

**CRESSKILL BOARD OF EDUCATION**  
**COMPREHENSIVE ANNUAL FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**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, 2010**

**Prepared by**

**Finance Department**

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## **INTRODUCTORY SECTION**



# CRESSKILL PUBLIC SCHOOLS

*"a place to learn among caring people"*

October 29, 2010

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, 2010, 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 State Treasury Circular OMB 04-04. 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 2009-2010 fiscal year with an enrollment of 1,742 students, which is 50 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>
2009-10	1,742	2.96
2008-09	1,692	.35
2007-08	1,686	2.06
2006-07	1,652	2.54
2005-06	1,611	2.35
2004-05	1,574	2.61
2003-04	1,534	5.65
2002-03	1,452	3.13
2001-02	1,408	5.43
2000-01	1,336	6.30

**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:** The main focus of the 2009-2010 school year is to upgrade technology district wide. This includes but not limited to desktops, laptop carts and smart boards. Staff development which includes Global Learning, Differentiation and Genesis is also an integral part of the technology initiative. In regard to facilities, renovations and repairs were planned for the music room, art rooms, and auditorium. Equipment including refurbished seats and furniture specific to the space will be replaced.

**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, 2010.

**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.

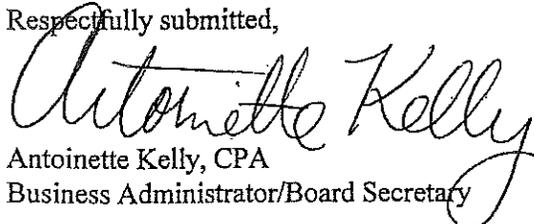
**8. CASH MANAGEMENT:** The investment policy of the District is guided in large part by state statute as detailed in "Notes to the Basic Financial Statements". The District has adopted a cash management plan which requires it to deposit public funds in public depositories protected from loss under the 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 State Treasury Circular OMB 04-04. 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.

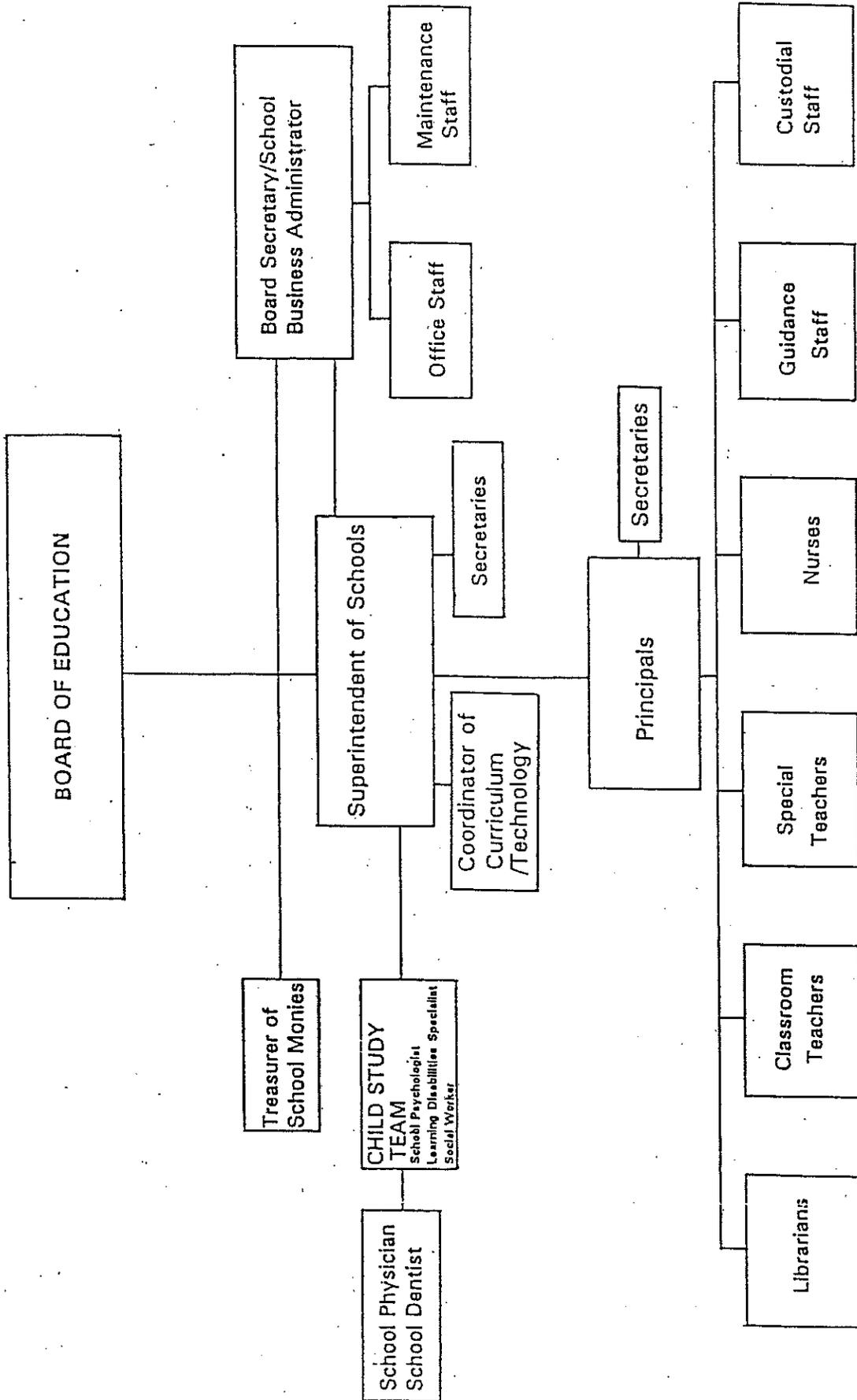
**11. ACKNOWLEDGMENTS:** We would like to express our appreciation to the members of the Cresskill School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our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

  
Dr. Loretta Bellina  
Superintendent

# ORGANIZATIONAL CHART - CRESSKILL PUBLIC SCHOOLS



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

**ROSTER OF OFFICIALS  
JUNE 30, 2010**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Maria Lucibello, President	2013
Denise Villani, Vice-President	2011
Bill Anastassatos	2012
Ronit Arginteanu	2011
Tricia Miraldi	2012
John Park	2011
Robert C. Reinemann	2012
Joe Lepore	2013
Noelle Alfonso	2013

Other Officials

Dr. Loretta Bellina, Superintendent

Antoinette Kelly, CPA, Business Administrator/Board Secretary

Barbara Wortmann, Treasurer

**CRESSKILL BOARD OF EDUCATION  
CONSULTANTS AND ADVISORS**

**Architect**

LAN Associates, Engineering, Planning,  
Architecture, Surveying, Inc.  
445 Godwin Avenue  
Midland Park, NJ 07432

**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**

TD Bank  
1100 Lake Street  
Ramsey, NJ 07446

**FINANCIAL SECTION**

# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ANDREW PARENTE, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH KOZAK, CPA, PSA  
DEBRA GOLLE, CPA  
CINDY JANACEK, CPA, RMA  
RALPH M. PICONE, CPA, RMA, PSA

## INDEPENDENT AUDITORS' REPORT

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

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, 2010, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Board of Education's management. 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 Division of 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 includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Cresskill Board of Education's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued our report dated October 29, 2010 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

The management's discussion and analysis and budgetary comparison information are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Cresskill Board of Education's basic financial statements. The accompanying introductory section, combining and individual nonmajor fund financial statements, financial schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. Additionally, the accompanying schedules of expenditures of federal awards and state financial assistance are presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, "Audits of States, Local Governments, and Non-Profit Organizations" and New Jersey OMB's Circular 04-04, "Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid", and are not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and schedules of expenditures of federal awards and state financial assistance have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.

*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  
October 29, 2010

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

# CRESSKILL BOARD OF EDUCATION

## Management's Discussion and Analysis Year Ended June 30, 2010

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, 2010. 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 2009-2010 fiscal year include the following:

- The assets of the Cresskill Board of Education exceeded its liabilities at the close of the fiscal year by \$11,685,347.
- The District's total net assets increased \$653,012.
- Overall District revenues were \$28,240,867. General revenues accounted for \$22,832,538 or 81% of all revenues. Program specific revenues in the form of charges for services and grants and contributions accounted for \$5,408,329 or 19% of total revenues.
- Overall District expenses were \$27,587,855. Governmental activity expenses accounted for \$26,984,099 or 98% and business-type activities expenses accounted for \$603,756 or 2%.
- The school district had \$26,984,099 in expenses for governmental activities; only \$4,802,923 of these expenses were offset by program specific charges, grants or contributions. General revenues (predominantly property taxes) of \$22,831,953 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 \$647,454. Of this amount, \$216,216 (33%) is reserved for future budgets. Additionally, \$1,711 (1%) represents the unexpended portion of capital projects funded by capital reserve and/or state grants.
- The General Fund unreserved/undesignated budgetary fund balance at the close of the current fiscal year was \$236,457 which represented an increase of \$250,957 from the previous year.

