, New Jersey  
December 16, 2015

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# CRESSKILL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

This section of Cresskill Board of Education's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year that ended on June 30, 2015. Please read it in conjunction with the transmittal letter at the front of this report and the District's financial statements, which immediately follows this section.

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

### FINANCIAL HIGHLIGHTS

Key financial highlights for the 2014-2015 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 \$7,772,779.
- The District's total net position increased \$660,692.
- Overall District revenues were \$35,044,687. General revenues accounted for \$25,753,696 or 73% of all revenues. Program specific revenues in the form of charges for services and grants and contributions and capital grants and contributions accounted for \$9,290,991 or 27% of total revenues.
- Overall District expenses were \$34,383,995. Governmental activities expenses accounted for \$34,028,381 or 99% and business-type activities expenses accounted for \$355,614 or 1%.
- The school district had \$34,028,381 in expenses for governmental activities; only \$8,948,357 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$25,753,395 were adequate to provide for these programs.
- As of the close of the current fiscal year, the District's governmental funds reported a combined ending fund balance of \$1,545,176. Of this amount, \$277,729 (18%) is reserved for future budgets and \$929,245 (60%) is reserved for capital projects.
- The General Fund unassigned budgetary fund balance at the close of the current fiscal year was \$338,202 which represented a decrease of \$22,223 from the previous year.

# CRESSKILL BOARD OF EDUCATION

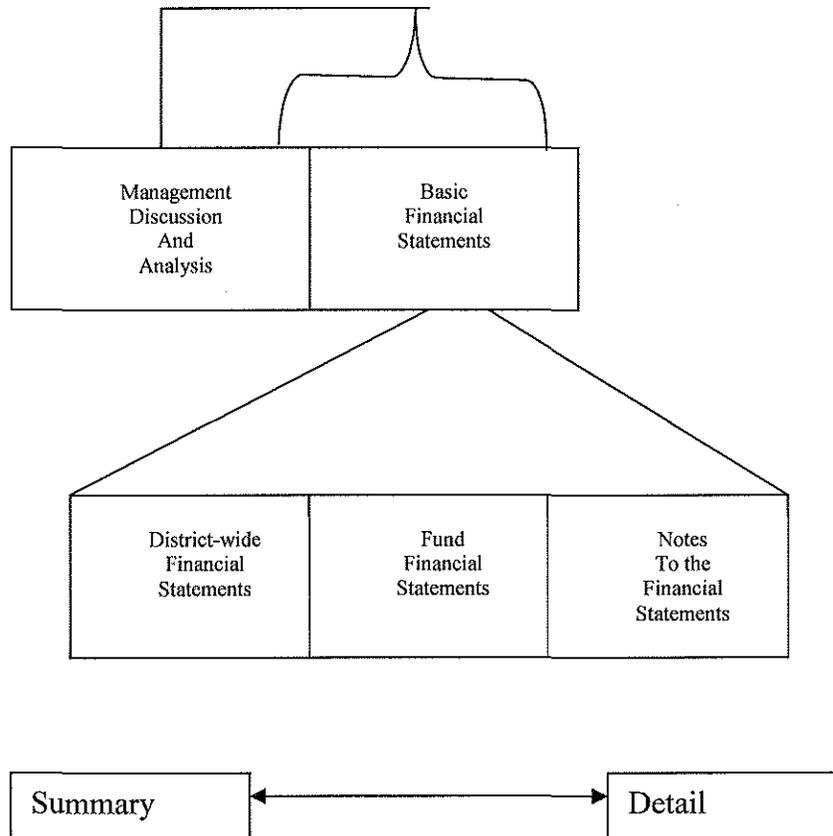
## Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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



# CRESSKILL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

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

### MAJOR FEATURES OF THE DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS

	District-Wide Statements	Fund Financial Statements		
		Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire district(except fiduciary funds)	The activities of the district that are not proprietary or fiduciary, such as instruction, building maintenance, transportation, and administration.	Activities the district operates similar to private businesses: Food Service Enterprise Fund	Instances in which the district administers resources on behalf of someone else, such as unemployment, scholarships, student activities, and Payroll deduction.
Required financial Statements	Statements of Net Position Statement of Activities	Balance Sheet Statement of Revenue, Expenditures and Changes in Fund Balances	Statement of Net Position Statement of Revenue, Expenses, and Changes in Fund Net Position, Statement of Cash Flows	Statements of Fiduciary Net Position, Statement of Changes in Fiduciary Net Position
Accounting Basis and Measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources Focus
Type of assets/deferred outflows/inflows of resources liability information	All assets, deferred outflows/inflows of resources liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included	All asset, deferred inflows/outflows of resources and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long term, funds do not currently contain capital assets, although they can
Type of inflow/outflow Information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All revenues and expenses during the year, regardless of when cash is received or paid.	All additions and deductions during the year, regardless of when cash is received or paid.

#### District-wide Statements

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

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

# CRESSKILL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

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

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

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

### Fund Financial Statements

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

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

The District has three kinds of funds:

- *Governmental funds* – Most of the District's basic services are included in governmental funds, which generally focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed *short-term* view that helps to determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information at the bottom of the governmental funds statements that explains the relationship (or differences) between them.
- *Proprietary funds* – Services for which the District charges a fee are generally reported in proprietary funds. Proprietary funds are reported in the same way as the district-wide statements.
  - *Enterprise Funds* – This fund is established to account for operations that are financed and operated in a manner similar to private business enterprises. The stated intent is that costs of providing goods or services to the students on a continuing basis are financed or recovered primarily through user charges. The District has one enterprise fund for the food service (cafeteria) program.
- *Fiduciary funds* – The District is the trustee, or *fiduciary*, for assets that belong to others. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

### Notes to the Financial Statements

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

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2015

**Other Information**

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

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

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

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

**Net Position.** The District's *combined* net position were \$7,772,779 and \$7,112,087 on June 30, 2015 and 2014, respectively, as follows:

**Net Position  
As of June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u> (Restated)	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u> (Restated)
Current and Other Assets	\$ 4,002,769	\$ 3,364,213	\$ 81,033	\$ 77,095	\$ 4,083,802	\$ 3,441,308
Capital Assets	<u>29,775,014</u>	<u>30,434,550</u>	<u>16,616</u>	<u>16,677</u>	<u>29,791,630</u>	<u>30,451,227</u>
<b>Total Assets</b>	<u>33,777,783</u>	<u>33,798,763</u>	<u>97,649</u>	<u>93,772</u>	<u>33,875,432</u>	<u>33,892,535</u>
<b>Deferred Outflows of Resources</b>						
Deferred Amounts on Refunding of Debt	1,081,253	1,242,769	-	-	1,081,253	1,242,769
Deferred Amounts on Net Pension Liability	<u>248,825</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>248,825</u>	<u>-</u>
<b>Total Deferred Outflows of Resources</b>	<u>1,330,078</u>	<u>1,242,769</u>	<u>-</u>	<u>-</u>	<u>1,330,078</u>	<u>1,242,769</u>
<b>Total Assets and Deferred Outflow of Resources</b>	<u>35,107,861</u>	<u>35,041,532</u>	<u>97,649</u>	<u>93,772</u>	<u>35,205,510</u>	<u>35,135,304</u>
<b>Long-Term Liabilities</b>	24,355,067	25,555,777			24,355,067	25,555,777
Other Liabilities	<u>2,682,637</u>	<u>2,457,626</u>	<u>26,370</u>	<u>9,814</u>	<u>2,709,007</u>	<u>2,467,440</u>
<b>Total Liabilities</b>	<u>27,037,704</u>	<u>28,013,403</u>	<u>26,370</u>	<u>9,814</u>	<u>27,064,074</u>	<u>28,023,217</u>
<b>Deferred Inflows of Resources</b>						
Deferred Amounts on Net Pension Liability	<u>368,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>368,657</u>	<u>-</u>
<b>Total Deferred Inflows of Resources</b>	<u>368,657</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>368,657</u>	<u>-</u>
<b>Total Liabilities and Deferred Outflow of Resources</b>	<u>27,406,361</u>	<u>28,013,403</u>	<u>26,370</u>	<u>9,814</u>	<u>27,432,731</u>	<u>28,023,217</u>
<b>Net Investment in Capital Assets</b>	13,583,569	13,249,466	16,616	16,677	13,600,185	13,266,143
Restricted	929,245	413,870			929,245	413,870
Unrestricted	<u>(6,811,314)</u>	<u>(6,635,207)</u>	<u>54,663</u>	<u>67,281</u>	<u>(6,756,651)</u>	<u>(6,567,926)</u>
<b>Total Net Position</b>	<u>\$ 7,701,500</u>	<u>\$ 7,028,129</u>	<u>\$ 71,279</u>	<u>\$ 83,958</u>	<u>\$ 7,772,779</u>	<u>\$ 7,112,087</u>

**CRESSKILL BOARD OF EDUCATION**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2015**

The District's total net position of \$7,772,779 at June 30, 2015 represents a \$660,692, or 9% increase over the prior year. By far the largest portion of the District's net position reflects its investment in capital assets (e.g., land and improvements, buildings and improvements, vehicles, furniture and equipment); less any related debt used to acquire those assets that are still outstanding. The District uses these capital assets to provide services to its students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**Changes in Net Position  
For The Fiscal Years Ended June 30, 2015 and 2014**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 1,403,963	\$ 1,216,856	\$ 342,634	\$ 340,680	\$ 1,746,597	\$ 1,557,536
Operating Grants and Contributions	7,428,995	3,948,049			7,428,995	3,948,049
Capital Grants and Contributions	115,399	50,576			115,399	
General Revenues						
Property Taxes	25,644,711	24,794,725			25,644,711	24,794,725
State Aid	18,485	18,681			18,485	18,681
Miscellaneous	90,199	94,260	301	492	90,500	94,752
<b>Total Revenues</b>	<b><u>34,701,752</u></b>	<b><u>30,123,147</u></b>	<b><u>342,935</u></b>	<b><u>341,172</u></b>	<b><u>35,044,687</u></b>	<b><u>30,413,743</u></b>
<b>Expenses</b>						
Instruction						
Regular	14,020,663	12,152,470			14,020,663	12,152,470
Special Education	7,227,329	5,530,491			7,227,329	5,530,491
Other Instruction	918,970	748,546			918,970	748,546
School Sponsored Activities and Athletics	811,390	741,117			811,390	741,117
Support Services						
Student and Instruction Related Services	3,236,916	3,223,379			3,236,916	3,223,379
General Administration Services	652,965	670,510			652,965	670,510
School Administration Services	2,284,712	1,948,526			2,284,712	1,948,526
Central Services/ Admin Info. Tech	678,291	643,264			678,291	643,264
Plant Operations and Maintenance	3,276,427	3,220,274			3,276,427	3,220,274
Pupil Transportation	340,074	322,389			340,074	322,389
Interest on Debt	580,644	602,569			580,644	602,569
Food Services	-	-	355,614	349,623	355,614	349,623
<b>Total Expenses</b>	<b><u>34,028,381</u></b>	<b><u>29,803,535</u></b>	<b><u>355,614</u></b>	<b><u>349,623</u></b>	<b><u>34,383,995</u></b>	<b><u>30,153,158</u></b>
<b>Change in Net Position</b>	<b>673,371</b>	<b>319,612</b>	<b>(12,679)</b>	<b>(8,451)</b>	<b>660,692</b>	<b>311,161</b>
<b>Net Position, Beginning of Year</b>	<b>7,028,129</b>	<b>12,958,928</b>	<b>83,958</b>	<b>92,409</b>	<b>7,112,087</b>	<b>13,051,337</b>
<b>Prior Period Adjustment - Net Pension Liability</b>	<b>-</b>	<b>(6,250,411)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(6,250,411)</b>
<b>Net Position, End of Year</b>	<b><u>\$ 7,701,500</u></b>	<b><u>\$ 7,028,129</u></b>	<b><u>\$ 71,279</u></b>	<b><u>\$ 83,958</u></b>	<b><u>\$ 7,772,779</u></b>	<b><u>\$ 7,112,087</u></b>

CRESSKILL BOARD OF EDUCATION

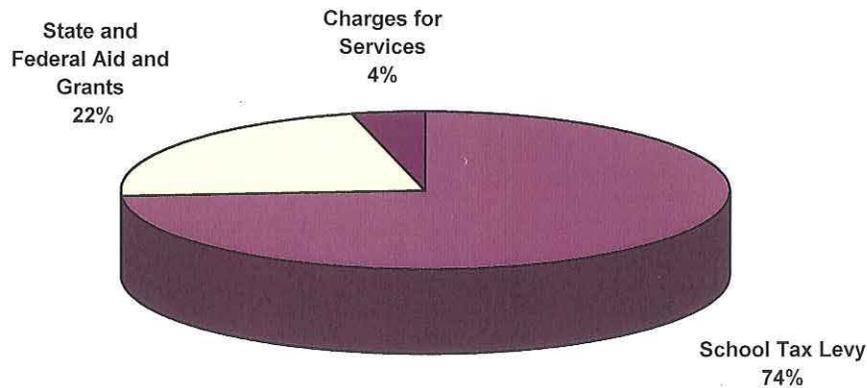
Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2015

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$34,701,752 for the year ended June 30, 2015. Property taxes of \$25,644,711 represented 74% of revenues. Another significant portion of revenues came from State and Federal aid; total State, Federal and local aid was \$7,562,879 representing 22% of revenues. In addition, charges for services (tuition, related services and rentals) of \$1,403,963 which comprise 4% of the total revenues. The remaining revenues are from miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items.

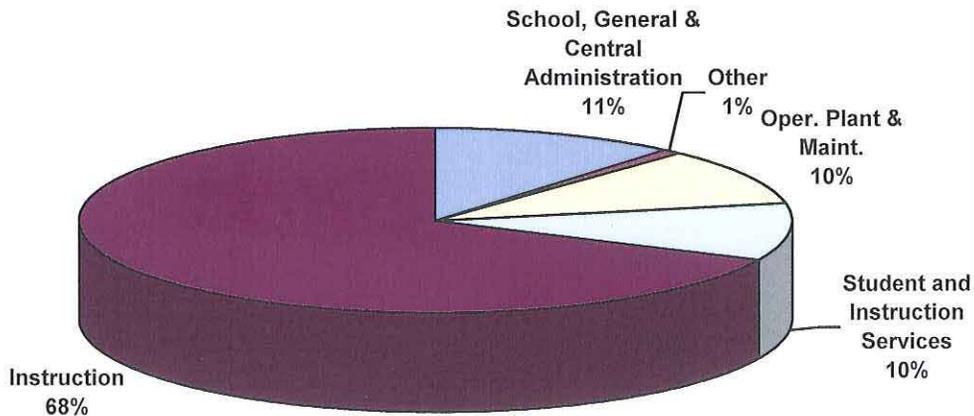
The total cost of all governmental activities programs and services was \$34,028,381. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$22,978,352 (68%) of total expenses. Support services represent \$10,469,385 (31%) of total expenses and interest on debt represents \$580,644 (1%) of total expenses.

Total governmental activities revenues exceeded expenses, increasing net position by \$673,371 over the previous year.

Revenues by Sources – Governmental Activities  
For Fiscal Year 2015



Expenses by Use – Governmental Activities  
For Fiscal Year 2015



CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2015

**Total and Net Cost of Governmental Activities.** The District's total cost of services was \$34,028,381. After applying program revenues, derived from operating grants and contributions of \$7,428,995, capital grants and contributions of \$115,399 and charges for services of \$1,403,963 the net cost of services of the District is \$25,080,024.

**Total and Net Cost of Governmental Activities  
For The Fiscal Years Ended June 30, 2015 and 2014**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Instruction				
Regular	\$ 14,020,663	\$ 12,152,470	\$ 10,212,921	\$ 10,002,406
Special Education	7,227,329	5,530,491	3,010,855	2,882,509
Other Instruction	918,970	748,546	686,341	646,305
School Sponsored Activities and Athletics	811,390	741,117	597,223	643,124
Support Services				
Student and Instruction Related Services	3,236,916	3,223,379	3,236,916	3,223,379
General Administration Services	652,965	670,510	652,965	670,510
School Administration Services	2,284,712	1,948,526	1,992,932	1,813,512
Central Services	678,291	643,264	678,291	643,264
Plant Operations and Maintenance	3,276,427	3,220,274	3,125,944	3,172,841
Pupil Transportation	340,074	322,389	323,477	306,315
Interest on Debt	580,644	602,569	562,159	583,889
<b>Total</b>	<b><u>\$ 34,028,381</u></b>	<b><u>\$ 29,803,535</u></b>	<b><u>\$ 25,080,024</u></b>	<b><u>\$ 24,588,054</u></b>

**Business-Type Activities** – The District's total business-type activities revenues were \$342,935 for the year ended June 30, 2015. Charges for services accounted for over 99% of total revenues. Miscellaneous revenues accounted for less than 1% of total revenues.

Total cost of all business-type activities programs and services was \$355,614. The District's expenses are related to Food Service (Cafeteria) operations.

Total business-type activities expenses exceeded revenues, decreasing net position by \$12,679.

# CRESSKILL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

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

### GOVERNMENTAL FUNDS

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

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$1,545,176, an increase of \$396,829 from last year's fund balance. This increase was primarily due to the District's capital projects partially funded by SDA State grant money and capital reserve funds which are not fully expended as well as additional revenues over the amount anticipated for tuition and related services received from other school districts.

Revenues for the District's governmental funds were \$31,817,056 and total expenses were \$31,420,227 for the fiscal year ended June 30, 2015.

### GENERAL FUND

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

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

	Fiscal Year Ended		Amount of Increase (Decrease)	Percent Change
	2015	2014		
Local Sources				
Property Taxes	\$ 24,102,843	\$ 23,280,958	\$ 821,885	4%
Tuition	1,394,143	1,195,456	198,687	17%
Other	99,453	115,660	(16,207)	-14%
State Sources	<u>3,904,735</u>	<u>3,314,924</u>	<u>589,811</u>	18%
Total General Fund Revenues	<u>\$ 29,501,174</u>	<u>\$ 27,906,998</u>	<u>\$ 1,594,176</u>	6%

Local property taxes increased by \$821,885 or 4% over the previous year. State aid revenue increased \$589,811 or 18% due to predominantly an increase in State on-behalf TPAF pension costs contributed by the State. Tuition revenues increased \$198,687 or 17%, as the District experienced an increase in students being received from other LEAs and individuals. Other local sources of revenues decreased \$16,207 or 14%, primarily due to a decrease in revenues obtained from rentals of facilities.

# CRESSKILL BOARD OF EDUCATION

## Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (Continued)

#### GENERAL FUND (Continued)

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

	Fiscal Year Ended		Amount of Increase (Decrease)	Percent Change
	<u>2015</u>	<u>2014</u>		
Instruction	\$ 19,591,133	\$ 18,465,831	\$ 1,125,302	6%
Support Services	9,296,295	9,128,894	167,401	2%
Capital Outlay	<u>32,225</u>	<u>84,243</u>	<u>(52,018)</u>	(62)%
Total Expenditures	<u>\$ 28,919,653</u>	<u>\$ 27,678,968</u>	<u>\$ 1,240,685</u>	4%

Total General Fund expenditures increased \$1,240,685 or 4% over from the previous year. The majority of this increase can be attributed to an increase in instruction costs.

In 2014-2015 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$184,000. As a result, total fund balance increased to \$1,219,050 at June 30, 2015. After deducting restrictions and assignments, the unassigned fund balance decreased from \$360,425 at June 30, 2014 to \$338,202 at June 30, 2015.

#### CAPITAL ASSET ADMINISTRATION

At the end of fiscal years 2015 and 2014, the District had \$42,347,972 and \$42,067,595, invested in land, land improvements, buildings and building improvements, construction in progress, furniture, equipment and vehicles for the governmental activities and \$150,969 and \$148,574 for business-type activities. The following compares the June 30, 2015 and 2014 balances.

**CRESSKILL BOARD OF EDUCATION**

**Management's Discussion and Analysis  
Fiscal Year Ended June 30, 2015**

**CAPITAL ASSET ADMINISTRATION (Continued)**

Capital Assets at June 30, 2015 and 2014						
	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Land	\$ 48,630	\$ 48,630			\$ 48,630	\$ 48,630
Construction in Progress	-	83,158				83,158
Improvements Other Than Buildings	39,826,340	39,500,442			39,826,340	39,500,442
Buildings and Building Improvements	742,641	742,641			742,641	742,641
Machinery and Equipment	<u>1,730,361</u>	<u>1,692,724</u>	\$ 150,969	\$ 148,574	<u>1,881,330</u>	<u>1,841,298</u>
	42,347,972	42,067,595	150,969	148,574	42,498,941	42,216,169
Less Accumulated Depreciation	<u>(12,572,958)</u>	<u>(11,633,045)</u>	<u>(134,353)</u>	<u>(131,897)</u>	<u>(12,707,311)</u>	<u>(11,764,942)</u>
<b>Total Capital Assets, Net</b>	<b><u>\$ 29,775,014</u></b>	<b><u>\$ 30,434,550</u></b>	<b><u>\$ 16,616</u></b>	<b><u>\$ 16,677</u></b>	<b><u>\$ 29,791,630</u></b>	<b><u>\$ 30,451,227</u></b>

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

**LONG TERM LIABILITIES**

At June 30, 2015 the District had \$23,627,369 of outstanding long-term liabilities. Of this amount, \$896,286 is for compensated absences; \$16,545,000 is for bonds payable and \$6,186,083 is for net pension liability. This is in comparison to long-term liabilities at June 30, 2014 consisting of compensated absences of \$877,513, bonds payable of \$17,560,000 and net pension liability of \$6,250,411 for a total of \$24,687,924.

**Outstanding Long-Term Liabilities  
at June 30, 2015 and 2014**

	<u>2015</u>	<u>2014</u>
Bonds Payable	\$ 16,545,000	\$ 17,560,000
Compensated Absences	896,286	877,513
Net Pension Liability	<u>6,186,083</u>	<u>6,250,411</u>
	<b><u>\$ 23,627,369</u></b>	<b><u>\$ 24,687,924</u></b>

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

## CRESSKILL BOARD OF EDUCATION

### Management's Discussion and Analysis Fiscal Year Ended June 30, 2015

#### **General Fund Budgetary Highlights**

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

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

General Fund budgetary revenues and other financing sources exceeded budgetary expenditures and other financing uses increasing budgetary fund balance by \$230,988 over the previous year. After deducting restrictions and assignments, the unassigned budgetary fund balance increased by \$24,765 from \$771,330 at June 30, 2014 to \$796,095 at June 30, 2015.

#### **FACTORS BEARING ON THE DISTRICT'S FUTURE**

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

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

These indicators were considered when adopting the budget for fiscal year 2015-2016. Budgeted expenditures in the General Fund increased 3 percent to \$27,272,832 in fiscal year 2015-2016. Increases in contractual payroll, employee benefits, tuition and energy costs are the primary reasons for the increase.

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

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

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

**BASIC FINANCIAL STATEMENTS**

**CRESSKILL BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2015**

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 3,330,730	\$ 77,032	\$ 3,407,762
Receivables, net	672,039		672,039
Inventories		4,001	4,001
Capital Assets			
Capital Assets, Not Being Depreciated	48,630		48,630
Capital Assets, Being Depreciated	<u>29,726,384</u>	<u>16,616</u>	<u>29,743,000</u>
Total Assets	<u>33,777,783</u>	<u>97,649</u>	<u>33,875,432</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Amounts on Refunding of Debt	1,081,253	-	1,081,253
Deferred Amounts on Net Pension Liability	<u>248,825</u>	<u>-</u>	<u>248,825</u>
Total Deferred Outflows of Resources	<u>1,330,078</u>	<u>-</u>	<u>1,330,078</u>
Total Assets and Deferred Outflows of Resources	<u>35,107,861</u>	<u>97,649</u>	<u>35,205,510</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	2,038,107	19,484	2,057,591
Payable to Other Governments	65,618		65,618
Accrued Interest Payable	225,044		225,044
Unearned Revenue	353,868	6,886	360,754
Noncurrent Liabilities			
Due Within One Year	1,413,000		1,413,000
Due Beyond One Year	<u>22,942,067</u>	<u>-</u>	<u>22,942,067</u>
Total Liabilities	<u>27,037,704</u>	<u>26,370</u>	<u>27,064,074</u>
<b>DEFERRED INFLOWS OF RESOURCE</b>			
Deferred Amounts on Net Pension Liability	<u>368,657</u>	<u>-</u>	<u>368,657</u>
Total Deferred Inflows of Resources	<u>368,657</u>	<u>-</u>	<u>368,657</u>
Total Liabilities and Deferred Inflows of Resources	<u>27,406,361</u>	<u>26,370</u>	<u>27,432,731</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	13,583,569	16,616	13,600,185
Restricted for			
Capital Projects	929,245		929,245
Unrestricted	<u>(6,811,314)</u>	<u>54,663</u>	<u>(6,756,651)</u>
Total Net Position	<u>\$ 7,701,500</u>	<u>\$ 71,279</u>	<u>\$ 7,772,779</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, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 14,020,663	\$ 274,131	\$ 3,533,611	\$ (10,212,921)		\$ (10,212,921)	
Special Education	7,227,329	1,120,012	3,096,462	(3,010,855)		(3,010,855)	
Other Instruction	918,970		232,629	(686,341)		(686,341)	
School Sponsored Activities and Athletics	811,390		214,167	(597,223)		(597,223)	
Support Services:							
Student & Instruction Related Services	3,236,916			(3,236,916)		(3,236,916)	
General Administration Services	652,965			(652,965)		(652,965)	
School Administration Services	2,284,712		291,780	(1,992,932)		(1,992,932)	
Central Services/Admin Info.	678,291		-	(678,291)		(678,291)	
Plant Operations and Maintenance	3,276,427	9,820	25,264	\$ 115,399	(3,125,944)	(3,125,944)	
Pupil Transportation	340,074		16,597		(323,477)	(323,477)	
Interest on Long-Term Debt	580,644	-	18,485		(562,159)	(562,159)	
<b>Total Governmental Activities</b>	<b>34,028,381</b>	<b>1,403,963</b>	<b>7,428,995</b>	<b>115,399</b>	<b>(25,080,024)</b>	<b>(25,080,024)</b>	
Business-Type Activities:							
Food Service	355,614	342,634	-	-	\$ (12,980)	(12,980)	
<b>Total Business-Type Activities</b>	<b>355,614</b>	<b>342,634</b>	<b>-</b>	<b>-</b>	<b>(12,980)</b>	<b>(12,980)</b>	
<b>Total Primary Government</b>	<b>\$ 34,383,995</b>	<b>\$ 1,746,597</b>	<b>\$ 7,428,995</b>	<b>\$ 115,399</b>	<b>(25,080,024)</b>	<b>(25,093,004)</b>	
General Revenues:							
Taxes:							
Property Taxes, levied for General Purposes				24,102,843		24,102,843	
Property Taxes Levied for Debt Service				1,541,868		1,541,868	
State Aid Restricted for Debt Service Principal				18,485		18,485	
Investment Earnings				11,026	301	11,327	
Miscellaneous Income				79,173	-	79,173	
<b>Total General Revenues</b>				<b>25,753,395</b>	<b>301</b>	<b>25,753,696</b>	
Change in Net Position				673,371	(12,679)	660,692	
Net Position, Beginning of Year (Restated)				7,028,129	83,958	7,112,087	
Net Position, End of Year				<b>\$ 7,701,500</b>	<b>\$ 71,279</b>	<b>\$ 7,772,779</b>	

**FUND FINANCIAL STATEMENTS**

**CRESSKILL BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>					
Cash and Cash Equivalents	\$ 2,955,961	\$ 66,906	\$ 307,863	\$ -	\$ 3,330,730
Receivables, Net					
Receivables From Other Governments	345,098	28,586	235,720		609,404
Other Receivables	<u>56,301</u>	<u>6,334</u>	<u>-</u>	<u>-</u>	<u>62,635</u>
Total Assets	<u>\$ 3,357,360</u>	<u>\$ 101,826</u>	<u>\$ 543,583</u>	<u>\$ -</u>	<u>\$ 4,002,769</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 827,218	\$ 25,850	\$ 40		\$ 853,108
Accrued Salaries & Wages-Summer Pay	1,184,999				1,184,999
Payable to State Governments	-	65,618			65,618
Unearned Revenue	<u>126,093</u>	<u>10,358</u>	<u>217,417</u>	<u>-</u>	<u>353,868</u>
Total Liabilities	<u>2,138,310</u>	<u>101,826</u>	<u>217,457</u>	<u>-</u>	<u>2,457,593</u>
Fund Balances:					
Restricted Fund Balance					
Capital Reserve	603,119				603,119
Excess Surplus - Designated for Subsequent Year's Expenditures	100,409				100,409
Capital Projects			326,126		326,126
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures	177,320				177,320
Unassigned Fund Balance	<u>338,202</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>338,202</u>
Total Fund Balances	<u>1,219,050</u>	<u>-</u>	<u>326,126</u>	<u>-</u>	<u>1,545,176</u>
Total Liabilities and Fund Balances	<u>\$ 3,357,360</u>	<u>\$ 101,826</u>	<u>\$ 543,583</u>	<u>\$ -</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, 2015**

<b>Total Fund Balance (Exhibit B-1)</b>		\$ 1,545,176
<b>Amounts reported for governmental activities in the statement of net position (A-1) are different because:</b>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$42,347,972 and the accumulated depreciation is \$12,572,958		29,775,014
The District has financed capital assets through the issuance of bonds and long-term lease obligations. The interest accrual at year end is:		(225,044)
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.		1,081,253
Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
	Bonds Payable	\$ (16,545,000)
	Premium on Issuance	(727,698)
	Compensated Absences Payable	(896,286)
	Net Pension Liability	<u>(6,186,083)</u>
		<u>(24,355,067)</u>
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 deferred over future years.		
	Deferred Outflows of Resources	248,825
	Deferred Inflows of Resources	<u>(368,657)</u>
		<u>(119,832)</u>
<b>Net Position of Governmental Activities</b>		<b>\$ <u>7,701,500</u></b>

**CRESSKILL BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Capital Projects Fund</u>	<u>Debt Service Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>					
Local Sources					
Property Tax Levy	\$ 24,102,843			\$ 1,541,868	\$ 25,644,711
Tuition/Related Services	1,394,143				1,394,143
Rentals	9,820				9,820
Interest and Investment Income	10,460		\$ 566		11,026
Miscellaneous	79,173	\$ 79,862	-	-	159,035
Total - Local Sources	25,596,439	79,862	566	1,541,868	27,218,735
State Sources	3,904,735	134,463	115,399	36,970	4,191,567
Federal Sources	-	406,754	-	-	406,754
Total Revenues	29,501,174	621,079	115,965	1,578,838	31,817,056
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	12,046,931	229,890			12,276,821
Special Education Instruction	6,010,458	325,365			6,335,823
Other Instruction	800,594				800,594
School-Sponsored Activities and Athletics	733,150				733,150
Support Services					
Student and Instruction Related Services	3,140,447	60,412			3,200,859
General Administration Services	649,309		-		649,309
School Administration Services	2,123,104				2,123,104
Central Services/Admin Info.	673,758				673,758
Plant Operations and Maintenance	2,369,603		45,756		2,415,359
Pupil Transportation	340,074				340,074
Debt Service					
Principal				1,015,000	1,015,000
Interest				575,999	575,999
Capital Outlay	32,225	5,412	242,740	-	280,377
Total Expenditures	28,919,653	621,079	288,496	1,590,999	31,420,227
Excess (Deficiency) of Revenues Over (Under) Expenditures	581,521	-	(172,531)	(12,161)	396,829
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out	(398,087)		(566)		(398,653)
Transfers In	566	-	398,087	-	398,653
Total Other Financing Sources and Uses	(397,521)	-	397,521	-	-
Net Change in Fund Balances	184,000	-	224,990	(12,161)	396,829
Fund Balance, Beginning of Year	1,035,050	-	101,136	12,161	1,148,347
Fund Balance, End of Year	\$ 1,219,050	\$ -	\$ 326,126	\$ -	\$ 1,545,176

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, 2015**

**Total Net Change in Fund Balances - Governmental Funds (from B-2)** **\$ 396,829**

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

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

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

Depreciation expense	\$ (939,913)	
Capital outlays	<u>280,377</u>	
		(659,536)

Repayment of long-term debt is an expenditure in the governmental funds, but it reduces long-term liabilities in the statement of net position and does not effect the statement of activities.

Payment of Bond Principal	1,015,000
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Governmental Funds report the effect of premiums and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Amortization of Deferred Amount on Refunding of Debt	(161,516)	
Amortization of Original Issuance Premium	<u>140,155</u>	
		(21,361)

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	16,716
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In the statement of activities, certain operating expenses, e.g., compensated absences are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are reported in the amount of financial resources used (paid). When the earned amount exceeds the paid amount, the difference is reduction in the reconciliation; when the paid amount exceeds the earned amount the difference is an addition to the reconciliation.

Compensated Absences, Net	(18,773)	
Net Pension Liability, Net	<u>(55,504)</u>	
		<u>(74,277)</u>

**Change in Net Position of Governmental Activities** **\$ 673,371**

**CRESSKILL BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET POSITION  
 AS OF JUNE 30, 2015**

	<b>Business-Type            Activities            Enterprise  <u>Food Services</u></b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 77,032
Inventories	<u>4,001</u>
Total Current Assets	<u>81,033</u>
Capital Assets	
Furniture, Machinery and Equipment	150,969
Less: Accumulated Depreciation	<u>(134,353)</u>
Total Capital Assets, Net	<u>16,616</u>
Total Assets	<u>97,649</u>
<b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	19,484
Unearned Revenue	<u>6,886</u>
Total Current Liabilities	<u>26,370</u>
<b>NET POSITION</b>	
Investment in Capital Assets	16,616
Unrestricted	<u>54,663</u>
Total Net Position	<u>\$ 71,279</u>

**CRESSKILL BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET POSITION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Business-Type Activities Enterprise <u>Food Services</u></b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Daily Sales	\$ 333,570
Other Sales- Special Functions	<u>9,064</u>
Total Operating Revenues	<u>342,634</u>
<b>OPERATING EXPENSES</b>	
Salaries and Benefits	134,917
Cost of Sales	162,482
Management Fee	16,163
Other Purchased Services	16,757
Other Supplies/Services	22,839
Depreciation	<u>2,456</u>
Total Operating Expenses	<u>355,614</u>
Operating Loss	<u>(12,980)</u>
<b>NONOPERATING REVENUES</b>	
Interest	<u>301</u>
Total Nonoperating Revenues	<u>301</u>
Change in Net Position	(12,679)
Total Net Position - Beginning of Year	<u>83,958</u>
Total Net Position - End of Year	<u>\$ 71,279</u>

**CRESSKILL BOARD OF EDUCATION  
PROPRIETARY FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Business-Type Activities Enterprise <u>Food Services</u></b>
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$ 344,953
Cash Payments for Salaries and Benefits	(134,917)
Cash Payments to Suppliers for Goods and Services	<u>(204,260)</u>
Net Cash Provided by Operating Activities	<u>5,776</u>
<b>Cash Flows from Capital and Related Financing Activities</b>	
Purchase of Capital Assets	<u>(2,395)</u>
Net Cash Used by Capital and Related Financing Activities	<u>(2,395)</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	<u>301</u>
Net Cash Provided by Investing Activities	<u>301</u>
Net Increase in Cash and Cash Equivalents	3,682
Cash and Cash Equivalents, Beginning of Year	<u>73,350</u>
Cash and Cash Equivalents, End of Year	<u>\$ 77,032</u>
<b>Reconciliation of Operating Loss to Net Cash Used by Operating Activities</b>	
Operating Loss	\$ (12,980)
Adjustments to Reconcile Operating Loss to Net Cash Used by Operating Activities	
Depreciation	2,456
Change in Assets and Liabilities	
(Increase)/Decrease in Inventories	(476)
(Increase)/Decrease in Other Accounts Receivable	219
Increase/(Decrease) in Accounts Payable	14,239
Increase/(Decrease) in Unearned Revenue	<u>2,318</u>
Total Adjustments	<u>18,756</u>
Net Cash Provided by Operating Activities	<u>\$ 5,776</u>

**CRESSKILL BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET POSITION  
AS OF JUNE 30, 2015**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b><u>Scholarship Fund</u></b>	<b><u>Agency Fund</u></b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 39,843	\$ 54,417	\$ 411,585
Total Assets	<u>39,843</u>	<u>54,417</u>	<u>\$ 411,585</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings Payable			\$ 128,652
Accrued Salaries and Wages			5,233
Reserve for Flexible Spending Plan			5,538
Due to Student Groups			272,162
Intergovernmental Payable - State	\$ 1,597	-	-
Total Liabilities	<u>1,597</u>	<u>-</u>	<u>\$ 411,585</u>
<b>NET POSITION</b>			
Held in Trust for Unemployment Claims and Other Purposes	\$ 38,246	\$ 54,417	

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

**CRESSKILL BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Unemployment Compensation <u>Trust Fund</u></b>	<b><u>Scholarship Fund</u></b>
<b>ADDITIONS</b>		
Contributions		
Employees	\$ 37,630	
Private Donations	-	\$ 28,569
	<hr/>	<hr/>
Total Contributions	37,630	28,569
Investment Earnings		
Interest	101	150
	<hr/>	<hr/>
Total Additions	37,731	28,719
<b>DEDUCTIONS</b>		
Scholarship Awards		28,100
Unemployment Claims and Contributions	26,854	-
	<hr/>	<hr/>
Total Deductions	26,854	28,100
Change in Net Position	10,877	619
Net Position, Beginning of the Year	27,369	53,798
	<hr/>	<hr/>
Net Position, End of the Year	\$ 38,246	\$ 54,417
	<hr/>	<hr/>

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

**NOTES TO THE FINANCIAL STATEMENTS**

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Cresskill Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The Board consists of nine elected officials and is responsible for the fiscal control of the District. A superintendent is appointed by the Board and is responsible for the administrative control of the District. 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 also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls.

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 2015, the District adopted the following GASB statements:

- GASB 68, *Accounting and Financial Reporting for Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria.
- GASB 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – an amendment of GASB Statement No. 68*, should be applied simultaneously with the provisions of Statement No. 68. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

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

- GASB 72, *Fair Value Measurement and Application*, will be effective beginning with the fiscal year ending June 30, 2016. This Statement addresses accounting and financial reporting issues related to fair value measurements. This Statement provides guidance for determining a fair value measurement for financial reporting purposes. This Statement also provides guidance for applying fair value to certain investments and disclosures related to all fair value measurements.
- GASB 73, *Accounting and Financial Reporting for Pensions and Related Assets that Are Not Within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability.
- GASB 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, will be effective beginning with the fiscal year ending June 30, 2017. The objective of this Statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability.
- GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, will be effective beginning with the fiscal year ending June 30, 2018. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities.
- GASB 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, will be effective beginning with the fiscal year ending June 30, 2016. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The “GAAP hierarchy” consists of the sources of accounting principles used to prepare financial statements of state and local governmental entities in conformity with GAAP and the framework for selecting those principles. This Statement reduces the GAAP hierarchy to two categories of authoritative GAAP and addresses the use of authoritative and nonauthoritative literature in the event that the accounting treatment for a transaction or other event is not specified within a source of authoritative GAAP.