# CRESSKILL BOARD OF EDUCATION

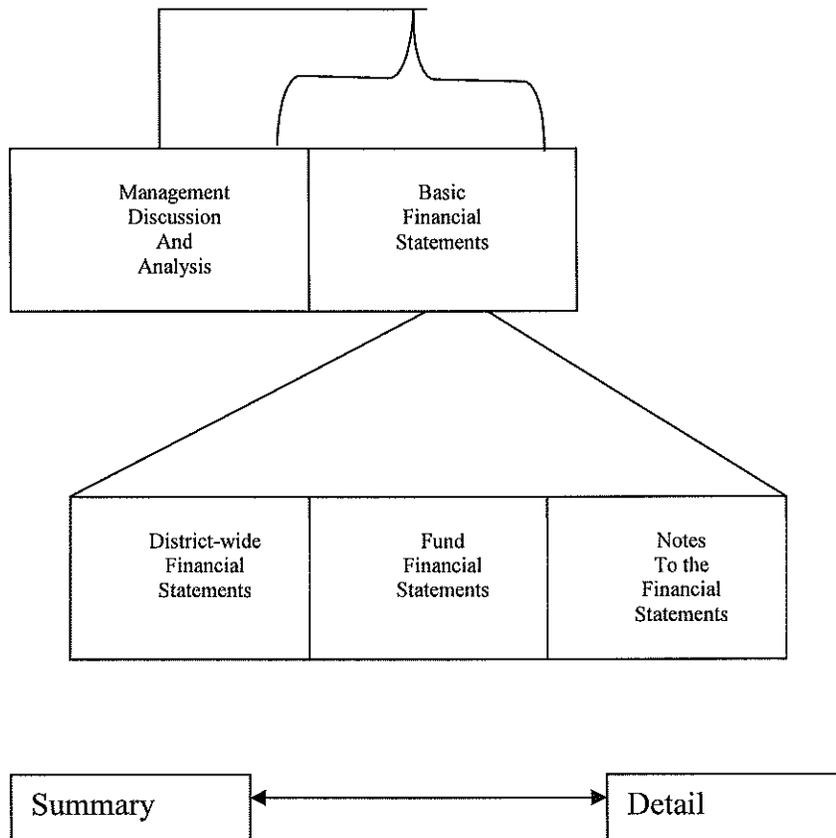
## Management's Discussion and Analysis Year Ended June 30, 2010

### OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of four parts – Independent Auditors' 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  
Year Ended June 30, 2010**

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: Enterprise Funds	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 assets Statement of activities	Balance Sheet Statement of Revenue, expenditures and changes in fund balances	Statement of Net Assets Statement of revenue, expenses, and changes in fund net assets, Statement of cash flows	Statements of Fiduciary net assets, Statement of changes in fiduciary net assets
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 asset/liability Information	All assets and 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 there after; no capital assets or long-term liabilities included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long 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 dedications 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 assets includes *all* of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

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

# CRESSKILL BOARD OF EDUCATION

## Management's Discussion and Analysis Year Ended June 30, 2010

- 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 and the Community Step to Independence ("CSIP") program are 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 currently has two enterprise funds those being the food service (cafeteria) program and the Community Step to Independence ("CSIP") 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 assets and a statement of changes in fiduciary net assets. We exclude these activities from the district-wide financial statements because the District cannot use these assets to finance its operations.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis  
Year Ended June 30, 2010

**Notes to the Basic 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 basic financial statements can be found following the basic financial statements.

**Other Information**

In addition to the basic 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 basic financial statements.

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

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

**Net Assets.** The District's *combined* net assets were \$11,685,347 on June 30, 2010 and \$11,032,335 on June 30, 2010 and 2009, respectively, as follows:

**Net Assets  
As of June 30, 2010 and 2009**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Current and Other Assets	\$ 1,385,357	\$ 909,614	\$ 87,976	\$ 79,812	\$ 1,473,333	\$ 989,426
Capital Assets	<u>32,643,165</u>	<u>33,329,678</u>	<u>8,943</u>	<u>-</u>	<u>32,652,108</u>	<u>33,329,678</u>
<b>Total Assets</b>	<u>34,028,522</u>	<u>34,239,292</u>	<u>96,919</u>	<u>79,812</u>	<u>34,125,441</u>	<u>34,319,104</u>
Long-Term Liabilities	21,408,955	22,349,270		67	21,408,955	22,349,337
Other Liabilities	<u>1,016,200</u>	<u>937,432</u>	<u>14,939</u>	<u>-</u>	<u>1,031,139</u>	<u>937,432</u>
<b>Total Liabilities</b>	<u>22,425,155</u>	<u>23,286,702</u>	<u>14,939</u>	<u>67</u>	<u>22,440,094</u>	<u>23,286,769</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	12,109,928	12,182,578	8,943		12,118,871	12,182,578
Restricted	1	23,455			1	23,455
Unrestricted	<u>(506,562)</u>	<u>(1,253,443)</u>	<u>73,037</u>	<u>79,745</u>	<u>(433,525)</u>	<u>(1,173,698)</u>
<b>Total Net Assets</b>	<u>\$ 11,603,367</u>	<u>\$ 10,952,590</u>	<u>\$ 81,980</u>	<u>\$ 79,745</u>	<u>\$ 11,685,347</u>	<u>\$ 11,032,335</u>

The District's total net assets of \$11,685,347 at June 30, 2010 represents a \$653,012, or 6%, an increase from the prior year. By far the largest portion of the District's net assets 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.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis  
Year Ended June 30, 2010

**Change in Net Assets  
For The Years Ended June 30, 2010 and 2009**

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
<b>Revenues</b>						
Program Revenues						
Charges for Services	\$ 591,877	\$ 477,446	\$ 577,334	\$ 333,252	\$ 1,169,211	\$ 810,698
Operating Grants and Contributions	4,118,917	3,146,613	28,072	25,622	4,146,989	3,172,235
Capital Grants and Contributions	92,129	133,060			92,129	133,060
General Revenues						
Property Taxes	22,663,737	22,062,479			22,663,737	22,062,479
State Aid	18,901	20,325			18,901	20,325
Other	<u>149,315</u>	<u>384,653</u>	<u>585</u>	<u>-</u>	<u>149,900</u>	<u>384,653</u>
<b>Total Revenues</b>	<b><u>27,634,876</u></b>	<b><u>26,224,576</u></b>	<b><u>605,991</u></b>	<b><u>358,874</u></b>	<b><u>28,240,867</u></b>	<b><u>26,583,450</u></b>
<b>Expenses</b>						
Instruction						
Regular	10,701,308	10,402,088			10,701,308	10,402,088
Special Education	3,788,211	4,030,225			3,788,211	4,030,225
Other Instruction	814,517	722,043			814,517	722,043
School Sponsored Activities and Athletics	675,280	658,837			675,280	658,837
Support Services						
Student and Instruction Related Services	3,904,218	3,684,962			3,904,218	3,684,962
General Administrative Services	522,683	592,009			522,683	592,009
School Administrative Services	1,424,952	1,359,102			1,424,952	1,359,102
Central Services/ Admin Info. Tech	559,109	759,933			559,109	759,933
Plant Operations and Maintenance	3,144,414	2,762,583			3,144,414	2,762,583
Pupil Transportation	544,104	587,325			544,104	587,325
Interest on Debt	905,303	942,575			905,303	942,575
Food Services	-	-	392,350	362,220	392,350	362,220
CSI Program	-	-	<u>211,406</u>	<u>-</u>	<u>211,406</u>	<u>-</u>
<b>Total Expenses</b>	<b><u>26,984,099</u></b>	<b><u>26,501,682</u></b>	<b><u>603,756</u></b>	<b><u>362,220</u></b>	<b><u>27,587,855</u></b>	<b><u>26,863,902</u></b>
<b>Change in Net Assets</b>	<b>650,777</b>	<b>(277,106)</b>	<b>2,235</b>	<b>(3,346)</b>	<b>653,012</b>	<b>(280,452)</b>
<b>Net Assets, Beginning of Year</b>	<b><u>10,952,590</u></b>	<b><u>11,229,696</u></b>	<b><u>79,745</u></b>	<b><u>83,091</u></b>	<b><u>11,032,335</u></b>	<b><u>11,312,787</u></b>
<b>Net Assets, End of Year</b>	<b><u>\$ 11,603,367</u></b>	<b><u>\$ 10,952,590</u></b>	<b><u>\$ 81,980</u></b>	<b><u>\$ 79,745</u></b>	<b><u>\$ 11,685,347</u></b>	<b><u>\$ 11,032,335</u></b>