**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 and internal service funds, while business-type activities incorporate data from the District’s enterprise funds. Fiduciary funds are excluded from the district-wide financial statements.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**C. Basis of Presentation - Financial Statements (Continued)**

**District-Wide Financial Statements**

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

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

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

**Fund Financial Statements**

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

The District reports the following major governmental funds:

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

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

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

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

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**C. Basis of Presentation - Financial Statements (Continued)**

**Fund Financial Statements (Continued)**

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 teachers and special events.

Additionally, the government reports the following fund type:

The *fiduciary trust fund* is used to account for resources legally held in trust for the state unemployment insurance claims, for private donations for scholarship awards, payroll related activities and student related activities which are supported and controlled by student organizations and clubs. All resources of the fund, including any earnings on invested resources, may be used to support the intended purpose. There is no requirement that any portion of these resources be preserved as capital.

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

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 and acquisitions under capital leases are reported as other financing sources.

Property taxes, tuition, rental fees, 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 government's policy to use restricted resources first, then unrestricted resources as they are needed.

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

**1. *Cash, Cash Equivalents and Investments***

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

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

**2. *Receivables***

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

**3. *Inventories***

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

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

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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***

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

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

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

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	20-50
Building Improvements	20
Heavy Equipment	10-20
Office Equipment and Furniture	7-10
Computer Equipment	5

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

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

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

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

***5. Deferred Outflows/Inflows of Resources (Continued)***

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has one type of item which arises only under the accrual basis of accounting that qualifies for reporting in this category. The 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. A liability is reported in the governmental funds only to the amount actually due at year end as a result of employee resignations and retirements.

***7. Pensions***

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

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

***8. Long-Term Obligations***

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

CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

9. *Net Position/Fund Balance*

District-Wide Statements

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

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

Governmental Fund Statements

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

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

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

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJS 18A:7F-7 to represent the June 30, 2014 audited excess surplus that was appropriated in the 2015/2016 original budget certified for taxes.

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

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2015/2016 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.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**F. Revenues and Expenditures/Expenses**

***1. Program Revenues***

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

***2. Property Taxes***

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

***3. Tuition Revenues and Expenditures***

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

Tuition Expenditures - Tuition charges for the fiscal years 2013-2014 and 2014-2015 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 Non-Operating Revenues and Expenses***

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

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent for review and approval prior to adoption. Prior to the 2012/2013 budget year, the annual budget was required to be voted upon at the annual school election held on the third Tuesday in April. On January 17, 2012, Chapter 202 of the Laws of P.L. 2011 was approved which established procedures for moving the date of a school district's annual school election from April to the general election in November. Under the new law, districts that have their school board members elected in November no longer have to submit their budgets that meet levy cap requirements for voter approval beginning with the 2012/2013 budget year. Only a school board decision to exceed the tax levy cap would require voter approval for the additional amount on the November ballot. On January 23, 2012, 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 2014/2015. Also, during 2014/2015 the Board increased the original general fund budget by \$258,388 and the original special revenue fund budget by \$97,936. The increase in the general fund was funded by the appropriation of the prior year extraordinary aid. The increase in special revenue fund was funded by additional grant awards.

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, 2015**

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

**B. Capital Reserve**

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

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

The activity of the capital reserve for the fiscal year ended June 30, 2015 is as follows:

Balance, July 1, 2014		\$ 300,573
Increased by		
Interest earnings	\$ 633	
Deposits Approved in District Budget	100,000	
Deposits Approved by Board Resolution	600,000	
Unexpended Balances Returned from Capital Projects Fund	60,493	
Total Increases	<u>761,126</u>	
		1,061,699
Withdrawals		
Approved by Board Resolution		<u>458,580</u>
Balance, June 30, 2015		<u><u>\$ 603,119</u></u>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**C. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Reserved 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 reserve 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, 2015 is \$100,409. This amount was designated and appropriated in the 2015/2016 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), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC.

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At June 30, 2015, the book value of the Board's deposits were \$3,913,607 and bank and brokerage firm balances of the Board's deposits amounted to \$4,221,195. The Board's deposits which are displayed on the various fund balance sheets as or "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	
Uninsured and Collateralized	
Uninsured and Uncollateralized	<u>\$ 4,221,195</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. However, none of the Board's bank balances were exposed to custodial credit risk.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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, 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, Local Government investment pools, and agreements or the repurchase of fully collateralized securities, if transacted in accordance with the above statute.

As of June 30, 2015, the Board had no outstanding investments.

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

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, 2015 for the district’s individual major funds, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Capital Projects</u>	<u>Total</u>
Receivables:				
Accounts	\$ 56,301			\$ 56,301
Intergovernmental				
Federal		\$ 28,586		28,586
State	174,261		\$ 235,720	409,981
Local	170,837	6,334	-	177,171
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Receivables	<u>\$ 401,399</u>	<u>\$ 34,920</u>	<u>\$ 235,720</u>	<u>\$ 672,039</u>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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>
General Fund	
Tuition	\$ 126,093
Special Revenue Fund	
Unencumbered Grant Draw Downs	10,358
Capital Projects Fund	
Unrealized School Facilities Grant	<u>217,417</u>
 Total Unearned Revenue for Governmental Funds	 <u>\$ 353,868</u>

**D. Capital Assets**

Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	<u>Balance, July 1, 2014</u>	<u>Increases</u>	<u>Transfers</u>	<u>Balance, June 30, 2015</u>
<b>Governmental Activities:</b>				
Capital Assets, Not Being Depreciated:				
Land	\$ 48,630			\$ 48,630
Construction in Progress	<u>83,158</u>	<u>-</u>	<u>\$ (83,158)</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	<u>131,788</u>	<u>-</u>	<u>(83,158)</u>	<u>48,630</u>
Capital Assets, Being Depreciated:				
Buildings and Building Improvements	39,500,442	\$ 242,740	83,158	39,826,340
Improvements Other Than Buildings	742,641			742,641
Machinery and Equipment	<u>1,692,724</u>	<u>37,637</u>	<u>-</u>	<u>1,730,361</u>
Total Capital Assets Being Depreciated	<u>41,935,807</u>	<u>280,377</u>	<u>83,158</u>	<u>42,299,342</u>
Less Accumulated Depreciation for:				
Buildings and Building Improvements	(9,797,429)	(820,753)		(10,618,182)
Improvements Other Than Buildings	(541,257)	(12,647)		(553,904)
Machinery and Equipment	<u>(1,294,359)</u>	<u>(106,513)</u>	<u>-</u>	<u>(1,400,872)</u>
Total Accumulated Depreciation	<u>(11,633,045)</u>	<u>(939,913)</u>	<u>-</u>	<u>(12,572,958)</u>
Total Capital Assets, Being Depreciated, Net	<u>30,302,762</u>	<u>(659,536)</u>	<u>-</u>	<u>29,726,384</u>
Governmental Activities Capital Assets, Net	<u>\$ 30,434,550</u>	<u>\$ (659,536)</u>	<u>\$ -</u>	<u>\$ 29,775,014</u>

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**D. Capital Assets (Continued)**

	Balance, <u>July 1, 2014</u>	<u>Increases</u>	<u>Decreases</u>	Balance, <u>June 30, 2015</u>
<b>Business-Type Activities:</b>				
Capital Assets, Being Depreciated:				
Machinery and Equipment	\$ 148,574	\$ 2,395	-	\$ 150,969
Total Capital Assets Being Depreciated	<u>148,574</u>	<u>2,395</u>	-	<u>150,969</u>
Less Accumulated Depreciation for:				
Machinery and Equipment	(131,897)	(2,456)	-	(134,353)
Total Accumulated Depreciation	<u>(131,897)</u>	<u>(2,456)</u>	-	<u>(134,353)</u>
Total Capital Assets, Being Depreciated, Net	<u>16,677</u>	<u>(61)</u>	-	<u>16,616</u>
Business-Type Activities Capital Assets, Net	<u>\$ 16,677</u>	<u>\$ (61)</u>	<u>\$ -</u>	<u>\$ 16,616</u>

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

**Governmental activities:**

Instruction		
Regular		\$ 81,816
Total Instruction		<u>81,816</u>
Support Services		
Student and Instruction Related Services		9,742
School Administration Services		1,234
Plant Operations and Maintenance		847,121
Total Support Services		<u>858,097</u>
Total Depreciation Expense - Governmental Activities		<u>\$ 939,913</u>

**Business-Type Activities:**

Food Service Fund		\$ 2,456
Total Depreciation Expense-Business-Type Activities		<u>\$ 2,456</u>

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**D. Capital Assets (Continued)**

**Construction Commitments**

The District has the following active construction projects as of June 30, 2015:

<u>Project</u>	<u>Remaining Commitment</u>
ADA Toilet Renovations at Cresskill Middle School and Merritt Memorial School	\$ 398,828
Total	<u>\$ 398,828</u>

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

**Interfund transfers**

	<u>Transfer In:</u>		<u>Total</u>
	<u>General Fund</u>	<u>Capital Projects Fund</u>	
Transfer Out:			
General Fund		\$ 398,087	\$ 398,087
Capital Projects Fund	\$ 566	-	566
	<u>\$ 566</u>	<u>\$ 398,087</u>	<u>\$ 398,653</u>

The above transfers are the result of revenues earned and/or other financing sources received in one fund to finance expenditures in another fund.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**F. 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. 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, 2015 are comprised of the following issues:

\$2,520,000, 2008 Refunding Bonds, due in annual installments of \$250,000 to \$270,000 through August 1, 2018, interest at 3.0%-5.0%	\$1,045,000
\$8,960,000, 2012 Refunding Bonds, due in annual installments of \$720,000 to \$980,000 through February 1, 2025, interest at 3.0%-4.0%	8,890,000
\$6,700,000, 2013 Refunding Bonds, due in annual installments of \$40,000 to \$1,040,000 through February 1, 2031, interest at 2.0%-3.0%	<u>6,610,000</u>
Total	<u>\$16,545,000</u>

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

**Governmental Activities:**

Fiscal Year Ending June 30,	Serial Bonds		Total
	Principal	Interest	
2016	\$ 1,060,000	\$ 535,549	\$ 1,595,549
2017	1,090,000	503,056	1,593,056
2018	1,135,000	468,868	1,603,868
2019	1,275,000	432,868	1,707,868
2020	1,015,000	397,568	1,412,568
2021-2025	5,050,000	1,388,090	6,438,090
2026-2030	5,030,000	538,212	5,568,212
2031	<u>890,000</u>	<u>25,366</u>	<u>915,366</u>
Total	<u>\$ 16,545,000</u>	<u>\$ 4,289,577</u>	<u>\$ 20,834,577</u>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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

**F. Long-Term Debt (Continued)**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2015 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 82,039,726
Less: Net Debt	<u>16,545,000</u>
Remaining Borrowing Power	<u>\$ 65,494,726</u>

**G. Other Long-Term Liabilities**

**Changes in Long-Term Liabilities**

Long-term liability activity for the fiscal year ended June 30, 2015, was as follows:

	Beginning Balance (Restated)	Additions	Reductions	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable	\$ 17,560,000		\$ (1,015,000)	\$ 16,545,000	\$ 1,060,000
Add:					
Unamortized Premiums	<u>867,853</u>	-	<u>(140,155)</u>	<u>727,698</u>	-
Bonds Payable, Net	18,427,853	-	(1,155,155)	17,272,698	1,060,000
Compensated Absences	877,513	\$ 207,207	(188,434)	896,286	45,000
Net Pension Liability	<u>6,250,411</u>	-	<u>(64,328)</u>	<u>6,186,083</u>	<u>308,000</u>
Governmental Activities Long-Term Liabilities	<u>\$ 25,555,777</u>	<u>\$ 207,207</u>	<u>\$ (1,407,917)</u>	<u>\$ 24,355,067</u>	<u>\$ 1,413,000</u>

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

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

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

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

The relationship between the Board and the insurance fund 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 fund, to report claims on a timely basis, cooperate with the management of the fund, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the fund. Members have a contractual obligation to fund any deficit of the fund 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 fund 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, reimbursements to the State for benefits paid and the ending balance of the District's fiduciary trust fund for the current and previous two years:

Fiscal Year Ended <u>June 30,</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2015	\$ 37,630	\$ 26,854	\$ 38,246
2014	36,974	45,668	27,369
2013	34,108	40,885	35,896

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

**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, 2015, significant amounts of grant expenditures have not been audited by the various grantor agencies but the Board believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on any of the individual governmental funds or the overall financial position of the District.

**C. Federal Arbitrage Regulations**

The District is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At June 30, 2015, the District has not estimated its arbitrage earnings due to the IRS, if any.

**D. Employee Retirement Systems and Pension Plans**

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

**Public Employees' Retirement System (PERS)** – Established in January 1955, under the provisions of N.J.S.A. 43:15A to provide coverage, including post-retirement health care, to substantially all full time employees of the State or any county, municipality, school district, or public agency provided the employee is not a member of another State-administered retirement system. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. PERS is a cost sharing multi-employer defined benefit pension plan.

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage including post-retirement health care to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees and vesting occurs after 10 years of service for pension benefits and 25 years for post-retirement health care coverage. TPAF is a cost sharing plan with special funding situations.

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.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**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, certain appointed officials, and certain Board employees not eligible for enrollment in PERS or TPAF. Effective July 1, 2007 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, issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Basis of Accounting**

The financial statements of the retirement systems are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the retirement systems. Benefits or refunds are recognized when due and payable in accordance with the terms of the retirement systems.

**Investment Valuation**

Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Mortgages are valued on the basis of future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair values.

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

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Funding Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 62.8 percent with an unfunded actuarial accrued liability of \$51.0 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 54.2 percent and \$37.3 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and Police and Firemen's Retirement System ("PFRS") is 75.4 percent and \$13.7 billion, respectively.

The funded status and funding progress of the retirement systems is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the retirement systems in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at that point in time. The projection of benefits for financing reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2013 actuarial valuation, the projected unit credit was used as the actuarial cost method, and the five year average of market value was used as the asset valuation method for the retirement systems. The actuarial assumptions included (a) an investment rate of return for the retirement systems of 7.90 percent and (b) projected salary increases of 4.24 percent for the PERS and 3.33 percent for TPAF.

**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 member 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 6.9% for PERS, 6.9% for TPAF and 5.50% for DCRP of the employee's annual compensation.

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 *Accounting for Pensions by State and Local Government Employees*, for the fiscal year ended June 30, 2015 for TPAF, which is a cost sharing plan with special funding situations, the annual pension cost differs from the annual required contribution. For PERS, which is a cost sharing multi-employer defined benefit pension plan, the annual pension cost equals contributions made. TPAF employer 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.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

During the fiscal years ended June 30, 2015, 2014 and 2013 the Board was required to contribute for PERS and DCRP and the State of New Jersey was required to contribute for TPAF for normal cost pension and 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>
2015	\$ 272,381	\$ 698,420	\$ 26,279
2014	246,419	522,652	21,288
2013	245,992	835,992	14,229

For fiscal years 2014/2015 and 2012/2013, the state contributed \$698,420 and \$835,992, respectively for normal cost pension, accrued liability and the NCGI premium. For fiscal year 2013/2014 the State did not contribute to the TPAF for accrued liability but did contribute \$522,652 for normal cost pension and NCGI premium.

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 No. 24. 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 \$1,005,444 during the fiscal year ended June 30, 2015 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 a revenue and expense/expenditure in accordance with GASB No. 24.

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

**Public Employees Retirement System (PERS)**

At June 30, 2015, the District reported in the statement of net position (accrual basis) a liability of \$6,186,083 for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportionate share of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. At June 30, 2014, the District’s proportionate share was .03304 percent, which was an increase of .00034 percent from its proportionate share measured as of June 30, 2013.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$327,885 for PERS. At June 30, 2015, 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>
Differences Between Expected and Actual Experience		
Changes of Assumptions	\$ 194,524	
Net Difference Between Projected and Actual		
Earnings on Pension Plan Investments		\$ 368,657
Changes in Proportion and Differences Between		
District Contributions and Proportionate Share		
of Contributions	<u>54,301</u>	<u>-</u>
 Total	 <u>\$ 248,825</u>	 <u>\$ 368,657</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

Fiscal Year	
Ending	
<u>June 30,</u>	<u>Total</u>
2016	\$ (46,424)
2017	(46,424)
2018	(46,424)
2019	(46,424)
2020	45,740
Thereafter	<u>20,124</u>
	 <u>\$ (119,832)</u>

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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 total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement:

	<u>PERS</u>
Inflation Rate	3.01%
Salary Increases:	
2012-2021	2.15-4.40%
	Based on Age
Thereafter	3.15-5.40%
	Based on Age
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2008 -
Study Upon Which Actuarial	June 30, 2011
Assumptions were Based	

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

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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***

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 pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.80%
Core Bonds	1.00%	2.49%
Intermediate-Term Bonds	11.20%	2.26%
Mortgages	2.50%	2.17%
High Yield Bonds	5.50%	4.82%
Inflation-Indexed Bonds	2.50%	3.51%
Broad US Equities	25.90%	8.22%
Developed Foreign Equities	12.70%	8.12%
Emerging Market Equities	6.50%	9.91%
Private Equity	8.25%	13.02%
Hedge Funds/Absolute Return	12.25%	4.92%
Real Estate (Property)	3.20%	5.80%
Commodities	2.50%	5.35%

***Discount Rate***

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

<u>Plan</u>	<u>Discount Rate</u>
PERS	5.39%



**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**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)**

In accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey 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% 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, 2015, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$3,553,116 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as a revenue and expense in accordance with GASB No. 24.

At June 30, 2015 the State's proportionate share of the net pension liability attributable to the District is \$66,031,518. The nonemployer allocation percentages are based on the ratio of the State's contributions made as an employer and nonemployer towards the actuarially determined contribution amount adjusted by locations who participated in the State early retirement incentives to total contributions to TPAF during the year ended June 30, 2014.

**Actuarial Assumptions**

The total pension liability for the June 30, 2014 measurement date was determined by an actuarial valuation as of July 1, 2013, which was rolled forward to June 30, 2014. The total pension liability for the June 30, 2013 measurement date was determined by an actuarial valuation as of July 1, 2013. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<b><u>TPAF</u></b>
Inflation Rate	2.50%
Salary Increases:	
2012-2021	Varies based on experience
Thereafter	Varies based on experience
Investment Rate of Return	7.90%
Mortality Rate Table	RP-2000
Period of Actuarial Experience	July 1, 2009 - June 30, 2012
Study Upon Which Actuarial Assumptions were Based	

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

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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

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

**Long-Term Expected Rate of Return**

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 pension plans' target asset allocation as of June 30, 2014 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	6.00%	0.50%
Core Fixed Income	0.00%	2.19%
Core Bonds	1.00%	1.38%
Short-Term Bonds	0.00%	1.00%
Intermediate-Term Bonds	11.20%	2.60%
Long-Term Bonds	0.00%	3.23%
Mortgages	2.50%	2.84%
High Yield Bonds	5.50%	4.15%
Non-US Fixed Income	0.00%	1.41%
Inflation-Indexed Bonds	2.50%	1.30%
Broad US Equities	25.90%	5.88%
Large Cap US Equities	0.00%	5.62%
Mid Cap US Equities	0.00%	6.39%
Small Cap US Equities	0.00%	7.39%
Developed Foreign Equities	12.70%	6.05%
Emerging Market Equities	6.50%	8.90%
Private Equity	8.25%	9.15%
Hedge Funds/Absolute Return	12.25%	3.85%
Real Estate (Property)	3.20%	4.43%
Real Estate (REITS)	0.00%	5.58%
Commodities	2.50%	3.60%
Long Credit Bonds	0.00%	3.74%

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Discount Rate***

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

<u>Plan</u>	<u>Discount Rate</u>
TPAF	4.68%

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

**TPAF**

Period of Projected Benefit

Payments for which the Following  
 Rates were Applied:

Long-Term Expected Rate of Return	Through June 30, 2027
Municipal Bond Rate *	From July 1, 2027 and Thereafter

\* The municipal bond return rate used is 4.29%. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 4.68%, 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 (3.68 percent) or 1-percentage-point higher (5.68 percent) than the current rate:

	<b>1% Decrease (3.68%)</b>	<b>Current Discount Rate (4.68%)</b>	<b>1% Increase (5.68%)</b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	<u>\$ 79,418,748</u>	<u>\$ 66,031,518</u>	<u>\$ 54,897,283</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District at June 30, 2014. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2014 was not provided by the pension system.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

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

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

***Pension Plan Fiduciary Net Position***

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

**E. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plans for school districts. The Plans are classified as either single employer plans or cost sharing multiple employer defined benefit plans depending on the plan the eligible employee is covered under.

As a result of implementing Governmental Accounting Standards Board (GASB) Statement No. 43, *Financial Reporting for Post-employment Benefit Plans Other than Pension Plans* (OPEB), effective for Fiscal Year 2007, the State Health Benefits Program (SHBP), and the Prescription Drug Program (PDP), and Post-Retirement Medical (PRM) of the PERS and TPAF are combined and reported as Pension and Other employee Benefit Trust Funds in the State's Comprehensive Annual Financial Report (CAFR). Specifically, SHBP-State, and the PRM of the PERS are combined and reported as a Health Benefits Program Fund – State classified as a single employer plan. The SHBP-Local, PDP-Local, and the PRM of the TPAF-Local are combined and reported as Health Benefits Program Fund –Local Government classified as a cost-sharing multiple-employer plan in the State's CAFR. The post-retirement benefit programs had a total of 590 state and local participating employers and contributing entities for Fiscal Year 2014.

The State of New Jersey sponsors and administers the following health benefit programs covering certain state and local government employees, including those Board employees and retirees eligible for coverage.

**Health Benefits Program Fund (HBPF) – Local Education** (including Prescription Drug Program Fund) – The State of New Jersey provides paid coverage to members of the Teachers' Pension and Annuity Fund who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of P.L. 1992, c.126, the State also provides paid coverage to members of the Public Employees' Retirement System and Alternate Benefits Program who retire from a board of education or county college with 25 years of service or on a disability retirement if the member's employer does not provide this coverage. Certain local participating employers also provide post-retirement medical coverage to their employees. Retirees who are not eligible for state 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. Also, education employees are eligible for the PDP coverage after 60 days of employment.

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

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Basis of Accounting**

The financial statements of the health benefit programs are prepared on the accrual basis of accounting. Employer contributions are recognized when payable to the health benefit programs. Benefits or refunds are recognized when due and payable in accordance with the terms of the health benefit programs.

**Significant Legislation**

P.L. 2011, c.78, effective October 2011, sets new employee contribution requirements towards the cost of employer-provided health benefit coverage. Employees are required to contribute a certain percentage of the cost of coverage. The rate of contribution is determined based on the employee's annual salary and the selected level of coverage. The increased employee contributions will be phased in over a 4-year period for those employed prior to this new legislation's effective date with a minimum contribution required to be at least 1.5% of salary.

**Investment Valuation**

Investments are reported at fair value. Investments that do not have an established market are reported at estimated fair values.

**Funded Status and Funding Progress**

As of July 1, 2013, the most recent actuarial valuation date, the State had a \$53.0 billion unfunded actuarial accrued liability for other post-employment benefits (OPEB) which is made up to \$19.7 billion for state active and retired members and \$33.3 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

The funded status and funding progress of the OPEB includes actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. These amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the probability of future events.

Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the OPEB in effect at the time of each valuation and also consider the pattern of the sharing of costs between the employer and members at the point in time. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the July 1, 2013, OPEB actuarial valuation, the projected unit credit was used as the actuarial cost method. The actuarial assumptions included an assumed investment rate of return of 4.50 percent.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Post-Retirement Medical Benefits Contributions**

P.L. 1987, c. 384 and P.L. 1990, c.6 required the Teachers' Pension and Annuity Fund (TPAF) and Public Employees' Retirement System (PERS), respectively to fund post-retirement medical benefits for those State employees and education employees who retire after accumulating 25 years of credited service or on a disability retirement. As of June 30, 2014, there were 103,432, retirees receiving post-retirement medical benefits and the State contributed \$1.04 billion on their behalf. The cost of these benefits is funded through contributions by the State and in accordance with P.L. 1994, c.62. Funding of post-retirement medical benefits changed from a pre-funding basis to a pay-as-you-go basis beginning in Fiscal Year 1994.

The State is also responsible for the cost attributable to P.L. 1992, c.126, which provides employer paid health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education or county college with 25 years of service. The State paid \$165.8 million toward Chapter 126 benefits for 18,122 eligible retired members in Fiscal Year 2014.

The State sets the contribution rate based on a pay as you go basis and not on the annual required contribution of the employers (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The State's contributions to the State Health Benefits Program Fund for TPAF retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2015, 2014 and 2013 were \$1,108,742, \$856,953 and \$945,295 respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey.

**NOTE 5 RESTATEMENT**

On July 1, 2014, the Cresskill Board of Education implemented GASB Statement No. 68, "Accounting and Financial Reporting for Pensions". The Cresskill Board of Education has determined that the effect of implementing this accounting change on the financial statements previously reported as of and for the fiscal year ended June 30, 2014 was to recognize the District's proportionate share of the Public Employees' Retirement System's (PERS) net pension liability, deferred outflows of resources and deferred inflows of resources with a corresponding reduction in the unrestricted component of net position in the amount of \$6,250,411. The result of this restatement is to reduce total net position of Governmental Activities at June 30, 2014 from \$13,278,540 as originally reported to \$7,028,129 as adjusted for the effects of the change in accounting principle.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 24,102,843		\$ 24,102,843	\$ 24,102,843	
Tuition- Individuals (Regular)	202,916		202,916	274,131	\$ 71,215
Tuition- Other LEAs (Spec. Ed.)	854,579		854,579	943,717	89,138
Related Services Provided to Other LEAs	44,800		44,800	176,295	131,495
Interest	10,000		10,000	9,827	(173)
Interest on Capital Reserve Funds	500		500	633	133
Rentals	10,000		10,000	9,820	(180)
Miscellaneous	30,255	-	30,255	79,173	48,918
<b>Total Local Sources</b>	<u>25,255,893</u>	<u>-</u>	<u>25,255,893</u>	<u>25,596,439</u>	<u>340,546</u>
State Sources					
Special Education Aid	667,983		667,983	667,983	
Transportation Aid	16,859		16,859	16,859	
Security Aid	25,438		25,438	25,438	
PARCC Readiness Aid	17,150		17,150	17,150	
Per Pupil Growth Aid	17,150		17,150	17,150	
Extraordinary Special Education Costs Aid	99,381		99,381	394,537	295,156
On-behalf TPAF Pension System Contributions (Non-budgeted)					
Non-Contributory Group Life Insurance				46,876	46,876
Normal Cost & Accrued Liab. Contribution				651,544	651,544
Post Retirement Medical Benefit Contribution				1,108,742	1,108,742
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,005,444	1,005,444
<b>Total State Sources</b>	<u>843,961</u>	<u>-</u>	<u>843,961</u>	<u>3,951,723</u>	<u>3,107,762</u>
<b>Total Revenues</b>	<u>26,099,854</u>	<u>-</u>	<u>26,099,854</u>	<u>29,548,162</u>	<u>3,448,308</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Kindergarten	403,191	\$ 107,430	510,621	510,621	
Grades 1-5	2,765,957	145,646	2,911,603	2,911,603	
Grades 6-8	1,815,163	(8,604)	1,806,559	1,806,559	
Grades 9-12	3,130,322	(215,462)	2,914,860	2,881,986	32,874
Regular Programs - Home Instruction					
Salaries of Teachers	2,000	4,213	6,213	6,213	
Purchased Professional-Educational Services	4,000	(800)	3,200	2,153	1,047
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	34,300	12,857	47,157	38,041	9,116
Purchased Professional-Educational Services	2,000	(350)	1,650	1,209	441
Other Purchased Services	171,800	(13,449)	158,351	147,543	10,808
General Supplies	405,063	38,880	443,943	437,978	5,965
Textbooks	54,913	(18,953)	35,960	35,692	268
<b>Total Regular Programs</b>	<u>8,788,709</u>	<u>51,408</u>	<u>8,840,117</u>	<u>8,779,598</u>	<u>60,519</u>
Special Education					
Cognitive-Mild					
Salaries of Teachers	146,350	1,893	148,243	148,243	
Other Salaries for Instruction	103,711	863	104,574	104,574	
Purchased Professional- Educational Services	18,275	(422)	17,853	16,500	1,353
Other Purchased Services	1,500	(23)	1,477	1,477	
General Supplies	10,800	(417)	10,383	10,383	-
<b>Total Cognitive Mild</b>	<u>280,636</u>	<u>1,894</u>	<u>282,530</u>	<u>281,177</u>	<u>1,353</u>

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Special Education (Continued)</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	\$ 446,693	\$ 55,014	\$ 501,707	\$ 496,605	\$ 5,102
Other Salaries for Instruction	145,212	(9,775)	135,437	131,241	4,196
Purchased Professional- Educational Services	3,800	-	3,800	3,356	444
General Supplies	1,533	(319)	1,214	914	300
Textbooks	1,674	(735)	939	939	-
<b>Total Learning and/or Language Disabilities</b>	<u>598,912</u>	<u>44,185</u>	<u>643,097</u>	<u>633,055</u>	<u>10,042</u>
<b>Multiple Disabilities</b>					
Salaries of Teachers	105,523	-	105,523	105,224	299
Other Salaries for Instruction	57,880	-	57,880	55,681	2,199
Purchased Professional- Educational Services	-	-	-	-	-
General Supplies	450	-	450	162	288
<b>Total Multiple Disabilities</b>	<u>163,853</u>	<u>-</u>	<u>163,853</u>	<u>161,067</u>	<u>2,786</u>
<b>Resource Room/Resource Center</b>					
Salaries of Teachers	1,120,044	(47,347)	1,072,697	1,072,697	-
General Supplies	6,793	(2,626)	4,167	4,167	-
<b>Total Resource Room/Resource Center</b>	<u>1,126,837</u>	<u>(49,973)</u>	<u>1,076,864</u>	<u>1,076,864</u>	<u>-</u>
<b>Autism</b>					
Salaries of Teachers	371,822	(8,063)	363,759	363,759	-
Other Salaries for Instruction	448,776	53,876	502,652	502,602	50
Purchased Professional-Educational Services	37,700	(3,742)	33,958	29,288	4,670
General Supplies	4,320	(135)	4,185	3,742	443
<b>Total Autism</b>	<u>862,618</u>	<u>41,936</u>	<u>904,554</u>	<u>899,391</u>	<u>5,163</u>
<b>Preschool Disabled- Part Time</b>					
Salaries of Teachers	151,351	(2,030)	149,321	149,321	-
Other Salaries for Instruction	32,896	437	33,333	31,229	2,104
Purchased Professional-Educational Services	10,280	(78)	10,202	9,301	901
General Supplies	495	(295)	200	200	-
<b>Total Preschool Disabled-Part Time</b>	<u>195,022</u>	<u>(1,966)</u>	<u>193,056</u>	<u>190,051</u>	<u>3,005</u>
<b>Total Special Education</b>	<u>3,227,878</u>	<u>36,076</u>	<u>3,263,954</u>	<u>3,241,605</u>	<u>22,349</u>
<b>Basic Skills/Remedial</b>					
Salaries of Teachers	382,113	2,282	384,395	383,185	1,210
General Supplies	2,205	(2,205)	-	-	-
<b>Total Basic Skills/Remedial</b>	<u>384,318</u>	<u>77</u>	<u>384,395</u>	<u>383,185</u>	<u>1,210</u>
<b>Bilingual Education</b>					
Salaries of Teachers	195,556	2,999	198,555	197,510	1,045
General Supplies	3,240	33	3,273	2,510	763
<b>Total Bilingual Education</b>	<u>198,796</u>	<u>3,032</u>	<u>201,828</u>	<u>200,020</u>	<u>1,808</u>
<b>School Sponsored Co/Extra Curricular Activities</b>					
Salaries	72,240	63	72,303	72,303	-
Supplies and Materials	20,182	5,000	25,182	24,857	325
Other Objects	9,520	(600)	8,920	7,229	1,691
<b>Total School Sponsored Co/Extra Curricular Activ.</b>	<u>101,942</u>	<u>4,463</u>	<u>106,405</u>	<u>104,389</u>	<u>2,016</u>

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
School Sponsored Athletics					
Salaries	\$ 310,062	\$ 1,444	\$ 311,506	\$ 311,506	-
Purchased Services	48,550	(295)	48,255	47,042	\$ 1,213
Supplies and Materials	39,150	190	39,340	38,933	407
Other Objects	31,690	150	31,840	29,597	2,243
Transfer to Cover Deficit (Agency Funds)	58,000	-	58,000	58,000	-
<b>Total School Sponsored Athletics</b>	<u>487,452</u>	<u>1,489</u>	<u>488,941</u>	<u>485,078</u>	<u>3,863</u>
<b>Total - Instruction</b>	<u>13,189,095</u>	<u>96,545</u>	<u>13,285,640</u>	<u>13,193,875</u>	<u>91,765</u>
<b>Undistributed Expenditures</b>					
<b>Instruction</b>					
Tuition to Other LEAs Within the State - Special	202,900	(105,688)	97,212	89,983	7,229
Tuition to County Voc. School Districts - Regular	240,240	(970)	239,270	214,030	25,240
Tuition to CSSD & Regional Day Schools	4,300	-	4,300	4,120	180
Tuition - Private School for the Disabled - Within State	390,644	241,160	631,804	607,532	24,272
Tuition to Priv. Sch. Disabled & Other LEAS Spl, O/S State	532,800	(120,573)	412,227	406,672	5,555
<b>Total Undistributed Expenditures - Instruction</b>	<u>1,370,884</u>	<u>13,929</u>	<u>1,384,813</u>	<u>1,322,337</u>	<u>62,476</u>
<b>Attendance &amp; Social Work</b>					
Purchased Professional & Technical Services	14,200	251	14,451	14,451	-
<b>Total Attendance &amp; Social Work</b>	<u>14,200</u>	<u>251</u>	<u>14,451</u>	<u>14,451</u>	<u>-</u>
<b>Health Services</b>					
Salaries	213,792	2,775	216,567	216,461	106
Purchased Professional & Technical Services	8,600	1,517	10,117	10,117	-
Supplies and Materials	7,050	(2,187)	4,863	4,794	69
<b>Total Health Services</b>	<u>229,442</u>	<u>2,105</u>	<u>231,547</u>	<u>231,372</u>	<u>175</u>
<b>Speech, OT, PT &amp; Related Services</b>					
Salaries	225,545	(11,481)	214,064	189,951	24,113
Purchased Professional-Educational Services	95,150	21,340	116,490	104,176	12,314
Supplies and Materials	3,578	-	3,578	3,359	219
<b>Total Speech, OT, PT &amp; Related Services</b>	<u>324,273</u>	<u>9,859</u>	<u>334,132</u>	<u>297,486</u>	<u>36,646</u>
<b>Other Support Services - Students - Extra Services</b>					
Salaries	408,417	(45,281)	363,136	330,949	32,187
Purchased Professional-Educational Services	63,750	22,150	85,900	85,900	-
Supplies and Material	2,417	3,759	6,176	5,790	386
<b>Total Other Support Services-Students-Extra Svcs</b>	<u>474,584</u>	<u>(19,372)</u>	<u>455,212</u>	<u>422,639</u>	<u>32,573</u>
<b>Guidance</b>					
Salaries of Other Professional Staff	499,072	-	499,072	498,071	1,001
Salaries of Secretarial and Clerical Assistants	40,900	-	40,900	40,900	-
Purchased Professional-Educational Services	4,500	500	5,000	4,975	25
Other Purchased Services	5,625	(500)	5,125	2,624	2,501
Supplies and Materials	5,130	(1,193)	3,937	3,538	399
<b>Total Guidance</b>	<u>555,227</u>	<u>(1,193)</u>	<u>554,034</u>	<u>550,108</u>	<u>3,926</u>

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Child Study Team					
Salaries of Other Professional Staff	\$ 474,637	\$ (1,574)	\$ 473,063	\$ 471,881	\$ 1,182
Salaries of Secretarial and Clerical Assistants	45,385	-	45,385	45,385	-
Purchased Professional-Educational Services	41,600	17,412	59,012	59,012	-
Misc Purchased Services	250	363	613	613	-
Supplies and Materials	900	575	1,475	1,475	-
<b>Total Child Study Team</b>	<b>562,772</b>	<b>16,776</b>	<b>579,548</b>	<b>578,366</b>	<b>1,182</b>
Improvement of Instructional Services					
Salaries of Other Professional Staff	20,000	20,678	40,678	40,152	526
Purchased Professional-Educational Services	115,488	(19,854)	95,634	95,634	-
Other Purchased Services	-	1,683	1,683	1,109	574
Supplies and Materials	1,500	(60)	1,440	64	1,376
Other Objects	-	60	60	60	-
<b>Total Improvement of Inst. Serv.</b>	<b>136,988</b>	<b>2,507</b>	<b>139,495</b>	<b>137,019</b>	<b>2,476</b>
Educational Media Services/School Library					
Salaries	128,162	(401)	127,761	127,761	-
Salaries of Technology Coordinators	120,000	4,000	124,000	124,000	-
Supplies and Materials	21,370	(620)	20,750	20,750	-
<b>Total Educational Media Services/School Library</b>	<b>269,532</b>	<b>2,979</b>	<b>272,511</b>	<b>272,511</b>	<b>-</b>
Instructional Staff Training Services					
Purchased Professional- Educational Services	11,000	(2,979)	8,021	7,678	343
<b>Total Instructional Staff Training Services</b>	<b>11,000</b>	<b>(2,979)</b>	<b>8,021</b>	<b>7,678</b>	<b>343</b>
Support Services General Administration					
Salaries	289,900	-	289,900	289,749	151
Legal Services	30,000	8,956	38,956	38,762	194
Audit Fees	25,000	(1,356)	23,644	23,644	-
Architectural/Engineering Services	5,000	(1,000)	4,000	-	4,000
BOE Other Purchased Services	1,500	928	2,428	2,428	-
Other Purchased Professional Services	7,875	(239)	7,636	7,636	-
Communications/Telephone	37,797	5,802	43,599	41,411	2,188
Misc. Purchased Services	41,057	2,356	43,413	43,413	-
General Supplies	1,350	(129)	1,221	1,164	57
BOE In-House Training/Meeting Supplies	2,000	(655)	1,345	672	673
Miscellaneous Expenditures	3,050	(325)	2,725	2,659	66
BOE Membership Dues and Fees	12,350	(381)	11,969	11,969	-
<b>Total Support Services General Administration</b>	<b>456,879</b>	<b>13,957</b>	<b>470,836</b>	<b>463,507</b>	<b>7,329</b>