# CRESSKILL BOARD OF EDUCATION

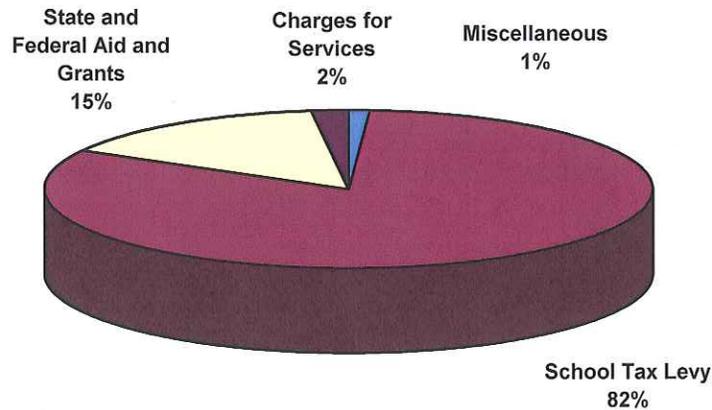
## Management's Discussion and Analysis Year Ended June 30, 2010

**Governmental Activities.** The District's total governmental activities' revenues, which includes State and Federal grants, were \$27,634,876 for the year ended June 30, 2010. Property taxes of \$22,663,737 represented 82% of revenues. Another significant portion of revenues came from State aid; total State, Federal and local aid was \$4,229,947 represented 15% of revenues. In addition, charges for services (tuition) of \$591,877 comprise 2% of the total revenues. The remaining revenues are from miscellaneous income which includes items such as interest, prior year refunds and other miscellaneous items and contributions.

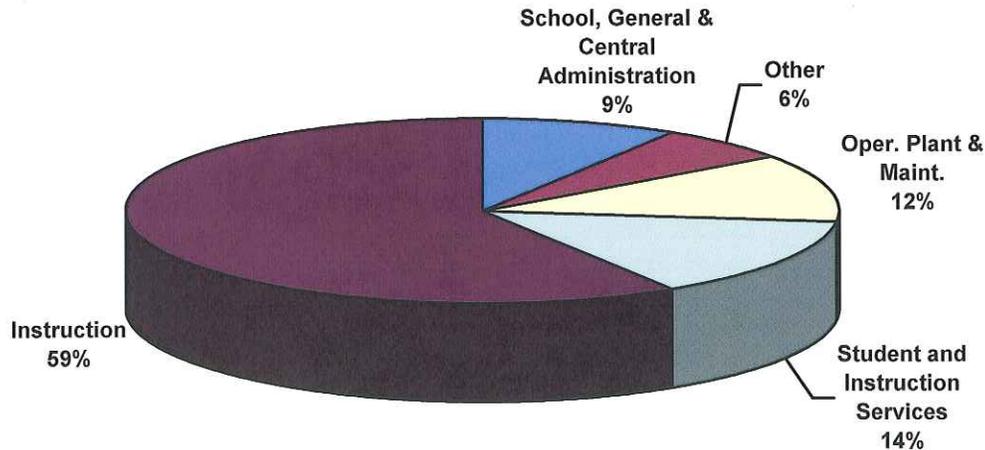
The total cost of all governmental activities programs and services was \$26,984,099. The District's expenses are predominantly related to educating and caring for students. Instruction totaled \$15,979,316 (60%) of total expenses. Support services represent \$10,099,480 (37%) of total expenses and interest on debt represents \$905,303 (3%) of total expenses.

Total governmental activities revenues exceeded expenses, increasing net assets \$650,777 from the previous year.

**Revenues by Sources – Governmental Activities  
For Fiscal Year 2010**



**Expenses by Use – Governmental Activities  
For Fiscal Year 2010**



**CRESSKILL BOARD OF EDUCATION**

**Management's Discussion and Analysis  
Year Ended June 30, 2010**

**Net Cost of Governmental Activities.** The District's total cost of services was \$26,984,099. After applying program revenues, derived from operating grants and contributions of \$4,118,917, capital grants and contributions of \$92,129, charges for services of \$591,877, the net cost of services of the District is \$22,181,176.

**Total and Net Cost of Governmental Activities**

	<u>Total Cost of Services</u>		<u>Net Cost of Services</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
	Instruction			
Regular	\$ 10,701,308	\$ 10,402,088	\$ 9,050,486	\$ 8,880,398
Special Education	3,788,211	4,030,225	1,302,382	2,346,164
Other Instruction	814,517	722,043	721,264	658,389
School Sponsored Activities and Athletics	675,280	658,837	616,235	603,450
Support Services				
Student and Instruction Related Services	3,904,218	3,684,962	3,724,910	3,556,151
General Administrative Services	522,683	592,009	522,683	592,009
School Administrative Services	1,424,952	1,359,102	1,316,183	1,263,855
Central Services	559,109	759,933	559,109	759,933
Plant Operations and Maintenance	3,144,414	2,762,583	3,023,332	2,685,545
Pupil Transportation	544,104	587,325	461,478	480,157
Interest on Debt	905,303	942,575	883,114	918,512
<b>Total</b>	<b>\$ 26,984,099</b>	<b>\$ 26,501,682</b>	<b>\$ 22,181,176</b>	<b>\$ 22,744,563</b>

**Business-Type Activities** – The District's total business-type activities revenues were \$605,991 for the year ended June 30, 2010. Charges for services accounted for 95% of total revenues. Operating grants and contributions accounted for 5% of total revenue for the year.

Total cost of all business-type activities programs and services was \$603,756. The District's expenses are related to Food Service (Cafeteria) operations and the CSI Program.

Total business-type activities revenues exceeded expenses, increasing net assets by \$2,235.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis  
Year Ended June 30, 2010

**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, unreserved fund balance may serve as a useful measure of the District's net resources available for spending at the end of the fiscal year.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported a *combined* fund balance of \$647,454, an increase of \$388,469 from last year's fund balance. This increase was primarily due to an increase in General Fund fund balance as a result of tuition revenues received in excess of what was originally anticipated and careful budget monitoring and control of spending.

Revenues and other financing sources for the District's governmental funds were \$27,609,366, while total expenses and other financing uses were \$27,220,897 for the fiscal year ended June 30, 2010.

**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.

	<u>Year Ended</u>		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2010</u>	<u>2009</u>		
Local Sources				
Property Taxes	\$ 21,052,000	\$ 20,422,815	\$ 629,185	3%
Tuition	591,877	477,446	114,431	24%
Other	149,028	165,427	(16,399)	(10)%
State Sources	<u>3,271,250</u>	<u>2,785,399</u>	<u>485,851</u>	17%
Total General Fund Revenues	<u>\$ 25,064,155</u>	<u>\$ 23,851,087</u>	<u>\$ 1,213,068</u>	5%

Local property taxes increased by \$629,185 or 3% over the previous year. State aid revenue increased \$485,851 or 17% due to the realization of prior year extraordinary aid and final state aid payments. Tuition revenues increased \$114,431 or 24%, as the District experienced a growth in students being received from other LEAs and individuals. Other local sources of revenues decreased \$16,399 or 10% which was the result of decreased interest earnings and rental revenues over the previous year.

CRESSKILL BOARD OF EDUCATION

Management's Discussion and Analysis  
Year Ended June 30, 2010

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

**GENERAL FUND (Continued)**

The following schedule presents a comparison of General Fund expenditures.

	Year Ended		Amount of Increase (Decrease)	Percent Increase (Decrease)
	<u>2010</u>	<u>2009</u>		
Instruction	\$ 15,248,735	\$ 15,301,362	\$ (52,627)	-0.34%
Support Services	9,174,219	8,747,130	427,089	4.88%
Debt Service	151,140	151,240	(100)	-0.07%
Capital Outlay	<u>75,599</u>	<u>-</u>	<u>75,599</u>	
 Total Expenditures	 <u>\$ 24,649,693</u>	 <u>\$ 24,199,732</u>	 <u>\$ 449,961</u>	 4.47%

Total General Fund expenditures increased \$449,961 or 2% from the previous year. The majority of this increase can be attributed to an increase in support services most notably plant operations and maintenance.

In 2009-2010 General Fund revenues and other financing sources exceeded expenditures and other financing uses by \$414,749. Therefore, total fund balance increased to \$645,742 at June 30, 2010. After deducting statutory reserves and designations, the unreserved undesignated fund balance increased from a deficit of \$14,500 at June 30, 2009 to \$236,457 at June 30, 2010.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

At the end of fiscal years 2010 and 2009, the District had \$40,604,599 and \$40,436,871 invested in land, buildings, furniture, equipment and vehicles for the governmental activities and \$133,652 and \$123,984 for business-type activities. The following compares the June 30, 2010 and 2009 balances.