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals/Prog. Dir.	\$ 794,706	\$ (29,947)	\$ 764,759	\$ 728,353	\$ 36,406
Salaries of Other Prof. Staff	493,176	17,290	510,466	510,466	
Salaries of Secretarial and Clerical Assistants	268,275	43,273	311,548	311,548	
Other Purchased Services	2,100	930	3,030	3,030	
Supplies and Materials	25,605	11,727	37,332	37,261	71
Other Objects	8,200	50	8,250	8,250	-
	<u>1,592,062</u>	<u>43,323</u>	<u>1,635,385</u>	<u>1,598,908</u>	<u>36,477</u>
Total Support Services School Administration					
Central Services					
Salaries	259,930	(1,266)	258,664	250,446	8,218
Purchased Technical Services	42,992	8,250	51,242	51,242	-
Misc. Purchased Services	4,850	(1,443)	3,407	3,326	81
Supplies and Materials	3,600	5,322	8,922	8,918	4
Miscellaneous Expenditures	1,950	(92)	1,858	1,858	-
	<u>313,322</u>	<u>10,771</u>	<u>324,093</u>	<u>315,790</u>	<u>8,303</u>
Total Central Services					
Admin. Info. Tech					
Salaries	108,785	-	108,785	108,783	2
Purchased Technical Services	100,952	(2,186)	98,766	96,240	2,526
Supplies and Materials	12,600	2,186	14,786	14,786	-
	<u>222,337</u>	<u>-</u>	<u>222,337</u>	<u>219,809</u>	<u>2,528</u>
Total Admin. Info. Tech					
Required Maintenance for School Facilities					
Salaries	100,260	2,500	102,760	102,760	
Cleaning, Repair and Maintenance Services	177,215	82,459	259,674	259,064	610
General Supplies	13,500	4,615	18,115	18,115	-
	<u>290,975</u>	<u>89,574</u>	<u>380,549</u>	<u>379,939</u>	<u>610</u>
Total Required Maintenance for School Facilities					
Custodial Services					
Energy (Gasoline)	4,000	(783)	3,217	3,217	-
Salaries	838,752	24,557	863,309	863,309	-
Purchased Professional and Technical Services	4,000	1,445	5,445	5,445	-
Cleaning, Repair and Maintenance Services	22,420	(12,964)	9,456	9,456	-
Rental of Land & Bldg Oth. Than Lease Pur Agrmt	10,000	-	10,000	10,000	-
Other Purchased Property Services	26,100	(275)	25,825	25,825	-
Insurance	118,675	6,581	125,256	125,256	-
General Supplies	85,950	14,602	100,552	100,552	-
Energy (Electricity)	387,585	(4,831)	382,754	261,664	121,090
Other Objects	2,135	(1,585)	550	550	-
Salaries of Non-Instructional Aides	27,913	3,458	31,371	31,371	-
Energy (Natural Gas)	97,000	(1,459)	95,541	88,749	6,792
	<u>1,624,530</u>	<u>28,746</u>	<u>1,653,276</u>	<u>1,525,394</u>	<u>127,882</u>
Total Custodial Services					
Care and Upkeep of Grounds					
Salaries	81,490	5,928	87,418	87,418	
Purchased Professional and Technical Services	1,875	(57)	1,818	1,818	
Cleaning, Repair, and Maintenance Svc.	30,500	(15,675)	14,825	14,750	75
General Supplies	13,500	9,577	23,077	23,077	-
	<u>127,365</u>	<u>(227)</u>	<u>127,138</u>	<u>127,063</u>	<u>75</u>
Total Care and Upkeep of Grounds					

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget To Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Undistributed Expenditures (Continued)</b>					
<b>Security</b>					
Cleaning, Repair and Maintenance Services	\$ 4,500	\$ (88)	\$ 4,412	\$ 4,412	-
General Supplies	9,100	(6,178)	2,922	2,922	-
Total Security	<u>13,600</u>	<u>(6,266)</u>	<u>7,334</u>	<u>7,334</u>	<u>-</u>
<b>Student Transportation Services</b>					
Contracted Services (Between Home and School) - Vendors		-			
Contracted Services (Other Than Between Home and School) - Vendors	107,950	3,420	111,370	107,905	\$ 3,465
Contracted Services (Between Home and School) Joint Agreements	18,400	(1,016)	17,384	17,384	
Contract Services (Special Ed) - Vendors	-	-			
Contracted Services ( Sp Ed Stds)-Joint Agreements	219,500	(4,715)	214,785	214,785	-
Total Student Transportation Services	<u>345,850</u>	<u>(2,311)</u>	<u>343,539</u>	<u>340,074</u>	<u>3,465</u>
<b>Unallocated Benefits</b>					
Social Security Contributions	320,000	(20,397)	299,603	299,603	-
Other Retirement Contributions- PERS	308,000	(35,619)	272,381	272,381	
Other Retirement Contributions - Regular (DCRP)	25,790	489	26,279	26,279	
Workmens Compensation	116,898	(2,960)	113,938	113,938	
Health Benefits	3,106,499	(60,207)	3,046,292	3,043,746	2,546
Tuition Reimbursement	10,000	-	10,000	6,500	3,500
Other Employee Benefits	140,623	47,811	188,434	188,434	-
Total Employee Benefits	<u>4,027,810</u>	<u>(70,883)</u>	<u>3,956,927</u>	<u>3,950,881</u>	<u>6,046</u>
<b>On-behalf Contributions</b>					
<b>On-behalf TPAF Pension System Contributions (Non-Budgeted)</b>					
Non-Contributory Group Life Insurance				46,876	(46,876)
Normal Cost & Accrued Liab.				651,544	(651,544)
Post Retirement Medical Benefit Contribution				1,108,742	(1,108,742)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	1,005,444	(1,005,444)
Total On-Behalf Contributions	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,812,606</u>	<u>(2,812,606)</u>
Total Undistributed Expenditures	<u>12,963,632</u>	<u>131,546</u>	<u>13,095,178</u>	<u>15,575,272</u>	<u>(2,480,094)</u>
Total Expenditures - Current Expenditures	<u>26,152,727</u>	<u>228,091</u>	<u>26,380,818</u>	<u>28,769,147</u>	<u>(2,388,329)</u>
Increase in Capital Reserve	-	-	-	-	-
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Grades 9-12		9,374	9,374	9,374	
Undistributed					
Admin Info Technology	27,300	11,779	39,079	39,018	61
Required Maintenance	-	9,144	9,144	9,144	-
Total Equipment	<u>27,300</u>	<u>30,297</u>	<u>57,597</u>	<u>57,536</u>	<u>61</u>
<b>Facilities Acquisition and Construction Services</b>					
Assessment for Debt Service on SDA Funding	92,970	-	92,970	92,970	-
Total Facilities Acquisition and Construction Services	<u>92,970</u>	<u>-</u>	<u>92,970</u>	<u>92,970</u>	<u>-</u>
Capital Reserve- Transfer to Capital Projects	105,000	-	105,000	-	105,000
Increase in Capital Reserve	100,000	-	100,000	-	100,000
Interest Deposit to Capital Reserve	500	-	500	-	500
Total Capital Outlay	<u>325,770</u>	<u>30,297</u>	<u>356,067</u>	<u>150,506</u>	<u>205,561</u>
Total Expenditures	<u>26,478,497</u>	<u>258,388</u>	<u>26,736,885</u>	<u>28,919,653</u>	<u>(2,182,768)</u>

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<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	\$ (378,643)	(258,388)	\$ (637,031)	\$ 628,509	\$ 1,265,540
Other Financing Sources (Uses)					
Transfer In				566	566
Transfer Out-Capital Projects	-	-	-	(398,087)	(398,087)
Total Other Financing Sources	-	-	-	(397,521)	(397,521)
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Sources	(378,643)	(258,388)	(637,031)	230,988	868,019
Fund Balances, Beginning of Year	1,445,955	-	1,445,955	1,445,955	-
Fund Balances, End of Year	\$ 1,067,312	\$ (258,388)	\$ 808,924	\$ 1,676,943	\$ 868,019
<b>Recapitulation</b>					
Restricted Fund Balance					
Capital Reserve				\$ 603,119	
Excess Surplus - Designated for Subsequent Year's Expenditures				100,409	
Assigned Fund Balance					
Designated for Subsequent Year's Expenditures				177,320	
Unassigned Fund Balance				796,095	
				1,676,943	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Revenue Not Recognized on GAAP Basis				(457,893)	
Fund Balance per Governmental Funds (GAAP)				\$ 1,219,050	

**CRESSKILL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State	\$ 152,281	\$ 47,800	\$ 200,081	\$ 134,463	\$ (65,618)
Federal	403,551	30,638	434,189	406,754	(27,435)
Local Sources					
Miscellaneous	70,722	19,498	90,220	79,862	(10,358)
Total Revenues	<u>626,554</u>	<u>97,936</u>	<u>724,490</u>	<u>621,079</u>	<u>(103,411)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers	15,000	3,000	18,000	18,000	-
Tuition	279,659	23,806	303,465	303,465	-
Purchased Professional and Technical Services	138,134	44,638	182,772	123,851	58,921
Textbooks	10,367	894	11,261	4,564	6,697
General Supplies	96,533	33,822	130,355	101,475	28,880
Total Instruction	<u>539,693</u>	<u>106,160</u>	<u>645,853</u>	<u>551,355</u>	<u>94,498</u>
Support Services					
Purchased Professional-Educational Services	83,411	(15,084)	68,327	59,421	8,906
Supplies and Materials	-	998	998	991	7
Total Support Services	<u>83,411</u>	<u>(14,086)</u>	<u>69,325</u>	<u>60,412</u>	<u>8,913</u>
Unallocated Benefits					
Employee Benefits	3,450	450	3,900	3,900	-
Facilities Acquisition and Construction					
Instructional Equipment	-	5,412	5,412	5,412	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>5,412</u>	<u>5,412</u>	<u>5,412</u>	<u>-</u>
Total Expenditures	<u>626,554</u>	<u>97,936</u>	<u>724,490</u>	<u>621,079</u>	<u>103,411</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, Beginning of Year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**CRESSKILL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

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.

	<b><u>General Fund</u></b>	<b><u>Special Revenue Fund</u></b>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 29,548,162	\$ 621,079
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2013-2014)	410,905	
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2014-2015)	<u>(457,893)</u>	<u>-</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 29,501,174</u>	<u>\$ 621,079</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total expenditures from the budgetary comparison schedule	<u>\$ 28,919,653</u>	<u>\$ 621,079</u>
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 28,919,653</u>	<u>\$ 621,079</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**

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

**Public Employees Retirement System**

**Last Two Fiscal Years\***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0.03304%	0.03270%
District's Proportionate Share of the Net Pension Liability (Asset)	\$ 6,186,083	\$ 6,250,411
District's Covered-Employee Payroll	\$ 2,229,278	\$ 2,251,432
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	277%	278%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	52.08%	48.72%

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

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

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

**Public Employees Retirement System**

**Last Two Fiscal Years**

	<u>2015</u>	<u>2014</u>
Contractually Required Contribution	\$ 272,381	\$ 246,419
Contributions in Relation to the Contractually Required Contribution	<u>272,381</u>	<u>246,419</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 2,229,278	\$ 2,251,432
Contributions as a Percentage of Covered-Employee Payroll	12.22%	10.94%

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

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

**Teachers Pension and Annuity Fund**

**Last Two Fiscal Years\***

	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	-	-
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 66,031,518</u>	<u>\$ 65,387,289</u>
<b>Total</b>	<u><b>\$ 66,031,518</b></u>	<u><b>\$ 65,387,289</b></u>
District's Covered-Employee Payroll	<u>\$ 12,962,278</u>	<u>\$ 12,584,942</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-Employee Payroll	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	33.64%	33.76%

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

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

**CRESSKILL BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**Change of Benefit Terms:**           None.

**Change of Assumptions:**       The discount rate changed from the District's rate as of June 30, 2014 to the District's rate as of June 30, 2015, in accordance with GASB Statement No. 67.

**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, 2015**

	No Child Left Behind (N.C.L.B.)			IDEA Part B- Basic	IDEA Part B- Preschool	Total Page 2	Grand Total
	Title II-A	Title III Immigrant	Title III				
<b>REVENUES</b>							
Intergovernmental							
State						\$ 134,463	\$ 134,463
Federal	\$ 12,001	\$ 30,305	\$ 21,698	\$ 329,105	\$ 13,645	-	406,754
Local	-	-	-	-	-	79,862	79,862
<b>Total Revenues</b>	<b>\$ 12,001</b>	<b>\$ 30,305</b>	<b>\$ 21,698</b>	<b>\$ 329,105</b>	<b>\$ 13,645</b>	<b>\$ 214,325</b>	<b>\$ 621,079</b>
<b>EXPENDITURES</b>							
Instruction							
Salaries of Teachers			\$ 15,000			\$ 3,000	\$ 18,000
Tuition				\$ 289,820	\$ 13,645		303,465
Purchased Professional and Technical Services				-		123,851	123,851
General Supplies		\$ 9,893	1,798	6,874		82,910	101,475
Textbooks	-	-	-	-	-	4,564	4,564
<b>Total Instruction</b>	<b>-</b>	<b>9,893</b>	<b>16,798</b>	<b>296,694</b>	<b>13,645</b>	<b>214,325</b>	<b>551,355</b>
Support Services							
Employee Benefits			3,900				3,900
Purchased Professional-Education Services	\$ 11,010	15,000	1,000	32,411	-	-	59,421
Supplies and Materials	991	-	-	-	-	-	991
<b>Total Support Services</b>	<b>12,001</b>	<b>15,000</b>	<b>4,900</b>	<b>32,411</b>	<b>-</b>	<b>-</b>	<b>64,312</b>
Facilities Acquisition and Construction							
Instructional Equipment	-	5,412	-	-	-	-	5,412
<b>Total Facilities Acquisition and Construction</b>	<b>-</b>	<b>5,412</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,412</b>
<b>Total Expenditures</b>	<b>\$ 12,001</b>	<b>\$ 30,305</b>	<b>\$ 21,698</b>	<b>\$ 329,105</b>	<b>\$ 13,645</b>	<b>\$ 214,325</b>	<b>\$ 621,079</b>

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CRESSKILL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

	Nonpublic Textbooks	Nonpublic Transportation	Nonpublic Technology	Nonpublic Nursing	Ch. 193			Ch. 192		Local Revenue	Total (Carried Forward)
					Supplemental Instruction	Exam & Classification	Corrective Speech	Compensatory Education	ESL		
REVENUES											
Intergovernmental											
State	\$ 4,564	\$ 12,600	\$ 6,048	\$ 17,926	\$ 18,283	\$ 21,432	\$ 17,493	\$ 30,636	\$ 5,481		\$ 134,463
Federal	-	-	-	-	-	-	-	-	-	\$ 79,862	-
Local	-	-	-	-	-	-	-	-	-	-	79,862
Total Revenues	\$ 4,564	\$ 12,600	\$ 6,048	\$ 17,926	\$ 18,283	\$ 21,432	\$ 17,493	\$ 30,636	\$ 5,481	\$ 79,862	\$ 214,325
EXPENDITURES											
Instruction											
Salaries of Teachers										\$ 3,000	3,000
Purchased Professional Technical Services		\$ 12,600		\$ 17,926	\$ 18,283	\$ 21,432	\$ 17,493	\$ 30,636	\$ 5,481		\$ 123,851
General Supplies			\$ 6,048							76,862	82,910
Textbooks	\$ 4,564	-	-	-	-	-	-	-	-	-	4,564
Total Instruction	4,564	12,600	6,048	17,926	18,283	21,432	17,493	30,636	5,481	79,862	214,325
Support Services											
Purchased Professional and Technical Services	-	-	-	-	-	-	-	-	-	-	-
Total Support Services	-	-	-	-	-	-	-	-	-	-	-
Facilities Acquisition and Construction											
Instructional Equipment	-	-	-	-	-	-	-	-	-	-	-
Total Facilities Acquisition and Construction	-	-	-	-	-	-	-	-	-	-	-
Total Expenditures	\$ 4,564	\$ 12,600	\$ 6,048	\$ 17,926	\$ 18,283	\$ 21,432	\$ 17,493	\$ 30,636	\$ 5,481	\$ 79,862	\$ 214,325

**CRESSKILL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION PROGRAM AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

**CRESSKILL BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Project</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Cancelled</u>	<u>Balance, June 30, 2015</u>
		<u>Prior Year</u>	<u>Current Year</u>		
Toilet Renovations at Cresskill High School	\$ 235,000	\$ 64,750	\$ 99,013	\$ 71,237	
Toilet Renovations at Bryan Elementary School	235,000	61,690	143,727	29,583	
Toilet Renovations at Merritt Memorial School	337,000		25,813		\$ 311,187
Toilet Renovations at Cresskill Middle School	<u>252,300</u>	<u>-</u>	<u>19,943</u>	<u>-</u>	<u>232,357</u>
	<u>\$ 470,000</u>	<u>\$ 126,440</u>	<u>\$ 288,496</u>	<u>\$ 100,820</u>	<u>\$ 543,544</u>
Project Balance					\$ 543,544
Fund Balance, Budgetary Basis					\$ 543,544
Less: Unrealized SDA Grants					<u>(217,418)</u>
Fund Balance, GAAP Basis					<u>\$ 326,126</u>
<b><u>Recapitulation of Fund Balance</u></b>					
Available for Capital Projects:					\$ (81,319)
Committed					407,445
Year- End Encumbrances					<u>407,445</u>
Total Fund Balance - Restricted for Capital Projects					<u>\$ 326,126</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, 2015**

**Revenues and Other Financing Sources**

Revenues	
State SDA Grants	\$ 235,720
Other Financing Sources	
Interest	566
Transfer from Capital Reserve	<u>458,580</u>
 Total Revenues and Other Financing Sources	 <u>694,866</u>

**Expenditures and Other Financing Uses**

Expenditures	
Purchased Professional and Technical Services	45,756
Construction Services	242,740
Other Financing Uses	
Transfer to General Fund - Return of Unexpended Capital Reserve Fund	60,493
Transfer to General Fund- Interest Earnings	566
Cancel SDA Grant Balances	<u>40,327</u>
 Total Expenditures and Other Financing Uses	 <u>389,882</u>

Excess of Expenditures Over Revenues	304,984
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Fund Balance, Beginning of Year	<u>238,560</u>
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Fund Balance, End of Year	<u>\$ 543,544</u>
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**Reconciliation to GAAP**

Fund Balance-End of Year-Budgetary Basis	\$ 543,544
 Unrealized Revenue - SDA Grants	 <u>(217,418)</u>
 Fund Balance- End of Year GAAP Basis	 <u>\$ 326,126</u>

**CRESSKILL BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
TOILET RENOVATIONS- CRESSKILL HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State- Regular Operating District Grant	\$ 94,000	\$ (28,494)	\$ 65,506	\$ 65,506
Transfers from Capital Reserve	<u>141,000</u>	<u>(42,743)</u>	<u>98,257</u>	<u>98,257</u>
 Total Revenues	 <u>235,000</u>	 <u>(71,237)</u>	 <u>163,763</u>	 <u>163,763</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	20,372	-	20,372	20,372
Construction Services	<u>44,378</u>	<u>99,013</u>	<u>143,391</u>	<u>143,391</u>
 Total Expenditures	 <u>64,750</u>	 <u>99,013</u>	 <u>163,763</u>	 <u>163,763</u>
 Excess of Revenue Over Expenditures	 <u>\$ 170,250</u>	 <u>\$ (170,250)</u>	 <u>\$ -</u>	 <u>\$ -</u>

**Additional Project Information:**

Grant Number	G5-4831
SDA Project Number	0990-040-14-G1CZ
Grant Date	June 11, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 235,000
Additional Authorized Cost	
Revised Authorized Cost	\$ 163,763
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	2014/2015
Revised Target Completion Date	2014/2015