**CRESSKILL BOARD OF EDUCATION**

**Management's Discussion and Analysis  
Year Ended June 30, 2010**

Capital Assets  
at June 30, 2010 and 2009

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>	<u>2010</u>	<u>2009</u>
Land	\$ 48,630	\$ 48,630			\$ 48,630	\$ 48,630
Land Improvements	524,148	512,712			524,148	512,712
Buildings and Building Improvements	38,970,595	38,970,595			38,970,595	38,970,595
Machinery and Equipment	<u>1,061,226</u>	<u>904,934</u>	\$ 133,652	\$ 123,984	<u>1,194,878</u>	<u>1,028,918</u>
	40,604,599	40,436,871	133,652	123,984	40,738,251	40,560,855
Less Accumulated Depreciation	<u>(7,961,434)</u>	<u>(7,107,193)</u>	<u>(124,709)</u>	<u>(123,984)</u>	<u>(8,086,143)</u>	<u>(7,231,177)</u>
<b>Total</b>	<b>\$ <u>32,643,165</u></b>	<b>\$ <u>33,329,678</u></b>	<b>\$ <u>8,943</u></b>	<b>\$ <u>-</u></b>	<b>\$ <u>32,652,108</u></b>	<b>\$ <u>33,329,678</u></b>

**LONG TERM LIABILITIES**

At June 30, 2010 the District had \$21,417,178 of outstanding debt. Of this amount, \$792,840 is for compensated absences; \$20,480,000 is for bonds payable and \$144,338 is for capital leases/lease purchase agreements payable. This is in comparison to long-term liabilities at June 30, 2009 consisting of compensated absences of \$819,543, bonds payable of \$21,255,000 and capital leases of \$283,978.

Outstanding Long-Term Debt  
at June 30, 2010 and 2009

	<u>2010</u>	<u>2009</u>
Bonds Payable	\$ 20,480,000	\$ 21,255,000
Capital Leases/Lease Purchase Agreements Payable	144,338	283,978
Compensated Absences	<u>792,840</u>	<u>819,543</u>
	<b>\$ <u>21,417,178</u></b>	<b>\$ <u>22,358,521</u></b>

# CRESSKILL BOARD OF EDUCATION

## Management's Discussion and Analysis Year Ended June 30, 2010

### **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 \$314,011 from the previous year. After deducting statutory reserves and designations, the unreserved/undesignated budgetary fund balances increased \$387,631 from \$295,271 at June 30, 2009 to \$682,902 at June 30, 2010.

### **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 flat 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 2010-2011. Budgeted expenditures in the General Fund increased less than 2 percent to \$23,411,331 in fiscal year 2010-2011. 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 ASSETS**  
**AS OF JUNE 30, 2010**

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 870,920	\$ 77,777	\$ 948,697
Receivables, net	423,336	7,269	430,605
Inventory		2,930	2,930
Deferred Charge	91,101		91,101
Capital Assets			
Capital assets not being depreciated	48,630		48,630
Capital assets being depreciated	<u>32,594,535</u>	<u>8,943</u>	<u>32,603,478</u>
Total Assets	<u>34,028,522</u>	<u>96,919</u>	<u>34,125,441</u>
<b>LIABILITIES</b>			
Accounts Payable and Other Current Liabilities	517,605	14,211	531,816
Payable to Other Governments	39,297		39,297
Accrued Interest Payable	369,398		369,398
Unearned Revenue	89,900	728	90,628
Noncurrent Liabilities			
Due within one year	889,115		889,115
Due beyond one year	<u>20,519,840</u>	<u>-</u>	<u>20,519,840</u>
Total Liabilities	<u>22,425,155</u>	<u>14,939</u>	<u>22,440,094</u>
<b>NET ASSETS</b>			
Invested in Capital Assets, net of related debt	12,109,928	8,943	12,118,871
Restricted for			
Debt Service	1		1
Unrestricted	<u>(506,562)</u>	<u>73,037</u>	<u>(433,525)</u>
Total Net Assets	<u>\$ 11,603,367</u>	<u>\$ 81,980</u>	<u>\$ 11,685,347</u>

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

**CRESSKILL BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Functions/Programs	Program Revenues			Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
Instruction:							
Regular	\$ 10,701,308	\$ 288,052	\$ 1,337,260	\$ 25,510	\$ (9,050,486)	\$	\$ (9,050,486)
Special Education	3,788,211	303,825	2,115,385	66,619	(1,302,382)		(1,302,382)
Other Instruction	814,517		93,253		(721,264)		(721,264)
School Sponsored Activities and Athletics	675,280		59,045		(616,235)		(616,235)
Support Services:							
Student & Instruction Related Services	3,904,218		179,308		(3,724,910)		(3,724,910)
General Administrative Services	522,683				(522,683)		(522,683)
School Administrative Services	1,424,952		108,769		(1,316,183)		(1,316,183)
Central Services/Admin Info.	559,109				(559,109)		(559,109)
Plant Operations and Maintenance	3,144,414		121,082		(3,023,332)		(3,023,332)
Pupil Transportation	544,104		82,626		(461,478)		(461,478)
Interest on Long-Term Debt	905,303		22,189		(883,114)		(883,114)
<b>Total Governmental Activities</b>	<b>26,984,099</b>	<b>591,877</b>	<b>4,118,917</b>	<b>92,129</b>	<b>(22,181,176)</b>	<b>-</b>	<b>(22,181,176)</b>
Business-Type Activities:							
Food Service	392,350	342,834	28,072	-	-	\$(21,444)	(21,444)
CSI Program	211,406	234,500	-	-	-	23,094	23,094
<b>Total Business-Type Activities</b>	<b>603,756</b>	<b>577,334</b>	<b>28,072</b>	<b>-</b>	<b>-</b>	<b>1,650</b>	<b>1,650</b>
<b>Total Primary Government</b>	<b>\$ 27,587,855</b>	<b>\$ 1,169,211</b>	<b>\$ 4,146,989</b>	<b>\$ 92,129</b>	<b>(22,181,176)</b>	<b>1,650</b>	<b>(22,179,526)</b>
General Revenues:							
Taxes:							
Property Taxes, levied for general purposes, net					21,052,000		21,052,000
Property Taxes Levied for Debt Service					1,611,737		1,611,737
State Aid Restricted for Debt Service Principal					18,901		18,901
Investment Earnings					21,369	585	21,954
Miscellaneous Income					127,946	-	127,946
<b>Total General Revenues</b>					<b>22,831,953</b>	<b>585</b>	<b>22,832,538</b>
Change in Net Assets					650,777	2,235	653,012
Net Assets, Beginning of Year					10,952,590	79,745	11,032,335
<b>Net Assets, End of Year</b>					<b>\$ 11,603,367</b>	<b>\$ 81,980</b>	<b>\$ 11,685,347</b>

**FUND FINANCIAL STATEMENTS**

**CRESSKILL BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2010**

	<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	\$ 869,208		\$ 1,711	\$ 1	\$ 870,920
Receivables, Net					
Receivables From Other Governments	45,123	\$ 346,964			392,087
Other Receivables	26,710	4,314			31,024
Due from Other Funds	<u>305,988</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>305,988</u>
 Total Assets	 <u>\$ 1,247,029</u>	 <u>\$ 351,278</u>	 <u>\$ 1,711</u>	 <u>\$ 1</u>	 <u>\$ 1,600,019</u>
<b>LIABILITIES AND FUND BALANCES</b>					
Liabilities:					
Accounts Payable	\$ 506,479	\$ 6,126			\$ 512,605
Security Deposits Payable	5,000				5,000
Due to Other Funds		305,763			305,763
Payable to State Governments		39,297			39,297
Deferred Revenue	<u>89,808</u>	<u>92</u>	<u>-</u>	<u>-</u>	<u>89,900</u>
 Total Liabilities	 <u>601,287</u>	 <u>351,278</u>	 <u>-</u>	 <u>-</u>	 <u>952,565</u>
Fund Balances:					
Reserved for:					
Encumbrances	193,069				193,069
Legally Restricted-Designated for Subsequent Year's Expenditures	174,216				174,216
Unreserved:					
Designated for Subsequent Year's Expenditures	42,000				42,000
Undesignated, reported in:					
General Fund	236,457				236,457
Capital Projects Fund			\$ 1,711		1,711
Debt Service	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 1</u>	<u>1</u>
 Total Fund Balances	 <u>645,742</u>	 <u>-</u>	 <u>1,711</u>	 <u>-</u>	 <u>647,454</u>
 Total Liabilities and Fund Balances	 <u>\$ 1,247,029</u>	 <u>\$ 351,278</u>	 <u>\$ 1,711</u>	 <u>\$ -</u>	