**CRESSKILL BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
TOILET RENOVATTIONS- BRYAN ELEMENTARY SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State- Regular Operating District Grants	\$ 94,000	\$ (11,833)	\$ 82,167	\$ 82,167
Transfers from Capital Reserve	<u>141,000</u>	<u>(17,750)</u>	<u>123,250</u>	<u>123,250</u>
 Total Revenues	 <u>235,000</u>	 <u>(29,583)</u>	 <u>205,417</u>	 <u>205,417</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	19,011	-	19,011	19,011
Construction Services	<u>42,679</u>	<u>143,727</u>	<u>186,406</u>	<u>186,406</u>
 Total Expenditures	 <u>61,690</u>	 <u>143,727</u>	 <u>205,417</u>	 <u>205,417</u>
 Excess of Revenue Over Expenditures	 <u>\$ 173,310</u>	 <u>\$ (173,310)</u>	 <u>\$ -</u>	 <u>\$ -</u>

**Additional Project Information:**

Grant Number	G5-4832
SDA Project Number	0990-050-14-G1DA
Grant Date	June 11, 2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 235,000
Additional Authorized Cost	
Revised Authorized Cost	\$ 205,417
Percentage Increase Over Original Authorized Cost	0%
Percentage Completion	100%
Original Target Completion Date	2014/2015
Revised Target Completion Date	2014/2015

**CRESSKILL BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
TOILET RENOVATIONS- MERRITT MEMORIAL ELEMENTARY SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State- Regular Operating District Grants		\$ 134,800	\$ 134,800	\$ 134,800
Transfers from Capital Reserve	-	202,200	202,200	202,200
<b>Total Revenues</b>	<u>-</u>	<u>337,000</u>	<u>337,000</u>	<u>337,000</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services		25,813	25,813	31,000
Construction Services	-	-	-	306,000
<b>Total Expenditures</b>	<u>-</u>	<u>25,813</u>	<u>25,813</u>	<u>337,000</u>
<b>Excess of Revenue Over Expenditures</b>	<u>\$ -</u>	<u>\$ 311,187</u>	<u>\$ 311,187</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	0990-060-14-1003-G04 FEC
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 337,000
Additional Authorized Cost	-
Revised Authorized Cost	337,000
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	8.00%
Original Target Completion Date	2015/2016
Revised Target Completion Date	2015/2016

**CRESSKILL BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
TOILET RENOVATTIONS- CRESSKILL MIDDLE SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Prior Year</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State- Regular Operating District Grants		\$ 100,920	\$ 100,920	\$ 100,920
Transfers from Capital Reserve	-	151,380	151,380	151,380
<b>Total Revenues</b>	-	252,300	252,300	252,300
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services		19,943	19,943	24,000
Construction Services	-	-	-	228,300
<b>Total Expenditures</b>	-	19,943	19,943	252,300
<b>Excess of Revenue Over Expenditures</b>	\$ -	\$ 232,357	\$ 232,357	\$ -

**Additional Project Information:**

Project Number	0990-045-14-1002-G04 FEC
Grant Date	1/6/2014
Bond Authorization Date	N/A
Bonds Authorized	N/A
Bonds Issued	N/A
Original Authorized Cost	\$ 252,300
Additional Authorized Cost	-
Revised Authorized Cost	252,300
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	8.00%
Original Target Completion Date	2015/2016
Revised Target Completion Date	2015/2016

**PROPRIETARY FUNDS**

**ENTERPRISE FUNDS**

**CRESSKILL BOARD OF EDUCATION  
ENTERPRISE FUND  
COMBINING STATEMENT OF NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-4

**COMBINING STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-5

**COMBINING STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

FINANCIAL STATEMENTS ARE PRESENTED ON EXHIBIT B-6

**INTERNAL SERVICE FUND**

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

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**CRESSKILL BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF ASSETS AND LIABILITIES  
AS OF JUNE 30, 2015**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 272,162	\$ 139,423	\$ 411,585
Total Assets	<u>\$ 272,162</u>	<u>\$ 139,423</u>	<u>\$ 411,585</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings Payable		\$ 128,652	\$ 128,652
Accrued Salaries and Wages		5,233	5,233
Reserve for Flexible Spending Plan		5,538	5,538
Due to Student Groups	<u>\$ 272,162</u>	<u>-</u>	<u>272,162</u>
Total Liabilities	<u>\$ 272,162</u>	<u>\$ 139,423</u>	<u>\$ 411,585</u>

**CRESSKILL BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET POSITION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<b>Balance, July 1, <u>2014</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance, June 30, <u>2015</u></b>
<b>ELEMENTARY SCHOOLS</b>				
Merritt	\$ 6,514	\$ 7,231	\$ 4,546	\$ 9,199
Bryan	10,971	32,465	30,220	13,216
<b>HIGH SCHOOL</b>				
Cresskill High School	<u>218,115</u>	<u>433,427</u>	<u>401,795</u>	<u>249,747</u>
Total	<u>\$ 235,600</u>	<u>\$ 473,123</u>	<u>\$ 436,561</u>	<u>\$ 272,162</u>

**CRESSKILL BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	Balance, July 1, <u>2014</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2015</u>
<b>ASSETS</b>				
Cash	\$ 129,999	\$ 30,131,507	\$ 30,122,083	\$ 139,423
Total Assets	<u>\$ 129,999</u>	<u>\$ 30,131,507</u>	<u>\$ 30,122,083</u>	<u>\$ 139,423</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 118,285	\$ 19,413,493	\$ 19,403,126	\$ 128,652
Accrued Salaries and Wages	2,654	10,690,079	10,687,500	5,233
Reserve for Flexible Spending	<u>9,060</u>	<u>27,935</u>	<u>31,457</u>	<u>5,538</u>
Total Liabilities	<u>\$ 129,999</u>	<u>\$ 30,131,507</u>	<u>\$ 30,122,083</u>	<u>\$ 139,423</u>

**LONG-TERM DEBT**

**CRESSKILL BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Renovations to All Schools	5/1/2005	\$ 20,383,000				\$ 685,000	\$ 685,000	
Refunding School Bonds	5/28/2008	2,520,000	8/1/2015	\$ 270,000				
			8/1/2016	265,000				
			8/1/2017	260,000				
			8/1/2018	250,000	3.0-5.0%	1,305,000	260,000	\$ 1,045,000
Refunding School Bonds	8/15/2012	8,960,000	2/1/2016	750,000				
			2/1/2017	785,000				
			2/1/2018	830,000				
			2/1/2019	980,000				
			2/1/2020	970,000				
			2/1/2021-23	965,000				
			2/1/2024	960,000				
			2/1/2025	720,000	3.0-4.0%	8,920,000	30,000	8,890,000

**CRESSKILL BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF BONDS PAYABLE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities</u>		<u>Interest Rate</u>	<u>Balance, July 1, 2014</u>	<u>Retired</u>	<u>Balance, June 30, 2015</u>
			<u>Date</u>	<u>Amount</u>				
Refunding School Bonds	2/22/2013	\$ 6,700,000	2/1/2016-17	\$ 40,000	2.0-3.0%	<u>\$ 6,650,000</u>	<u>\$ 40,000</u>	<u>\$ 6,610,000</u>
			2/1/2018-22	45,000				
			2/1/2023-24	50,000				
			2/1/2025	285,000				
			2/1/2026	1,040,000				
			2/1/2027	1,020,000				
			2/1/2028	1,005,000				
			2/1/2029	990,000				
			2/1/2030	975,000				
			2/1/2031	890,000				
						<u>\$ 17,560,000</u>	<u>\$ 1,015,000</u>	<u>\$ 16,545,000</u>
							<u>\$ 1,015,000</u>	

**CRESSKILL BOARD OF EDUCATION  
DEBT SERVICE FUND  
BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

	<u>Original Budget</u>	<u>Adjustments</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final Budget to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 1,541,868		\$ 1,541,868	\$ 1,541,868	
Intergovernmental State					
Debt Service Aid Type II	<u>36,970</u>	<u>-</u>	<u>36,970</u>	<u>36,970</u>	<u>-</u>
 Total Revenues	 <u>1,578,838</u>	 <u>-</u>	 <u>1,578,838</u>	 <u>1,578,838</u>	 <u>-</u>
<b>EXPENDITURES</b>					
Regular Debt Service					
Principal	1,015,000	-	1,015,000	1,015,000	
Interest	<u>575,999</u>	<u>-</u>	<u>575,999</u>	<u>575,999</u>	<u>-</u>
 Total Expenditures	 <u>1,590,999</u>	 <u>-</u>	 <u>1,590,999</u>	 <u>1,590,999</u>	 <u>-</u>
 Net Changes in Fund Balance	 (12,161)	 -	 (12,161)	 (12,161)	 -
 Fund Balance, Beginning of Year	 <u>12,161</u>	 <u>-</u>	 <u>12,161</u>	 <u>12,161</u>	 <u>-</u>
 Fund Balance, End of Year	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

#### **Demographic and Economic Information**

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ending June 30,									
	2006	2007	2008 (Restated)	2009	2010	2011 (Restated)	2012 (Restated)	2013	2014 (Restated)	2015
<b>Governmental Activities</b>										
Net Investment in Capital Assets	\$ 2,006,442	\$ 9,508,993	\$ 13,140,837	\$ 12,182,578	\$ 12,109,928	\$ 12,570,296	\$ 12,847,635	\$ 12,826,527	\$ 13,249,466	\$ 13,583,569
Restricted	333,065	139,729	10,050	23,455	1	226,725	195,769	364,709	413,870	929,245
Unrestricted	(12,441)	(109,316)	(1,921,191)	(1,253,443)	(506,562)	(571,544)	(190,479)	(232,308)	(6,635,207)	(6,811,314)
<b>Total Governmental Activities Net Position</b>	<b>\$ 2,327,066</b>	<b>\$ 9,539,406</b>	<b>\$ 11,229,696</b>	<b>\$ 10,952,590</b>	<b>\$ 11,603,367</b>	<b>\$ 12,225,477</b>	<b>\$ 12,852,925</b>	<b>\$ 12,958,928</b>	<b>\$ 7,028,129</b>	<b>\$ 7,701,500</b>
<b>Business-Type Activities</b>										
Net Investment in Capital Assets	\$ 5,334	\$ 19,455	\$ 8,420		\$ 8,943	\$ 10,800	\$ 16,361	\$ 18,893	\$ 16,677	\$ 16,616
Unrestricted	72,559	84,000	74,671	79,745	73,037	65,849	70,202	73,516	67,281	54,663
<b>Total Business-Type Activities Net Position</b>	<b>\$ 77,893</b>	<b>\$ 105,455</b>	<b>\$ 83,091</b>	<b>\$ 79,745</b>	<b>\$ 81,980</b>	<b>\$ 76,649</b>	<b>\$ 86,563</b>	<b>\$ 92,409</b>	<b>\$ 83,958</b>	<b>\$ 71,279</b>
<b>District-Wide</b>										
Net Investment in Capital Assets	\$ 2,011,776	\$ 9,528,448	\$ 13,149,257	\$ 12,182,578	\$ 12,118,871	\$ 12,581,096	\$ 12,863,996	\$ 12,845,420	\$ 13,266,143	\$ 13,600,185
Restricted	333,065	139,729	10,050	23,455	1	226,725	195,769	364,709	413,870	929,245
Unrestricted	60,118	(25,316)	(1,846,520)	(1,173,698)	(433,525)	(505,695)	(120,277)	(158,792)	(6,567,926)	(6,756,651)
<b>Total District Net Position</b>	<b>\$ 2,404,959</b>	<b>\$ 9,642,861</b>	<b>\$ 11,312,787</b>	<b>\$ 11,032,335</b>	<b>\$ 11,685,347</b>	<b>\$ 12,302,126</b>	<b>\$ 12,939,488</b>	<b>\$ 13,051,337</b>	<b>\$ 7,112,087</b>	<b>\$ 7,772,779</b>

Note 1 - Net position at June 30, 2012 is restated to reflect the implementation of GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources and Net Position" and GASB Statement No. 65, "Items Previously Reported in Assets and Liabilities".

Note 2 - Net position at June 30, 2014 is restated to reflect the implementation of GASB Statement No. 68, "Accounting and Financial Reporting for Pensions".

Source: School District's financial statements

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental Activities</b>										
Instruction										
Regular	\$ 9,521,196	\$ 10,215,190	\$ 10,762,060	\$ 10,402,088	\$ 10,701,308	\$ 10,691,713	\$ 11,284,312	\$ 11,808,805	\$ 12,152,470	\$ 14,020,663
Special Education	3,628,665	4,080,745	4,086,717	4,030,225	3,788,211	4,231,848	4,384,782	5,241,978	5,530,491	7,227,329
Other Instruction	813,092	958,905	839,494	722,043	814,517	790,651	827,881	1,104,577	748,546	918,970
School Sponsored Activities And Athletics	524,709	672,973	651,377	658,837	675,280	661,365	669,459	719,481	741,117	811,390
Support Services:										
Student & Instruction Related Services	2,839,330	2,808,292	3,505,701	3,684,962	3,904,218	3,900,765	3,749,932	3,400,194	3,223,379	3,236,916
General Administration Services	541,081	598,054	700,326	592,009	522,683	645,140	565,124	791,756	670,510	652,965
School Administration Services	1,134,724	1,309,597	1,359,410	1,359,102	1,424,952	1,499,294	1,730,730	1,984,158	1,948,526	2,284,712
Central Services/Business Services	307,910	296,889	519,102	759,933	559,109	556,790	641,300	601,111	643,264	678,291
Administrative Information Technology	107,189	161,720	-	-	-	-	-	-	-	-
Plant Operations And Maintenance	1,794,239	1,760,128	2,610,468	2,762,583	3,144,414	2,936,208	3,052,524	3,144,420	3,220,274	3,276,427
Pupil Transportation	595,420	723,936	790,467	587,325	544,104	431,983	310,171	310,917	322,389	340,074
Interest On Long-Term Debt	1,032,251	1,018,370	901,485	942,575	905,303	870,110	833,201	664,229	602,569	580,644
<b>Total Governmental Activities Expenses</b>	<b>22,839,806</b>	<b>24,604,799</b>	<b>26,726,607</b>	<b>26,501,682</b>	<b>26,984,099</b>	<b>27,215,867</b>	<b>28,049,416</b>	<b>29,771,626</b>	<b>29,803,535</b>	<b>34,028,381</b>
<b>Business-Type Activities:</b>										
Food Service	275,194	259,073	263,506	362,220	392,350	348,468	364,366	341,879	349,623	355,614
CSI Program	-	-	-	-	211,406	23,094	-	-	-	-
<b>Total Business-Type Activities Expense</b>	<b>275,194</b>	<b>259,073</b>	<b>263,506</b>	<b>362,220</b>	<b>603,756</b>	<b>371,562</b>	<b>364,366</b>	<b>341,879</b>	<b>349,623</b>	<b>355,614</b>
<b>Total District Expenses</b>	<b>\$ 23,115,000</b>	<b>\$ 24,863,872</b>	<b>\$ 26,990,113</b>	<b>\$ 26,863,902</b>	<b>\$ 27,587,855</b>	<b>\$ 27,587,429</b>	<b>\$ 28,413,782</b>	<b>\$ 30,113,505</b>	<b>\$ 30,153,158</b>	<b>\$ 34,383,995</b>
<b>Program Revenues</b>										
<b>Governmental Activities:</b>										
Charges For Services:										
Instruction (Regular)	\$ 88,110	\$ 206,500	\$ 318,309	\$ 381,957	\$ 288,052	\$ 323,926	\$ 481,169	\$ 395,221	\$ 306,004	\$ 274,131
Special Education	72,150	85,949	81,200	95,489	303,825	751,945	670,641	651,839	889,452	1,120,012
Rentals	-	-	-	-	-	-	-	8,960	21,400	9,820
Operating Grants And Contributions	2,774,596	3,653,188	3,873,081	3,146,613	4,118,917	2,937,010	3,578,231	4,378,651	3,948,049	7,428,995
Capital Grants And Contributions	1,000,859	6,750,410	2,662,932	133,060	92,129	-	-	-	50,576	115,399
<b>Total Governmental Activities Program Revenues</b>	<b>3,935,715</b>	<b>10,696,047</b>	<b>6,935,522</b>	<b>3,757,119</b>	<b>4,802,923</b>	<b>4,012,881</b>	<b>4,730,041</b>	<b>5,434,671</b>	<b>5,215,481</b>	<b>8,948,357</b>
<b>Business-Type Activities:</b>										
Charges For Services										
Food Service	238,677	262,838	262,854	333,252	342,834	340,000	350,302	345,410	340,680	342,634
CSI Program	-	-	-	-	234,500	-	-	-	-	-
Operating Grants And Contributions	19,055	18,132	13,766	25,622	28,072	25,683	23,583	1,789	-	-
<b>Total Business Type Activities Program Revenues</b>	<b>257,732</b>	<b>280,970</b>	<b>276,620</b>	<b>358,874</b>	<b>605,406</b>	<b>365,683</b>	<b>373,885</b>	<b>347,199</b>	<b>340,680</b>	<b>342,634</b>
<b>Total District Program Revenues</b>	<b>\$ 4,193,447</b>	<b>\$ 10,977,017</b>	<b>\$ 7,212,142</b>	<b>\$ 4,115,993</b>	<b>\$ 5,408,329</b>	<b>\$ 4,378,564</b>	<b>\$ 5,103,926</b>	<b>\$ 5,781,870</b>	<b>\$ 5,556,161</b>	<b>\$ 9,290,991</b>
<b>Net (Expense)/Revenue</b>										
Governmental Activities	\$ (18,904,091)	\$ (13,908,752)	\$ (19,791,085)	\$ (22,744,563)	\$ (22,181,176)	\$ (23,202,986)	\$ (23,319,375)	\$ (24,336,955)	\$ (24,588,054)	\$ (25,080,024)
Business-Type Activities	(17,462)	21,897	13,114	(3,346)	1,650	(5,879)	9,519	5,320	(8,943)	(12,980)
<b>Total District-Wide Net Expense</b>	<b>\$ (18,921,553)</b>	<b>\$ (13,886,855)</b>	<b>\$ (19,777,971)</b>	<b>\$ (22,747,909)</b>	<b>\$ (22,179,526)</b>	<b>\$ (23,208,865)</b>	<b>\$ (23,309,856)</b>	<b>\$ (24,331,635)</b>	<b>\$ (24,596,997)</b>	<b>\$ (25,093,004)</b>

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Property Taxes Levied For General Purposes, Net	\$ 17,889,113	\$ 18,521,666	\$ 19,896,511	\$ 20,422,815	\$ 21,052,000	\$ 21,892,509	\$ 22,249,000	\$ 22,693,980	\$ 23,280,958	\$ 24,102,843
Property Taxes Levied For Debt Service, Net	871,781	1,623,773	1,640,858	1,639,664	1,611,737	1,638,970	1,635,267	1,642,982	1,513,767	1,541,868
State Aid Restricted for Debt Service	6,980	43,946	44,201	20,325	18,901	17,814		18,237	18,681	18,485
Unrestricted State Aid	185,456	248,160	268,869							
Investment Earnings	780,476	634,844	254,691	339,480	21,369	30,056	18,067	14,826	14,474	11,026
Miscellaneous Income	75,520	48,703	16,626	45,173	127,946	245,747	120,476	72,933	79,786	79,173
<b>Total Governmental Activities</b>	<b>19,809,326</b>	<b>21,121,092</b>	<b>22,121,756</b>	<b>22,467,457</b>	<b>22,831,953</b>	<b>23,825,096</b>	<b>24,022,810</b>	<b>24,442,958</b>	<b>24,907,666</b>	<b>25,753,395</b>
Business-Type Activities:										
Investment Earnings	1,608	3,665	2,099	-	585	548	395	526	492	301
<b>Total Business-Type Activities</b>	<b>1,608</b>	<b>3,665</b>	<b>2,099</b>	<b>-</b>	<b>585</b>	<b>548</b>	<b>395</b>	<b>526</b>	<b>492</b>	<b>301</b>
<b>Total District-Wide</b>	<b>\$ 19,810,934</b>	<b>\$ 21,124,757</b>	<b>\$ 22,123,855</b>	<b>\$ 22,467,457</b>	<b>\$ 22,832,538</b>	<b>\$ 23,825,644</b>	<b>\$ 24,023,205</b>	<b>\$ 24,443,484</b>	<b>\$ 24,908,158</b>	<b>\$ 25,753,696</b>
<b>Change in Net Position</b>										
Governmental Activities	\$ 905,235	\$ 7,212,340	\$ 2,330,671	\$ (277,106)	\$ 650,777	\$ 622,110	\$ 703,435	\$ 106,003	\$ 319,612	\$ 673,371
Business-Type Activities	(15,854)	25,562	15,213	(3,346)	2,235	(5,331)	9,914	5,846	(8,451)	(12,679)
<b>Total District</b>	<b>\$ 889,381</b>	<b>\$ 7,237,902</b>	<b>\$ 2,345,884</b>	<b>\$ (280,452)</b>	<b>\$ 653,012</b>	<b>\$ 616,779</b>	<b>\$ 713,349</b>	<b>\$ 111,849</b>	<b>\$ 311,161</b>	<b>\$ 660,692</b>