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. The cost of the assets is \$40,604,599 and the accumulated depreciation is \$7,961,434. 32,643,165

The District has financed capital assets through the issuance of general obligation bonds and capital leases. The accrued interest at year end is: (369,398)

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds (See Note 2) (21,317,854)

Net assets of governmental activities \$ 11,603,367

**CRESSKILL BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<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	\$ 21,052,000			\$ 1,611,737	\$ 22,663,737
Tuition	591,877				591,877
Interest and Investment Income	21,082		\$ 287		21,369
Miscellaneous	127,946	\$ 96,265	-	-	224,211
<b>Total - Local Sources</b>	<b>21,792,905</b>	<b>96,265</b>	<b>287</b>	<b>1,611,737</b>	<b>23,501,194</b>
State Sources	3,271,250	90,275		41,090	3,402,615
Federal Sources	-	705,557	-	-	705,557
<b>Total Revenues</b>	<b>25,064,155</b>	<b>892,097</b>	<b>287</b>	<b>1,652,827</b>	<b>27,609,366</b>
<b>EXPENDITURES</b>					
Current					
Instruction					
Regular Instruction	10,388,560	266,475			10,655,035
Special Education Instruction	3,386,943	401,968			3,788,911
Other Instruction	796,752				796,752
School-Sponsored Activities and Athletics	676,480				676,480
Support Services					
Student and Instruction Related Services	3,717,820	157,035			3,874,855
General Administrative Services	519,857		2,826		522,683
School Administrative Services	1,463,553				1,463,553
Central Services/Admin Info.	565,484				565,484
Plant Operations and Maintenance	2,363,401				2,363,401
Pupil Transportation	544,104				544,104
Debt Service					
Principal	139,640			775,000	914,640
Interest	11,500			901,281	912,781
Capital Outlay	75,599	66,619	-	-	142,218
<b>Total Expenditures</b>	<b>24,649,693</b>	<b>892,097</b>	<b>2,826</b>	<b>1,676,281</b>	<b>27,220,897</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	414,462	-	(2,539)	(23,454)	388,469
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers Out			(287)		(287)
Transfers In	287	-	-	-	287
<b>Total Other Financing Sources and Uses</b>	<b>287</b>	<b>-</b>	<b>(287)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>414,749</b>	<b>-</b>	<b>(2,826)</b>	<b>(23,454)</b>	<b>388,469</b>
Fund Balance, Beginning of Year	230,993	-	4,537	23,455	258,985
Fund Balance, End of Year	<u>\$ 645,742</u>	<u>\$ -</u>	<u>\$ 1,711</u>	<u>\$ 1</u>	<u>\$ 647,454</u>

The accompanying Notes to the Basic 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, 2010**

**Total net change in fund balances - governmental funds (from B-2)** **\$ 388,469**

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.

	\$	(854,241)	
Depreciation expense		142,218	
Capital outlays		<u>142,218</u>	
			(712,023)

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increased net assets.

Donations of capital assets increase net assets in the statement of activities, but do not appear in the governmental funds because they are not financial resources.

25,510

The issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of principal of long term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Additionally, governmental funds report the effect of issuance costs, premiums, discounts and similar items when the debt is issued, whereas these amounts are deferred and amortized in the statement of activities. This amount represents the net effect of these activities: (See Note 2)

914,640

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

	(4,485)		
Amortization of Deferred Amount on Refunding		3,457	
Amortization of Original Issuance Premium		<u>(7,557)</u>	
Amortization - Bond Issuance Costs			(8,585)

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.

			16,063
Decrease in Accrued Interest			

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.

			<u>26,703</u>
Compensated Absences			

**Change in net assets of governmental activities**

**\$ 650,777**

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

**CRESSKILL BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF NET ASSETS  
 JUNE 30, 2010**

	<u>Food Services</u>	<u>Non-Major Enterprise Fund</u>	<u>Business-Type Activities Enterprise Funds Totals</u>
<b>ASSETS</b>			
Current Assets			
Cash	\$ 59,413	\$ 18,364	\$ 77,777
Intergovernmental Receivable			
State	45		45
Federal	677		677
Other		4,730	4,730
Other Receivable	1,817		1,817
Inventories	2,930	-	2,930
	<hr/>	<hr/>	<hr/>
Total Current Assets	64,882	23,094	87,976
Capital Assets			
Furniture, Machinery and Equipment	133,652		133,652
Less: Accumulated Depreciation	(124,709)	-	(124,709)
	<hr/>	<hr/>	<hr/>
Total Capital Assets	8,943	-	8,943
	<hr/>	<hr/>	<hr/>
Total Assets	73,825	23,094	96,919
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Current Liabilities			
Accounts Payable	14,211		14,211
Unearned Revenue	728	-	728
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	14,939	-	14,939
	<hr/>	<hr/>	<hr/>
<b>NET ASSETS</b>			
Invested in Capital Assets	8,943		8,943
Unrestricted	49,943	23,094	73,037
	<hr/>	<hr/>	<hr/>
Total Net Assets	\$ 58,886	\$ 23,094	\$ 81,980
	<hr/>	<hr/>	<hr/>

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

**CRESSKILL BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF REVENUES, EXPENSES AND  
 CHANGES IN FUND NET ASSETS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Food Services</u>	<u>Non-Major Enterprise Fund</u>	<u>Business-Type Activities Enterprise Funds Totals</u>
<b>OPERATING REVENUES</b>			
Charges for Services			
Daily Sales-Reimbursable Programs	\$ 341,664		\$ 341,664
Other Sales- Special Functions Program Fees	1,170 -		1,170 234,500
	<u>342,834</u>	<u>\$ 234,500</u>	<u>577,334</u>
Total Operating Revenues			-
<b>OPERATING EXPENSES</b>			
Salaries and Benefits	126,779	159,453	286,232
Cost of Sales	170,240		170,240
Management Fee	13,590		13,590
Other Purchased Services	5,762		5,762
Other Supplies/Services	62,693	13,898	76,591
Repairs	12,561	18,055	30,616
Rentals		20,000	20,000
Depreciation	725	-	725
	<u>392,350</u>	<u>211,406</u>	<u>603,756</u>
Total Operating Expenses			
Operating Income (Loss)	<u>(49,516)</u>	<u>23,094</u>	<u>(26,422)</u>
<b>NONOPERATING REVENUES</b>			
State Sources			
State School Lunch Program	1,316		1,316
Federal Sources			
National School Lunch Program	23,004		23,004
Special Milk Program	3,752		3,752
Interest	585	-	585
	<u>28,657</u>	<u>-</u>	<u>28,657</u>
Total Nonoperating Revenues			
Change in Net Assets	(20,859)	23,094	2,235
Total Net Assets - Beginning of Year	<u>79,745</u>	<u>-</u>	<u>79,745</u>
Total Net Assets - End of Year	<u>\$ 58,886</u>	<u>\$ 23,094</u>	<u>\$ 81,980</u>

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

**CRESSKILL BOARD OF EDUCATION  
 PROPRIETARY FUND  
 STATEMENT OF CASH FLOWS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Food Services</u>	<u>Non-Major Enterprise Fund</u>	<u>Business-Type Activities Enterprise Funds Totals</u>
<b>Cash Flows from Operating Activities</b>			
Cash Received from Customers	\$ 342,834		\$ 342,834
Cash Received for Program Fees		\$ 234,500	234,500
Cash Payments for Salaries and Benefits	(126,779)	(159,453)	(286,232)
Cash Payments to Suppliers for Goods and Services	(236,353)	(56,683)	(293,036)
Net Cash Provided by (Used For) Operating Activities	<u>(20,298)</u>	<u>18,364</u>	<u>(1,934)</u>
<b>Cash Flows from Noncapital Financing Activities</b>			
Cash Received from State and Federal Subsidy Reimbursements	17,854	-	17,854
Net Cash Provided by Noncapital Financing Activities	<u>17,854</u>	<u>-</u>	<u>17,854</u>
<b>Cash Flows from Capital And Related Financing Activities</b>			
Purchase of Capital Assets	(9,668)	-	(9,668)
Net cash Provided by (Used for) Capital and Related Financing Activities	<u>(9,668)</u>	<u>-</u>	<u>(9,668)</u>
<b>Cash Flows from Investing Activities</b>			
Interest on Investments	585	-	585
Net Cash Provided by Investing Activities	<u>585</u>	<u>-</u>	<u>585</u>
Net Increase/ (Decrease) in Cash and Cash Equivalents	(11,527)	18,364	6,837
Cash and Cash Equivalents, Beginning of Year	70,940	-	70,940
Cash and Cash Equivalents, End of Year	<u>\$ 59,413</u>	<u>\$ 18,364</u>	<u>\$ 77,777</u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>			
Operating Income/(Loss)	\$ (49,516)	\$ 23,094	\$ (26,422)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Depreciation	725		725
Food Distribution (USDA Commodities) National School Lunch	10,546		10,546
Change in Assets and Liabilities			
(Increase)/Decrease in Other Accounts Receivable	4,342	(4,730)	(388)
(Increase)/Decrease in Inventory	(1,267)		(1,267)
Increase/(Decrease) in Accounts Payable	14,211		14,211
Increase/(Decrease) in Unearned Revenue	661	-	661
Total Adjustments	<u>29,218</u>	<u>(4,730)</u>	<u>24,488</u>
Net Cash Used for Operating Activities	<u>\$ (20,298)</u>	<u>\$ 18,364</u>	<u>\$ (1,934)</u>
<b>Non-Cash Financing Activities</b>			
Fair Value of Food Distribution Program- National School Lunch Program	\$ 10,546		