Source: School District's financial statements

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

	Fiscal Year Ending June 30,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>General Fund</b>										
Reserved	\$ 757,330	\$ 957,676	\$ 459,230	\$ 245,493	\$ 367,285					
Unreserved	392,108	375,426	84,644	(14,500)	278,457					
Restricted						\$ 225,000	\$ 536,307	\$ 748,529	\$ 497,305	\$ 703,528
Committed						33,731				
Assigned						243,467	232,873	20,200	177,320	177,320
Unassigned	-	-	-	-	-	316,743	353,822	345,108	360,425	338,202
<b>Total General Fund</b>	<u>\$ 1,149,438</u>	<u>\$ 1,333,102</u>	<u>\$ 543,874</u>	<u>\$ 230,993</u>	<u>\$ 645,742</u>	<u>\$ 818,941</u>	<u>\$ 1,123,002</u>	<u>\$ 1,113,837</u>	<u>\$ 1,035,050</u>	<u>\$ 1,219,050</u>
<b>All Other Governmental Funds</b>										
Reserved	\$ 26,326,377	\$ 8,027,514	\$ 333,289							
Unreserved	(8,165,090)	(2,447,188)	78,484	27,992	1,712					
Assigned										
Restricted	-	-	-	-	-	\$ 1,725	\$ 5,000	\$ 58,041	\$ 113,297	\$ 326,126
<b>Total All Other Governmental Funds</b>	<u>\$ 18,161,287</u>	<u>\$ 5,580,326</u>	<u>\$ 411,773</u>	<u>\$ 27,992</u>	<u>\$ 1,712</u>	<u>\$ 1,725</u>	<u>\$ 5,000</u>	<u>\$ 58,041</u>	<u>\$ 113,297</u>	<u>\$ 326,126</u>

Source: School District's financial statements

Beginning with Fiscal Year 2012, the District implemented GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions". The Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. This Statement established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Reclassification of prior year fund balance amounts to comply with Statement No. 54 is not required.

**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,									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Revenues</b>										
Tax Levy	\$ 18,760,894	\$ 20,155,439	\$ 21,537,369	\$ 22,062,479	\$ 22,663,737	\$ 23,531,479	\$ 23,884,267	\$ 24,336,962	\$ 24,794,725	\$ 25,644,711
Tuition Charges	160,260	292,449	399,509	477,446	591,877	1,075,871	1,151,810	1,047,060	1,195,456	1,394,143
Interest Earnings	780,476	634,844	254,691	45,173	21,369	30,056	8,976	14,826	21,400	11,026
Miscellaneous	104,552	169,457	282,295	339,480	224,211	396,194	226,805	173,016	174,654	168,855
State Sources	3,626,866	10,234,271	6,222,772	2,943,554	3,402,615	2,328,964	3,064,824	3,914,408	3,543,141	4,191,567
Federal Sources	311,993	340,679	360,642	356,445	705,557	475,413	416,169	391,357	393,771	406,754
<b>Total Revenue</b>	<b>23,745,041</b>	<b>31,827,139</b>	<b>29,057,278</b>	<b>26,224,577</b>	<b>27,609,366</b>	<b>27,857,977</b>	<b>28,752,851</b>	<b>29,877,629</b>	<b>30,123,147</b>	<b>31,817,056</b>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular Instruction	9,524,318	10,396,236	10,682,218	10,305,610	10,655,035	10,605,735	11,225,725	11,731,571	12,008,586	12,276,821
Special Education Instruction	3,635,103	3,862,119	4,097,215	4,026,400	3,788,911	4,215,848	4,389,309	5,241,547	5,515,584	6,335,823
Other Instruction	815,878	949,130	839,494	733,758	796,752	781,751	829,120	1,104,449	745,794	800,594
School Sponsored Activities and Athletics	526,197	672,973	651,377	650,037	676,480	660,265	670,216	719,420	739,173	733,150
<b>Support Services:</b>										
Student and Inst. Related Services	2,831,276	2,790,717	3,459,432	3,637,630	3,874,855	3,865,832	3,727,091	3,372,175	3,200,971	3,200,859
General Administrative Services	527,755	592,497	587,381	559,005	522,683	645,140	565,719	791,713	669,020	649,309
School Administrative Services	1,138,652	1,309,002	1,345,135	1,345,719	1,463,553	1,526,459	1,724,065	1,974,713	1,940,029	2,123,104
Central Services/Business Services	416,387	458,609	519,102	759,933	565,484	555,965	643,287	600,945	641,394	673,758
Plant Operations And Maintenance	1,560,230	1,656,952	1,888,119	1,963,669	2,363,401	2,149,148	2,242,087	2,333,120	2,385,625	2,415,359
Pupil Transportation	595,641	723,936	790,467	587,325	544,104	431,983	310,171	310,917	322,389	340,074
Capital Outlay	2,862,931	19,318,560	8,659,051	530,246	142,218	481,362	382,364	215,365	383,905	280,377
<b>Debt Service:</b>										
Principal	174,482	737,427	701,522	904,068	914,640	869,115	894,206	906,017	990,000	1,015,000
Interest and Other Charges	812,706	1,026,301	1,096,695	917,839	912,781	876,162	842,155	758,463	604,208	575,999
Advance Refunding Escrow	-	-	49,332	-	-	-	-	-	-	-
Cost of Issuance	-	-	56,643	-	-	-	-	-	-	-
<b>Total Expenditures</b>	<b>25,421,556</b>	<b>44,494,459</b>	<b>35,423,183</b>	<b>26,921,239</b>	<b>27,220,897</b>	<b>27,664,765</b>	<b>28,445,515</b>	<b>30,060,415</b>	<b>30,146,678</b>	<b>31,420,227</b>
<b>Excess (Deficiency) of Revenues</b>										
Over (Under) Expenditures	(1,676,515)	(12,667,320)	(6,365,905)	(696,662)	388,469	173,212	307,336	(182,786)	(23,531)	396,829
<b>Other Financing Sources (Uses)</b>										
Bond Sale Proceeds	-	-	2,520,000	-	-	-	-	15,660,000	-	-
Capital Leases (Non-Budgeted)	-	280,023	292,099	-	-	-	-	-	-	-
Premium on Sale of Bonds	-	-	38,025	-	-	-	-	1,052,504	-	-
Payment to Refunded Bond Escrow Agent	-	-	(2,442,000)	-	-	-	-	(16,485,842)	-	-
Accrued Interest on Bond Sale	-	-	-	-	-	-	-	-	-	-
Transfers In	(841,032)	544,349	387,366	35,764	287	1,724	109,970	134,765	306,817	398,653
Transfers Out	841,032	(544,349)	(387,366)	(35,764)	(287)	(1,724)	(109,970)	(134,765)	(306,817)	(398,653)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>280,023</b>	<b>408,124</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>226,662</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ (1,676,515)</b>	<b>\$ (12,387,297)</b>	<b>\$ (5,957,781)</b>	<b>\$ (696,662)</b>	<b>\$ 388,469</b>	<b>\$ 173,212</b>	<b>\$ 307,336</b>	<b>\$ 43,876</b>	<b>\$ (23,531)</b>	<b>\$ 396,829</b>
<b>Debt Service as a Percentage of</b>										
Noncapital Expenditures	4.38%	7.01%	6.72%	6.90%	6.75%	6.42%	6.19%	5.58%	5.36%	5.11%

\* Noncapital expenditures are total expenditures less capital outlay.

Source: School District's financial statements

Note:

GASB requires that ten years of statistical data be presented. However, since the District implemented the new reporting model contained in GASB No. 34 in fiscal year 2003 only ten years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

<u>Fiscal Year Ended June 30,</u>	<u>Tuition</u>	<u>Related Services Provided to Other LEAs</u>	<u>Interest on Invest.</u>	<u>Rentals</u>	<u>Student Activity/ Athletic Fee</u>	<u>E-Rate Reimbursement</u>	<u>Miscellaneous</u>	<u>Total</u>
2006	\$ 160,260		\$ 124,552	\$ 35,700			\$ 39,820	\$ 360,332
2007	292,449		90,495	4,308			44,395	431,647
2008	399,509		107,325	7,350			9,276	523,460
2009	477,446		29,309	71,504			64,614	642,873
2010	591,877		21,082	72,527			55,419	740,905
2011	1,075,871	\$ 96,521	30,043	22,366	\$ 44,227		82,633	1,351,661
2012	1,072,039	79,771	8,856	3,585			107,915	1,272,166
2013	965,788	81,272	14,561	8,960		\$ 47,791	25,142	1,143,514
2014	1,078,131	117,325	14,474	21,400		50,995	28,791	1,311,116
2015	1,217,848	176,295	10,460	9,820		49,432	29,741	1,493,596

Source School District's Financial Statements

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2006	\$ 32,780,100	\$ 1,584,456,100	\$ 136,149,800	\$ 14,705,400	\$ 5,340,800	\$ 1,773,432,200	\$ 900,983	\$ 1,774,333,183	\$ 2,029,026,706	1.13
2007	29,687,100	1,614,496,200	136,072,200	11,685,200	5,340,800	1,797,281,500	664,577	1,797,946,077	2,334,131,818	1.19
2008	29,370,000	1,623,996,100	129,953,800	3,985,100	5,340,800	1,792,646,400	639,075	1,793,285,475	2,526,369,398	1.23
2009	30,045,300	1,622,233,700	129,276,900	3,985,100	5,053,200	1,785,594,200	631,556	1,786,225,756	2,692,596,856	1.27
2010	28,070,300	1,616,918,500	119,604,100	2,965,000	5,053,200	1,772,611,100	658,243	1,773,269,343	2,492,849,585	1.33
2011	22,697,900	1,615,957,000	119,812,800	2,330,000	5,053,200	1,765,850,900	580,804	1,766,431,704	2,303,399,323	1.35
2012	17,877,000	1,641,269,000	138,099,100	2,336,100	5,684,500	1,805,265,700	738,164	1,806,003,864	1,994,212,751	1.35
2013	18,665,100	1,622,930,800	136,905,200	2,336,100	5,663,400	1,786,563,600	738,200	1,787,301,800	2,056,298,706	1.39
2014	17,654,200	1,622,421,300	134,294,800	2,138,100	5,663,400	1,782,171,800	423,986	1,782,595,786	2,000,038,733	1.44
2015	18,947,600	1,622,807,600	127,766,400	2,138,100	5,663,400	1,777,323,100	407,914	1,777,731,014	2,075,667,633	1.47

Source: County Abstract of Ratables

- (1) The Borough undertook a revaluation of real property effective January 1, 2004  
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**

<b>Calendar Year</b>	<b>Total Direct School Tax Rate Cresskill Local School District</b>	<b>Overlapping Rates</b>		<b>Total Direct and Overlapping Tax Rate</b>
		<b>Municipality of Cresskill</b>	<b>County of Bergen</b>	
2006	\$1.13	\$0.52	\$0.22	\$1.87
2007	\$1.19	\$0.57	\$0.23	\$1.99
2008	\$1.23	\$0.61	\$0.26	\$2.10
2009	\$1.27	\$0.66	\$0.29	\$2.21
2010	\$1.33	\$0.70	\$0.27	\$2.30
2011	\$1.35	\$0.73	\$0.27	\$2.35
2012	\$1.35	\$0.74	\$0.24	\$2.33
2013	\$1.39	\$0.75	\$0.26	\$2.40
2014	\$1.44	\$0.78	\$0.26	\$2.48
2015	\$1.47	\$0.81	\$0.28	\$2.56

Source: Tax Duplicate, Borough of Cresskill

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

Taxpayer	2015	
	Taxable Assessed Value	% of Total District Net Assessed Value
CNL Retirement Suni Cresskill	\$ 36,757,300	2.07%
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%
Resident	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	3,440,400	0.19%
	\$ 75,933,900	4.27%
	2005	
	Taxable Assessed Value	% of Total District's Net Assessed Value
CNL Retirement Suni Cresskill	\$15,404,000	0.90%
Cresskill Res. Com. LLC	11,058,100	0.65%
Millenium/Dunrovan Nursing Home	8,000,100	0.47%
Resident	7,002,800	0.41%
Cresskill Ind. Park	6,201,800	0.36%
Cresskill Millennium Association	5,839,000	0.34%
Kings Supermarket	5,542,500	0.32%
Legion Drive Association	4,506,300	0.26%
Cresskill Horizon Realty	4,448,300	0.26%
Resident	3,623,300	0.21%
	\$71,626,200	4.20%

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	
2006	\$ 18,760,894	\$ 18,760,894	100.00%	
2007	20,155,439	20,155,439	100.00%	
2008	21,537,369	21,537,369	100.00%	
2009	22,062,479	22,062,479	100.00%	
2010	22,663,737	22,663,737	100.00%	
2011	23,531,479	23,531,479	100.00%	
2012	23,884,267	23,884,267	100.00%	
2013	24,336,962	24,336,962	100.00%	
2014	24,794,725	24,794,725	100.00%	
2015	25,644,711	25,644,711	0.00%	

Source: District records

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

Fiscal Year Ended June 30,	Governmental Activities				Total District	Population	Per Capita
	General Obligation Bonds	Certificates of Participation	Capital Leases/Lease Purchase Agreements	Bond Anticipation Notes (BANs)			
2006	\$ 23,297,000		\$ 34,375		\$ 23,331,375	8,308	\$ 2,808
2007	22,632,000		232,583		22,864,583	8,259	2,768
2008	22,020,000		423,046	\$ 5,019,900	27,462,946	8,456	3,248
2009	21,255,000		283,978		21,538,978	8,567	2,514
2010	20,480,000		144,338		20,624,338	8,614	2,394
2011	19,675,000		80,223		19,755,223	8,572	2,305
2012	18,840,000		21,017		18,861,017	8,627	2,186
2013	18,550,000				18,550,000	8,664	2,141
2014	17,560,000				17,560,000	8,725	2,013
2015	16,545,000				16,545,000	8,763	1,888

Source: District records

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

General Bonded Debt Outstanding

Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property	Per Capita
2006	\$ 23,297,000		\$ 23,297,000	1.30%	\$ 2,804
2007	22,632,000		22,632,000	1.26%	2,740
2008	22,020,000		22,020,000	1.23%	2,604
2009	21,255,000		21,255,000	1.20%	2,481
2010	20,480,000		20,480,000	1.16%	2,378
2011	19,675,000		19,675,000	1.09%	2,292
2012	18,840,000		18,840,000	1.04%	2,183
2013	18,550,000		18,550,000	1.04%	2,145
2014	17,560,000		17,560,000	0.99%	2,016
2015	16,545,000		16,545,000	0.93%	2,016

Source: District records

**CRESSKILL BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(UNAUDITED)**

Municipal Debt:	
Cresskill Board of Education (as of June 30, 2015)	\$ 16,545,000
Borough of Cresskill	<u>11,553,509</u>
 Total Direct Debt	 <u>28,098,509</u>
 Overlapping Debt Apportioned to the Municipality:	
Bergen County:	
County of Bergen (A)	11,502,578
Bergen County Utilities Authority - Water Pollution (B)	<u>2,122,913</u>
 Total Overlapping Debt	 <u>13,625,491</u>
 Total Direct and Overlapping Debt	 <u>\$ 41,724,000</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2014 equalized value by the total 2014 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

Sources:  
Borough of Cresskill 2014 Annual Debt Statement  
BCUA 2014 Audit  
Bergen County 2014 Annual Debt Statement

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

**Legal Debt Margin Calculation for Fiscal Year 2015**

	Equalized valuation basis	
	2012	\$ 2,073,826,192
	2013	2,001,303,461
	2014	<u>2,077,849,831</u>
		<u>\$ 6,152,979,484</u>
Average equalized valuation of taxable property		\$ 2,050,993,161
Debt limit (4 % of average equalization value)		82,039,726
Total Net Debt Applicable to Limit		<u>16,545,000</u>
Legal debt margin		<u>\$ 65,494,726</u>

	Fiscal Year									
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Debt Limit	\$ 68,413,392	\$ 79,272,395	\$ 90,361,757	\$ 100,289,934	\$ 102,932,871	\$ 99,995,063	\$ 93,292,658	\$ 87,603,914	\$ 82,039,726	\$ 82,039,726
Total Net Debt Applicable to Limit	<u>33,865,827</u>	<u>32,127,827</u>	<u>28,709,849</u>	<u>21,255,000</u>	<u>20,480,000</u>	<u>19,675,000</u>	<u>18,840,000</u>	<u>18,550,000</u>	<u>17,560,000</u>	<u>16,545,000</u>
Legal Debt Margin	<u>\$ 34,547,565</u>	<u>\$ 47,144,568</u>	<u>\$ 61,651,908</u>	<u>\$ 79,034,934</u>	<u>\$ 82,452,871</u>	<u>\$ 80,320,063</u>	<u>\$ 74,452,658</u>	<u>\$ 69,053,914</u>	<u>\$ 64,479,726</u>	<u>\$ 65,494,726</u>
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	49.50%	40.53%	31.77%	21.19%	19.90%	19.68%	20.19%	21.17%	21.40%	20.17%

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>
2006	2.5	\$ 55,245	8,308
2007	2.2	57,674	8,259
2008	2.9	63,103	8,456
2009	5.2	67,544	8,567
2010	5.3	67,331	8,614
2011	5.2	63,874	8,572
2012	5.3	63,885	8,627
2013	4.5	67,248	8,664
2014	4.5	69,281	8,725
2015	4.5 (E)	69,495 (E)	8,763

(E) Estimate

Source: United States Bureau of Census  
School District Records

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

<u>Employer</u>	<u>2015</u>		<u>2006</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 NINE FISCAL YEARS**  
(Unaudited)

<u>Function/Program</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Instruction									
Regular	109	112	119	124	132	116.50	113.80	116.40	117.10
Special Education	31	31	30	13	26	41	58	63	62
Support Services:									
Student and Instruction Related Services	27	22	17	43.5	44.5	42.6	37.2	38.4	42.0
General Administration	8	3	3	3	2	2	3	3	3
School Administrative Services	12	12	12	12	11	13	16.6	17.4	18.5
Central Services		3	3	3	3	4	3	3	3
Administrative Information Technology		2	2	2	1	1	1	1	1
Plant Operations And Maintenance	16	17	17	19	20	28	28	28	26
Pupil Transportation	-	-	-	-	-	-	-	-	-
Total	<u>203</u>	<u>202</u>	<u>203</u>	<u>219.5</u>	<u>239.5</u>	<u>248.10</u>	<u>260.60</u>	<u>270.20</u>	<u>272.80</u>

Source: District Personnel Records

Note:

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information is available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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				
2006	1,605.0	21,571,437	13,440	8.37%	120	14:1	12:1	1,603.0	1,543.3	0.09%	96.28%
2007	1,652.0	23,412,171	14,172	5.45%	123	14:1	12:1	1,648.5	1,584.2	2.84%	96.10%
2008	1,686.0	24,859,940	14,745	4.04%	130	14:1	12:1	1,692.7	1,625.2	2.68%	96.01%
2009	1,692.0	24,569,086	14,521	-1.52%	135	12:1	13:1	1,681.8	1,614.8	6.00%	96.02%
2010	1,742.0	25,251,258	14,496	-0.17%	132	13:1	13:1	1,732.3	1,665.9	3.00%	96.17%
2011	1,745.0	25,438,126	14,578	0.57%	143	13:1	11:1	1,774.1	1,679.8	2.41%	94.68%
2012	1,753.0	26,326,790	15,018	3.02%	146	12:1	12:1	1,754.2	1,688.6	1.12%	96.26%
2013	1,729.0	28,180,570	16,299	8.53%	144	12:1	12:1	1,691.6	1,631.5	3.57%	96.45%
2014	1,749.0	28,168,565	16,106	-1.19%	143	12:1	12:01	1,706.4	1,649.4	-2.72%	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	5.07%	96.66%

Sources: District records

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

	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b><u>District Building</u></b>									
<b><u>Elementary</u></b>									
<u>Edward H. Bryan School</u>									
Square Feet	48,738	48,738	48,738	48,738	48,738	48,738	48,738	48,738	48,738
Capacity (students)	378	378	378	378	378	378	378	378	378
Enrollment	532	548	474	478	465	483	460	471	483
<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
Capacity (students)	313	313	313	313	313	313	313	313	313
Enrollment	338	354	280	299	304	301	303	323	340
<u>Middle School/High School</u>									
Square Feet	140,261	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
Enrollment	782	784	938	965	976	969	966	955	960

Number of Schools at June 30, 2015

Elementary = 2

Junior/Senior High School = 1

Source: District Records

**Note:**

GASB requires that ten years of statistical data be presented. As a result of the implementation of GASB No. 44 in fiscal year 2006 only nine years of information are available. Each year thereafter, an additional year's data will be included until ten years of data is present.