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

**CRESSKILL BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF FIDUCIARY NET ASSETS  
AS OF JUNE 30, 2010**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship Fund</u>	<u>Agency Fund</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 76,947	\$ 57,122	\$ 231,078
Total Assets	<u>76,947</u>	<u>57,122</u>	<u>\$ 231,078</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings Payable			\$ 81,017
Due to Other Funds			225
Due to Other Governments - State	4,995		
Due to Student Groups	<u>-</u>	<u>-</u>	<u>149,836</u>
Total Liabilities	<u>4,995</u>	<u>-</u>	<u>\$ 231,078</u>
<b>NET ASSETS</b>			
Held in Trust for Unemployment Claims and Other Purposes	<u>\$ 71,952</u>	<u>\$ 57,122</u>	

**CRESSKILL BOARD OF EDUCATION  
FIDUCIARY FUNDS  
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Unemployment Compensation Trust Fund</u>	<u>Scholarship Fund</u>
<b>ADDITIONS</b>		
Contributions		
Employees	\$ 30,813	
Private	-	\$ 23,311
	<hr/>	<hr/>
Total Contributions	30,813	23,311
Investment Earnings		
Interest	773	1,556
	<hr/>	<hr/>
Total Additions	31,586	24,867
<b>DEDUCTIONS</b>		
Scholarship Awards		39,450
Unemployment Claims and Contributions	75,082	-
	<hr/>	<hr/>
Total Deductions	75,082	39,450
Change in Net Assets	(43,496)	(14,583)
Net Assets, Beginning of the Year	115,448	71,705
	<hr/>	<hr/>
Net Assets, End of the Year	\$ 71,952	\$ 57,122
	<hr/>	<hr/>

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

**NOTES TO THE BASIC FINANCIAL STATEMENTS**

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**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. District-wide and Fund Financial Statements**

The district-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Board of Education. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the district-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements. The District considers all of its governmental and its food service enterprise fund to be major funds.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation**

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 and all liabilities associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Assets. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, tuition, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Grants and similar awards are recognized as revenue as soon as all eligibility requirements imposed by the grantor or provider have been met. All other revenue items are considered to be measurable and available only when cash is received by the District.

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 and state financial programs, with the exception of grants for major capital projects and the school milk and lunch 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 major capital facilities and other capital assets.

The *debt service fund* accounts for the accumulation of resources for and the payment of principal and interest on long-term general obligation debt of governmental funds.

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

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

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

**C. Measurement Focus, Basis of Accounting and Financial Statement Presentation (Continued)**

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

The *Community Step to Independence* ("CSI") fund accounts for the activities of the education program which provides life skills training to special education students aged 18-21.

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.

Private-sector standards of accounting and financial reporting issued by the Financial Accounting Standards Board (FASB) prior to December 1, 1989, generally are followed in both the district-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB). Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The Board has elected not to follow FASB guidance issued subsequent to December 1, 1989.

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.

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.

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 and of the Community Step to Independence ("CSI") 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. Federal and State subsidies for the food service operation are considered nonoperating revenues.

**D. Assets, Liabilities and Net Assets or Equity**

**1. *Deposits 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.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**2. *Receivables and Payables***

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".

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

*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 2008-2009 and 2009-2010 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.

Property taxes are levied pursuant to law and are collected by the municipality and are transferred to the District as requested. Property tax revenue is 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 revenues. 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. *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. The United States Department of Agriculture (USDA) commodity portion of the Food Service Fund inventory consists of food donated by the USDA. It is valued at estimated market prices by the USDA. The amount of unused commodities at year-end is reported as unearned revenue.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

**D. Assets, Liabilities and Net Assets or Equity (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. Such assets are recorded at historical cost if purchased or estimated historical cost if constructed. 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 assets lives 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.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land Improvements	20
Buildings	40
Building Improvements	20
Heavy Equipment	10
Office Equipment and Furniture	10
Computer Equipment	5

**5. *Compensated Absences***

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

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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

**D. Assets, Liabilities and Net Assets or Equity (Continued)**

**6. *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 assets. Bond premiums and discounts, as well as issuance costs, 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 and refunding gains or losses. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

**7. *Fund Equity***

Reservations of fund balances of governmental funds are created to either (1) satisfy legal covenants that require a portion of the fund balance to be segregated or (2) identify the portion of the fund balance that is appropriated for future expenditures.

**Reserved for Encumbrances** - This reserve was created to represent encumbrances outstanding at the end of the year based on purchase orders and contracts awarded for which the goods or services have not yet been received at June 30.

**Legally Restricted – Waiver Offset Reserve – Designated for Subsequent Year’s Expenditures** – This reserve was created to represent the surplus generated at June 30, 2009 from Commissioner approved tax levy waivers in the 2008/2009 budget that is appropriated in the 2010/2011 original budget certified for taxes.

Designations of fund balance represent tentative management plans that are subject to change.

**Designated for Subsequent Year’s Expenditures** – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2010/2011 District budget certified for taxes.

**8. *Reclassifications***

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

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 2 RECONCILIATION OF DISTRICT-WIDE AND FUND FINANCIAL STATEMENTS**

**A. Explanation of certain differences between the governmental fund balance sheet and the district-wide statement of net assets**

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the district-wide statement of net assets. One element of that reconciliation explains that “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this \$21,317,854 difference are as follows:

Bonds payable	\$20,480,000
Less: Deferred charge on refunding (to be amortized as interest expense)	(35,877)
Less: Deferred charge for issuance costs (to be amortized over life of debt)	(91,101)
Add: Issuance premium (to be amortized as interest expense)	27,654
Capital leases payable	144,338
Compensated absences	<u>792,840</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$21,317,854</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the district-wide statement of activities**

Another element of that reconciliation states that “the issuance of long-term debt (e.g., bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.” The details of this \$914,640 difference are as follows:

Principal repayments:	
General obligation bonds	\$775,000
Down payment on capital lease	<u>139,640</u>
Net adjustment to decrease net changes in fund balances – total governmental funds to arrive at changes in net assets of governmental activities	<u>\$914,640</u>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 3 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 required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Capital lease transactions are accounted for on the GAAP basis.

The annual budget is adopted in the spring of the preceding year for the general, special revenue and debt service funds. The District is not required to adopt an annual budget for the capital projects fund. The budget is submitted to the county superintendent and is voted upon at the annual school election on the third Tuesday in April. 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 2009/2010. During 2009/2010 the Board increased the original budget by \$1,387,770. The increase was funded by prior year state extraordinary aid appropriated, grant awards and the reappropriation of prior year general fund encumbrances.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of the 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 reservations of fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**B. Capital Reserve Account**

A capital reserve account was established by the District on October 2, 2000. The accumulation of funds will be used for capital outlay expenditures in subsequent fiscal years. The capital reserve account is maintained in the general fund and its activity is included in the general fund annual budget.

Funds placed in the capital reserve account are restricted to capital projects in the district's approved Long Range Facilities Plan (LRFP). 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 account cannot at any time exceed the local support costs of uncompleted capital projects in its approved LRFP.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 4 DETAILED NOTES ON ALL FUNDS**

**A. Deposits and Investments**

**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 plus collateral equal to 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of 75% of its capital funds 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, 2010, the book value of the Board's deposits was \$1,313,844 and bank balances of the Board's cash and deposits amounted to \$1,799,149. The Board's deposits which are displayed on the balance sheets and statement of net assets as "cash" or "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ <u>1,799,149</u>
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Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk, however, none of the District's bank balances were exposed to custodial credit risk.

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, 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, 2010, the Board had no outstanding investments.

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

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**B. Receivables**

Receivables as of year-end for the district's individual major funds and nonmajor fund, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>	<u>Special Revenue</u>	<u>Food Service</u>	<u>Non-Major Enterprise Fund</u>	<u>Total</u>
Receivables:					
Accounts	\$ 26,710	\$ 4,314	\$ 1,817		\$ 32,841
Intergovernmental	<u>45,123</u>	<u>346,964</u>	<u>722</u>	<u>\$ 4,730</u>	<u>397,539</u>
 Total Receivables	 <u>\$ 71,833</u>	 <u>\$ 351,278</u>	 <u>\$ 2,539</u>	 <u>\$ 4,730</u>	 <u>\$ 430,380</u>

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of deferred revenue reported in the governmental funds were as follows:

	<u>Unearned</u>
General Fund	
Tuition Charges Receivable	\$89,808
Special Revenue Fund	
Unencumbered Grant Draw Downs	<u>92</u>
 Total Deferred Revenue for Governmental Funds	 <u>\$89,900</u>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets**

Capital asset activity for the year ended June 30, 2010 was as follows:

	Balance, July 1, 2009	Increases	Decreases	Balance, June 30, 2010
<b>Governmental activities:</b>				
Capital assets, not being depreciated:				
Land	\$ 48,630	-	-	\$ 48,630
Total capital assets, not being depreciated	<u>48,630</u>	<u>-</u>	<u>-</u>	<u>48,630</u>
Capital assets, being depreciated:				
Buildings and Building Improvements	38,970,595			38,970,595
Land Improvements	512,712	\$ 11,436		524,148
Machinery and equipment	904,934	156,292	-	1,061,226
Total capital assets being depreciated	<u>40,388,241</u>	<u>167,728</u>	<u>-</u>	<u>40,555,969</u>
Less accumulated depreciation for:				
Buildings and Building Improvements	(5,863,771)	(779,413)		(6,643,184)
Land Improvements	(427,718)	(26,208)		(453,926)
Machinery and equipment	(815,704)	(48,620)	-	(864,324)
Total accumulated depreciation	<u>(7,107,193)</u>	<u>(854,241)</u>	<u>-</u>	<u>(7,961,434)</u>
Total capital assets, being depreciated, net	<u>33,281,048</u>	<u>(686,513)</u>	<u>-</u>	<u>32,594,535</u>
Governmental activities capital assets, net	<u>\$ 33,329,678</u>	<u>\$ (686,513)</u>	<u>\$ -</u>	<u>\$ 32,643,165</u>
<b>Business-type activities:</b>				
Capital assets, being depreciated:				
Machinery and equipment	\$ 123,984	\$ 9,668	-	\$ 133,652
Total capital assets being depreciated	<u>123,984</u>	<u>9,668</u>	<u>-</u>	<u>133,652</u>
Less accumulated depreciation for:				
Machinery and equipment	(123,984)	(725)	-	(124,709)
Total accumulated depreciation	<u>(123,984)</u>	<u>(725)</u>	<u>-</u>	<u>(124,709)</u>
Total capital assets, being depreciated, net	<u>-</u>	<u>8,943</u>	<u>-</u>	<u>8,943</u>
Business-type activities capital assets, net	<u>\$ -</u>	<u>\$ 8,943</u>	<u>\$ -</u>	<u>\$ 8,943</u>

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

**C. Capital Assets (Continued)**

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

**Governmental activities:**

Instruction	
Regular	\$ 42,582
Total Instruction	<u>42,582</u>
Support Services	
Support Services-Students	28,313
School Administration	3,933
Operations and Maintenance of Plant	<u>779,413</u>
Total Support Services	<u>811,659</u>
Total Depreciation Expense - Governmental Activities	<u>\$ 854,241</u>
Business-Type Activities:	
Food Service Fund	<u>\$ 725</u>
Total Depreciation Expense-Business-Type Activities	<u>\$ 725</u>

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

The composition of interfund balances as of June 30, 2010, is as follows:

**Due to/from other funds**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Special Revenue Fund	\$ 305,763
General Fund	Payroll Agency Fund	<u>225</u>
Total		<u>\$ 305,988</u>

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

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

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 4 DETAILED NOTES ON ALL FUNDS (Continued)**

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

**Interfund transfers**

	<u>Transfer In:</u>	
	<u>General</u>	<u>Total</u>
Transfer Out:		
Capital Projects Fund	\$ 287	\$ 287
	<u>\$ 287</u>	<u>\$ 287</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.

**E. Leases**

**Capital Leases**

The District is leasing copiers, communication equipment and computers totaling \$572,122 under capital leases. The leases are for terms of 3 to 5 years.

The capital assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>
Machinery and Equipment	\$ 572,122

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2010 were as follows:

<u>Year Ending June 30</u>	<u>Governmental Activities</u>
2011	\$ 69,951
2012	63,234
2013	<u>21,508</u>
Total minimum lease payments	154,693
Less: amount representing interest	<u>(10,355)</u>
Present value of minimum lease payments	<u>\$ 144,338</u>

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 4 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. 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, 2010 are comprised of the following issues:

\$20,383,000, 2005 Bonds, due in annual installments of \$580,000 to \$990,000 through February 1, 2031, interest at 4.375%	\$18,225,000
\$2,520,000, 2008 Refunding Bonds, due in annual installments of \$225,000 to \$270,000 through August 1, 2018, interest at 3.0% to 5.0%	<u>2,255,000</u>
	<u>\$20,480,000</u>

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

**Governmental Activities:**

Year Ending June 30,	<u>Serial Bonds</u>		<u>Total</u>
	<u>Principal</u>	<u>Interest</u>	
2011	\$ 805,000	\$ 870,325	\$ 1,675,325
2012	835,000	838,124	1,673,124
2013	875,000	804,456	1,679,456
2014	910,000	768,940	1,678,940
2015	945,000	732,075	1,677,075
2016-2020	5,305,000	3,034,346	8,339,346
2021-2025	4,935,000	1,932,875	6,867,875
2026-2030	4,950,000	850,937	5,800,937
2031	920,000	40,250	960,250
	<u>\$ 20,480,000</u>	<u>\$ 9,872,328</u>	<u>\$ 30,352,328</u>

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 4 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, 2010 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 102,932,871
Less: Net Debt	<u>20,480,000</u>
Remaining Borrowing Power	<u>\$ 82,452,871</u>

**Changes in long-term liabilities**

Long-term liability activity for the year ended June 30, 2010, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental activities:</b>					
Bonds Payable	\$ 21,255,000		\$ (775,000)	\$ 20,480,000	\$ 805,000
Add:					
Unamortized Premiums	31,111		(3,457)	27,654	
Less:					
Unamortized Amount of Refunding	<u>(40,362)</u>	-	<u>4,485</u>	<u>(35,877)</u>	-
Bonds Payable, Net	21,245,749	-	(773,972)	20,471,777	805,000
Capital Leases/Lease Purchase Agreements	283,978		(139,640)	144,338	64,115
Compensated Absences	<u>819,543</u>	-	<u>(26,703)</u>	<u>792,840</u>	<u>20,000</u>
Governmental activity					
Long-term liabilities	<u>\$ 22,349,270</u>	<u>\$ -</u>	<u>\$ (940,315)</u>	<u>\$ 21,408,955</u>	<u>\$ 889,115</u>

For the governmental activities, compensated absences are generally liquidated by the general fund.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 5 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.

The relationship between the Board and the insurance funds 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 funds, to report claims on a timely basis, cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which they were a member.

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

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

The District has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the District is required to reimburse the New Jersey Unemployment Trust Fund for benefits paid to its former employees and charged to its account with the State. The District is billed quarterly for amounts due to the State. The following is a summary of District contributions, employee contributions, 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:

<u>Fiscal Year</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2010	\$ 30,813	\$ 75,082	\$ 71,952
2009	28,604	31,336	115,448
2008	28,478	52,451	116,725

**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.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 5 OTHER INFORMATION (Continued)**

**B. Contingent Liabilities (Continued)**

**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, 2010, 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, 2010, the District had no estimated arbitrage earnings due to the IRS.

**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 8 to 10 years of service for pension benefits and 25 years for post-retirement health care coverage.

**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.

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

**Defined Contribution Retirement Program (DCRP)** – established under the provisions of Chapter 92, P.L. 2007 and Chapter 103, P.L. 2008 to provide coverage to elected and certain appointed officials, effective July 1, 2007. Membership is mandatory for such individuals with vesting occurring after one (1) year of membership.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**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 and are considered in the annual actuarial calculation of the required State contribution for the system.

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, Common Pension Fund A, Common Pension Fund B, Common Pension Fund D and Common Pension Fund E. 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.