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

<u>School Facilities</u>	<u>Project # (s)</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Edward H. Bryan	N/A	\$ 47,978	\$ 53,165	\$ 45,764	\$ 27,504	\$ 87,776	\$ 76,979	\$ 90,086	\$ 72,715	\$ 85,821	\$ 88,975
Merritt Memorial School	N/A	45,206	36,345	34,309	25,567	61,613	36,173	79,802	71,279	109,760	116,412
Middle School/High School	N/A	<u>93,529</u>	<u>88,559</u>	<u>101,572</u>	<u>99,771</u>	<u>405,596</u>	<u>480,215</u>	<u>196,731</u>	<u>190,361</u>	<u>188,555</u>	<u>174,552</u>
Total School Facilities		<u>\$ 186,713</u>	<u>\$ 178,069</u>	<u>\$ 181,645</u>	<u>\$ 152,842</u>	<u>\$ 554,985</u>	<u>\$ 593,367</u>	<u>\$ 366,619</u>	<u>\$ 334,355</u>	<u>\$ 384,136</u>	<u>\$ 379,939</u>

**CRESSKILL BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2015  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Insurance Group		
Property Blanket Building & Contents	\$ 50,214,189	\$ 5,000
General Liability		
General Aggregate	2,000,000	
Products Completed Operations	2,000,000	
Personal & Advertising Injury	1,000,000	
Each Occurrence Limit	1,000,000	
Fire Legal Liability	1,000,000	
Medical Expense	5,000	
Commercial Auto Policy - Selective Insurance Group	1,000,000	1,000
Umbrella Liability Policy - American Alt Ins.	9,000,000	
Excess Umbrella Liability Policy - Firemen's Fund	50,000,000	
	(Shared limit among all Boards)	
Boiler & Machinery - Selective Insurance Group	50,214,189	5,000
Bonds		
Public Official Bond - Bus. Admn.	250,000	
Environmental Impairment Liability- American Safety	20,000,000	
	(Group Aggregate)	
Each Impairment		
Aggregate per Named Insured	4,000,000	15,000
Mold Policy Aggregate	4,000,000	25,000
School Board Legal Liability - Darwin National Assurance Co.	1,000,000	5,000
Employment Related Practices Liability		15,000
Crime - Selective Insurance Company of America		
Employee Dishonesty	\$100,000 Per Employee	5,000
	\$400,000 Per Loss	
Forgery & Alteration	50,000	1,000
Workers' Compensation - Star Insurance Co.		
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	500,000	
Cyber Liability- XL Insurance Group		
Each Claim	2,000,000	15,000
Aggregate	6,000,000	
Privacy Notifications	1,000,000	25,000

**SINGLE AUDIT SECTION**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

DIETER P. LERCH, CPA, RMA, PSA  
GARY J. VINCI, CPA, RMA, PSA  
GARY W. HIGGINS, CPA, RMA, PSA  
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DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, 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 Trustees  
Cresskill Board of Education  
Cresskill, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cresskill Board of Education as of and for the fiscal year ended June 30, 2015 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 December 16, 2015.

#### **Internal Control Over Financial Reporting**

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

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

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

**Compliance and Other Matters**

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

However, we noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Cresskill Board of Education in a separate report entitled, “Auditor’s Management Report on Administrative Findings – Financial, Compliance and Performance” dated December 16, 2015.

**Purpose of this Report**

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

*LERCH, VINCI & HIGGINS, LLP*

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



Donna L. Japhet  
Public School Accountant  
PSA Number CS002314

Fair Lawn, New Jersey  
December 16, 2015



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-2

DIETER P. LERCH, CPA, RMA, PSA  
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RALPH M. PICONE, CPA, RMA, PSA

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

### INDEPENDENT AUDITOR'S REPORT

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

#### **Report on Compliance for Each State Program**

We have audited the Cresskill Board of Education's compliance with the types of compliance requirements described in 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 state programs for the fiscal year ended June 30, 2015. The Cresskill Board of Education's major state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its state programs.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the Cresskill Board of Education's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; audit requirements as prescribed by the Office of School Finance, Department of Education, State of New Jersey; New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid. Those standards and Circulars require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Cresskill Board of Education's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

### ***Opinion on Each Major State Program***

In our opinion, the Cresskill Board of Education complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the fiscal year ended June 30, 2015.

### **Report on Internal Control Over Compliance**

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

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

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

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

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Cresskill Board of Education, as of and for the fiscal year ended June 30, 2015 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements. We issued our report thereon dated December 16, 2015, 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 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 state financial assistance are fairly stated in all material respects in relation to the basic financial statements as a whole.

*LERCH, VINCI & HIGGINS, LLP*

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

*Donna L. Japhet*

Donna L. Japhet  
Public School Accountant  
PSA Number CS002314

Fair Lawn, New Jersey  
December 16, 2015

CRESSKILL BOARD OF EDUCATION  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

Federal/Grantor/Pass-Through Grantor/ Program Title	Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2014	Carryover Amount	Cash Received	Budgetary Expenditures	Adjustment	Carryover Receivable Adjustment	(Accounts Receivable)	June 30, 2015 Unearned Revenue	Due to Grantor	* * * MEMO GAAP Receivable
U.S. Department of Education														
Passed-through State Department of Education														
NCLB Title II A	84.367a	NCLB0990-15	9/1/14-6/30/15	\$ 19,066		\$ 1,848	\$ 8,601	\$ 12,001		\$ (1,848)	\$ (12,313)	\$ 8,913		* \$ (3,400)
NCLB Title II A	84.367a	NCLB0990-14	9/1/13-6/30/14	18,476		(1,848)				1,848				*
NCLB Title II A	84.367a	NCLB0990-13	9/1/12-8/31/13	21	\$ 21		-	-	\$ (21)			-		*
NLCB Title III	84.365A	NCLB0990-15	9/1/14-6/30/15	23,257		644	16,215	21,698		(644)	(7,686)	2,203		* (5,483)
NLCB Title III	84.365A	NCLB0990-14	9/1/13-6/30/14	32,193	-	(644)	-	-		644		-		*
NCLB Title III- Immigrant	84.365B	NCLB0990-15	9/1/14-6/30/15	39,881		6,556	23,612	30,305		(6,556)	(22,825)	16,132		* (6,693)
NCLB Title III- Immigrant	84.365B	NCLB0990-14	9/1/13-6/30/14	34,184		(6,556)	-	-		6,556		-		*
I.D.E.A. Part B- Basic	84.027	FT-0990-15	9/1/14-6/30/15	328,849			315,652	328,662			(13,197)	187		* (13,010)
I.D.E.A. Part B- Basic	84.027	FT-0990-14	9/1/13-6/30/14	303,056	(43,718)		44,429	443	(268)			-		* -
I.D.E.A. Part B-Preschool	84.173	PS-0990-15	9/1/14-6/30/15	13,645	-	-	13,645	13,645				-		* -
Total U.S. Department of Education					(43,697)	-	422,154	406,754	(289)	-	(56,021)	27,435	-	* (28,586)
Total					\$ (43,697)	\$ -	\$ 422,154	\$ 406,754	\$ (289)	\$ -	\$ (56,021)	\$ 27,435	\$ -	* \$ (28,586)

Note: The District is not subject to a Federal Single Audit.

CRESSKILL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2014	Cash Received	Budgetary Expenditures	Refund of Prior Years' Balances	(Accounts Receivable)	June 30, 2015		Due to Grantor	Memo		
									Unearned Revenue			GAAP Receivable	Cumulative Total Expenditures	
<b>State Department of Education</b>														
<b>Current Expense</b>														
Special Education Categorical Aid	14-495-034-5120-089	7/1/13-6/30/14	\$ 667,983	\$ (49,972)	\$ 49,972									
Special Education Categorical Aid	15-495-034-5120-089	7/1/14-6/30/15	667,983		611,145	\$ 667,983		\$ (56,838)					\$ 667,983	
Security Aid	14-495-034-5120-084	7/1/13-6/30/14	25,438	(1,903)	1,903									
Security Aid	15-495-034-5120-084	7/1/14-6/30/15	25,438		23,273	25,438		(2,165)					25,438	
Transportation Aid	14-495-034-5120-014	7/1/13-6/30/14	16,859	(1,261)	1,261									
Transportation Aid	15-495-034-5120-014	7/1/14-6/30/15	16,859		15,424	16,859		(1,435)					16,859	
PARCC Readiness Aid	14-495-034-5120-014	7/1/14-6/30/15	17,150		15,691	17,150		(1,459)					17,150	
Per Pupil Growth Aid	14-495-034-5120-014	7/1/14-6/30/15	17,150		15,691	17,150		(1,459)					17,150	
Extraordinary Sp. Ed. Costs Aid	14-100-034-5120-473	7/1/13-6/30/14	357,769	(357,769)	357,769									
Extraordinary Sp. Ed. Costs Aid	15-100-034-5120-473	7/1/14-6/30/15	394,537			394,537		(394,537)					394,537	
TPAF On behalf Pension Contribution														
Non-Contributory Insurance	15-100-034-5094-007	7/1/14-6/30/15	46,876		46,876	46,876							46,876	
Normal Cost & Accrued Liability	15-100-034-5095-006	7/1/14-6/30/15	651,544		651,544	651,544							651,544	
Post Retirement Medical Benefit Contrib	15-100-034-5095-001	7/1/13-6/30/15	1,108,742		1,108,742	1,108,742							1,108,742	
TPAF Social Security Tax	14-100-034-5095-002	7/1/13-6/30/14	959,077	(121,910)	121,910									
TPAF Social Security Tax	15-100-034-5094-003	7/1/14-6/30/15	1,005,444		831,183	1,005,444		(174,261)					\$ (174,261)	1,005,444
<b>Total General Fund</b>				<b>(532,815)</b>	<b>3,852,384</b>	<b>3,951,723</b>	<b>-</b>	<b>(632,154)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(174,261)</b>	<b>3,951,723</b>
<b>Special Revenue Fund</b>														
<b>New Jersey Nonpublic Aid</b>														
Technology Aid	15-100-034-5120-373	7/1/14-6/30/15	6,048		6,048	6,048								6,048
Textbook Aid	15-100-034-5120-064	7/1/14-6/30/15	11,261		11,261	4,564				\$ 6,697				4,564
Textbook Aid	14-100-034-5120-064	7/1/13-6/30/14	10,367	479			\$ 479							
Nursing Services	15-100-034-5120-070	7/1/14-6/30/15	18,116		18,116	17,925					191			17,925
Nursing Services	14-100-034-5120-070	7/1/13-6/30/14	14,591	1,080			1,080							
Auxiliary Services														
English as a Second Language	14-100-034-5120-067	7/1/13-6/30/14	13,964	2,880			2,880							
English as a Second Language	15-100-034-5120-067	7/1/14-6/30/15	19,184		19,184	5,481					13,703			5,481
Compensatory Education	14-100-034-5120-067	7/1/13-6/30/14	45,367	2,568			2,568							
Compensatory Education	15-100-034-5120-067	7/1/14-6/30/15	51,061		51,061	30,636					20,425			30,636
Transportation	15-100-034-5120-068	7/1/14-6/30/15	12,600		12,600	12,600								12,600
<b>Handicapped Services</b>														
Examination and Classification	14-100-034-5120-066	7/1/13-6/30/14	20,228	639			639							
Examination and Classification	15-100-034-5120-066	7/1/14-6/30/15	33,316		33,316	21,432					11,884			21,432
Corrective Speech	14-100-034-5120-066	7/1/13-6/30/14	17,968	1,719			1,719							
Corrective Speech	15-100-034-5120-066	7/1/14-6/30/15	24,551		24,561	17,493					7,068			17,493
Supplemental Instruction	14-100-034-5120-066	7/1/13-6/30/14	15,264	2,636			2,636							
Supplemental Instruction	15-100-034-5120-066	7/1/14-6/30/15	23,934		23,934	18,284					5,650			18,284
<b>Total Special Revenue Fund</b>				<b>12,001</b>	<b>200,081</b>	<b>134,463</b>	<b>12,001</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>65,618</b>	<b>-</b>	<b>-</b>	<b>134,463</b>
<b>Capital Projects</b>														
<b>Schools Development Authority</b>														
<b>School Facilities Grant</b>														
High School Toilet Renovations	0990-040-14-G1CZ		94,000	(24,676)	65,505	40,829								40,829
Bryan Elem. Toilet Renovations	0990-050-14-G1DA		94,000	(25,900)	82,167	56,267								56,267
Merritt Memorial Toilet Renovations	0990-060-14-G04		134,800			10,325		(134,800)	\$ 124,475				(134,800)	10,325
BMiddle School Toilet Renovations	0990-045-14-G04		100,920			7,978		(100,920)	92,942				(100,920)	7,978
<b>Total Capital Projects</b>				<b>(50,576)</b>	<b>(47,672)</b>	<b>115,399</b>	<b>-</b>	<b>(235,720)</b>	<b>217,417</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(235,720)</b>	<b>115,399</b>
<b>Debt Service</b>														
Debt Service Aid- State Support	15-495-034-5120-075	7/1/14-6/30/15	36,970		36,970	36,970								36,970
<b>Total Debt Service Fund</b>				<b>-</b>	<b>36,970</b>	<b>36,970</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>36,970</b>
<b>Total State Financial Assistance</b>				<b>\$ (571,390)</b>	<b>\$ 4,237,107</b>	<b>\$ 4,238,555</b>	<b>\$ 12,001</b>	<b>\$ (867,874)</b>	<b>\$ 217,417</b>	<b>\$ 65,618</b>	<b>\$ (409,981)</b>	<b>\$ 4,238,555</b>		
<b>State Financial Assistance Not Subject to Single Audit Determination</b>														
<b>General Fund</b>														
On-Behalf TPAF Pension-NCGI	15-100-034-5094-007	7/1/14-6/30/15	-		(46,876)	(46,876)								(46,876)
On-Behalf TPAF Pension-Normal Costs	15-100-034-5094-006	7/1/14-6/30/15	-		(651,544)	(651,544)								(651,544)
On-Behalf TPAF Post Retirement Medical	15-100-034-5094-001	7/1/14-6/30/15	-		(1,108,742)	(1,108,742)								(1,108,742)
<b>Total State Financial Assistance Subject to Single Audit</b>				<b>\$ (571,390)</b>	<b>\$ 2,429,945</b>	<b>\$ 2,431,393</b>	<b>\$ 12,001</b>	<b>\$ (867,874)</b>	<b>\$ 217,417</b>	<b>\$ 65,618</b>	<b>\$ (409,981)</b>	<b>\$ 2,431,393</b>		

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See Accompanying Notes to Schedules of Expenditures of Federal Awards and State Financial Assistance

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE SCHEDULES OF EXPENDITURES OF  
 FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting with the exception of programs recorded in the food service fund, which are presented using the accrual basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with requirements of U.S. OMB Circular A-133, "Audits of States, Local Governments and Non-Profit Organizations" and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is a decrease of \$46,988 for the general 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		\$ 3,904,735	\$ 3,904,735
Special Revenue Fund	\$ 406,754	134,463	541,217
Capital Projects Fund		115,399	115,399
Debt Service Fund	-	36,970	36,970
Total Financial Assistance	<u>\$ 406,754</u>	<u>\$ 4,191,567</u>	<u>\$ 4,598,321</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, 2015**

**NOTE 4 RELATIONSHIP TO FEDERAL AND STATE FINANCIAL REPORTS**

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

**NOTE 5 OTHER INFORMATION**

TPAF Social Security contributions in the amount of \$1,005,444 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, 2015. The amount reported as TPAF Pension System Contributions in the amount of \$698,420 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,108,742 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2015.

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

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

**CRESSKILL BOARD OF EDUCATION  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

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

**Federal Awards Section**

Not Applicable

**CRESSKILL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Part I – Summary of Auditor’s Results*

**State Awards Section**

Internal Control over compliance:

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

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

Any audit findings disclosed that are required to be reported in accordance with N.J. OMB Circular 15-08, as amended? \_\_\_\_\_ yes  X  none

Identification of major programs:

<u>State Grant/Project Number (s)</u>	<u>Name of State Program</u>
<u>15-100-034-5094-003</u>	<u>TPAF Social Security Tax</u>
<u>15-100-034-5120-473</u>	<u>Extraordinary Special Education Aid</u>
<u>15-495-034-5120-089</u>	<u>Special Education Aid</u>
<u>15-495-034-5120-084</u>	<u>Security Aid</u>
<u>15-495-034-5120-097</u>	<u>Per Pupil Growth Aid</u>
<u>15-495-034-5120-098</u>	<u>PARCC Readiness</u>
_____	_____

Dollar threshold used to distinguish between Type A and Type B Programs \$ 300,000

Auditee qualified as low-risk auditee? \_\_\_\_\_ yes  X  no

**CRESSKILL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*Part 2 – Schedule of Financial Statement Findings*

This section identifies the significant deficiencies, material weaknesses, fraud, illegal acts, violations of provisions of contracts and grant agreements and abuse related to the financial statements in accordance with Government Auditing Standards.

There are none.

**CRESSKILL SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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 OMB Circular A-133 and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

Not Applicable

**CURRENT YEAR STATE AWARDS**

There are none.

**CRESSKILL SCHOOL DISTRICT  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2015**

*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. OMB Circular A-133 (Section .315(a)(b)) and New Jersey OMB's Circular 04-04.

**STATUS OF PRIOR YEAR FINDINGS**

**Finding 2014-001:**

During our tests of transactions, it was noted that the District did not properly allocate the new Director of Guidance's salary to School Administration – Salaries of Other Professional Staff. The expenditures were reclassified from Guidance – Salaries of Other Professional Staff by audit adjustment.

**Current Status**

Corrective action has been taken.