**Significant Legislation**

P.L. 2009, c. 19, effective March 17, 2009 provided an option for local employers to contribute 50 percent of the normal and accrued liability contribution amounts certified by the PERS for payments due in State fiscal year 2009. This law also provided that a local employer may pay 100 percent of the required contribution. Such an employer was credited with the full payment and any such amounts were not to be included in their unfunded liability. The actuaries for PERS will determine the unfunded liability of those retirement systems, by employer, for the reduced normal and accrued liability contributions provided under this law. This unfunded liability will be paid by the employer in level annual payments over a period of 15 years beginning with the payments due in the State fiscal year ending June 30, 2012 and will be adjusted by the rate of return on the actuarial value of assets.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**Significant Legislation (Continued)**

P.L. 2008, c. 89, effective November 1, 2008, increased the TPAF and PERS eligibility age for unreduced benefits from age 60 to age 62 for members hired on or after November 1, 2008; changed the early retirement provisions; increased the minimum annual compensation required for membership eligibility for new members on or after the effective date of this law.

P.L. 2007, c. 103, certain parts effective July 1, 2007, provided for the following: changed contribution rates of TPAF, PERS, and Defined Contribution Retirement Program (DCRP) to 5.5 percent of annual compensation; imposed an annual maximum wage contribution base and a new retirement age to new employees; implemented changes to State Health Benefits Program (SHBP) which included the creation of the School Employees' Health Benefit Program (SEHBP) and established an employee contribution of 1.5 percent of the employee's base salary.

**Funding Status and Funding Progress**

As of June 30, 2008, the most recent actuarial valuation date, the aggregate funded ratio for all the State administered retirement systems including TPAF and PERS, is 72.6 percent with an unfunded actuarial accrued liability of \$34.4 billion. The aggregate funded ratio and unfunded accrued liability for the State-funded systems is 69.6 percent and \$23.0 billion, and the aggregate funded ratio and unfunded accrued liability for local PERS and PFRS is 77.2 percent and \$11.4 billion.

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 limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the June 30, 2008 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 (1) 8.25 percent for investment rate of return for the retirement systems and (2) 5.45 percent for projected salary increases for the PERS and 5.74 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 5.5% for PERS, 5.5% for TPAF and 5.5% for DCRP of the employee's annual compensation.

**CRESSKILL BOARD OF EDUCATION  
 NOTES TO THE BASIC FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 5 OTHER INFORMATION (Continued)**

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

**Annual Pension Costs (APC)**

Per the requirements of GASB Statement No. 27 for the year ended June 30, 2010 for TPAF, which is a cost sharing plan with special funding situations, 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.

During the years ended June 30, 2010, 2009 and 2008 the Board was required to contribute for PERS 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:

Year Ended June 30,	<u>PERS</u>	On-behalf <u>TPAF</u>
2010	\$ 204,347	\$ 37,479
2009	176,360	36,419
2008	125,340	808,926

During 2009/2010 and 2008/2009 school years, the State of New Jersey did not contribute to the TPAF for normal cost and accrued liability. The State contributed \$37,479 and \$36,419 during 2009/2010 and 2008/2009, respectively, for the NCGI premium.

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$897,275 during the year ended June 30, 2010 for the employer's share of social security contributions for TPAF members as calculated on their base salaries. This amount, along with the on-behalf TPAF pension contribution, has been included in the district-wide financial statements and the fund financial statements as a revenue and expenditure in accordance with GASB No. 24.

**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 cost sharing multiple employer defined benefit plans.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 5 OTHER INFORMATION (Continued)**

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

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, PDP-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 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 484 state and local participating employers and contributing entities for Fiscal Year 2009.

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 free 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 free 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 employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare parts A and B by paying the cost of the insurance for themselves and their covered dependents. 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).

**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.

**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 June 30, 2008, the most recent actuarial valuation date, the State had a \$55.9 billion unfunded actuarial accrued liability for other postemployment benefits (OPEB) which is made up to \$19.8 billion for state active and retired members and \$36.1 billion for education employees and retirees that become the obligation of the State of New Jersey upon retirement.

**CRESSKILL BOARD OF EDUCATION  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOTE 5 OTHER INFORMATION (Continued)**

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

The funded status and funding progress of the OPEB is based on actuarial valuations which involve estimates of the value of reported amounts and assumptions about the probability of events in 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 contractual funding limitations on the pattern of cost sharing between the employer and members in the future.

**Actuarial Methods and Assumptions**

In the June 30, 2008, actuarial valuation, the projected unit credit was used as the actuarial cost method, and the market value was used as asset valuation method for the OPEB. The actuarial assumptions included 4.50 percent for investment rate of return for the OPEB.

**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, 2009, there were 84,590 retirees receiving post-retirement medical benefits and the State contributed \$837.7 million 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 free health benefits to members of PERS and the Alternate Benefit Program who retired from a board of education with 25 years of service. The State paid \$116.9 million toward Chapter 126 benefits for 13,320 eligible retired members in fiscal year 2009.

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 years ended June 30, 2010, 2009 and 2008 were \$703,911, \$694,786 and \$682,381, 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.

**BUDGETARY COMPARISON SCHEDULE**

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Local Sources					
Property Taxes	\$ 21,052,000		\$ 21,052,000	\$ 21,052,000	
Tuition- Individuals	195,591		195,591	288,052	\$ 92,461
Tuition- Other LEAs	258,004		258,004	303,825	45,821
Interest	50,000		50,000	21,082	(28,918)
Rentals	87,000		87,000	72,527	(14,473)
Miscellaneous	33,000	-	33,000	55,419	22,419
<b>Total Local Sources</b>	<u>21,675,595</u>	<u>-</u>	<u>21,675,595</u>	<u>21,792,905</u>	<u>117,310</u>
State Sources					
Categorical Special Education Aid	975,523		975,523	975,523	
Transportation Aid	113,508		113,508	80,940	(32,568)
Security Aid	127,481		127,481	127,481	
Extraordinary Special Education Costs Aid	99,381		99,381	347,903	248,522
On-behalf TPAF Pension System Contributions (Non-budgeted)					
Non-Contributory Group Life Insurance				37,479	37,479
Post Retirement Medical Benefit Contribution				703,911	703,911
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	-	-	-	897,275	897,275
<b>Total State Sources</b>	<u>1,315,893</u>	<u>-</u>	<u>1,315,893</u>	<u>3,170,512</u>	<u>1,854,619</u>
<b>Total Revenues</b>	<u>22,991,488</u>	<u>-</u>	<u>22,991,488</u>	<u>24,963,417</u>	<u>1,971,929</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES</b>					
Regular Programs - Instruction					
Salaries of Teachers					
Preschool/Kindergarten	384,688	\$ 2,962	387,650	387,650	
Grades 1-5	2,512,128	(23,587)	2,488,541	2,488,541	
Grades 6-8	1,611,374	(122,182)	1,489,192	1,489,192	
Grades 9-12	2,735,203	(29,913)	2,705,290	2,703,805	1,485
Regular Programs - Home Instruction					
Salaries	2,500	(1,953)	547	547	
Purchased Professional-Educational Services	2,000	3,991	5,991	5,991	
Regular Programs - Undistributed Instruction					
Other Salaries for Instruction	75,878	(14,978)	60,900	60,900	
Other Purchased Services	169,942	136,441	306,383	305,981	402
General Supplies	217,547	111,958	329,505	329,505	
Textbooks	33,830	17,974	51,804	51,804	-
<b>Total Regular Programs</b>	<u>7,745,090</u>	<u>80,713</u>	<u>7,825,803</u>	<u>7,823,916</u>	<u>1,887</u>

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Special Education</b>					
<b>Learning and/or Language Disabilities</b>					
Salaries of Teachers	\$ 416,015	\$ 6,796	\$ 422,811	\$ 422,811	
Other Salaries for Instruction	132,136	(473)	131,663	131,663	
General Supplies	2,681	15	2,696	2,696	
Textbooks	2,400	79	2,479	2,479	-
<b>Total Learning and/or Language Disabilities</b>	<u>553,232</u>	<u>6,417</u>	<u>559,649</u>	<u>559,649</u>	<u>-</u>
<b>Multiple Disabilities</b>					
Salaries of Teachers	102,698	(40,446)	62,252	62,252	
Other Salaries for Instruction	27,081	121	27,202	27,202	
General Supplies		290	290	290	
Textbooks	-	-	-	-	-
<b>Total Resource Room</b>	<u>129,779</u>	<u>(40,035)</u>	<u>89,744</u>	<u>89,744</u>	<u>-</u>
<b>Resource Room</b>					
Salaries of Teachers	816,767	10,174	826,941	826,941	
Other Salaries for Instruction	12,322	(8)	12,314	12,314	
General Supplies	3,883	(428)	3,455	3,455	-
<b>Total Resource Room</b>	<u>832,972</u>	<u>9,738</u>	<u>842,710</u>	<u>842,710</u>	<u>-</u>
<b>Preschool Disabled- Part Time</b>					
Salaries of Teachers	62,324	5,410	67,734	67,734	
Other Salaries for Instruction	12,280	11,105	23,385	23,385	
Supplies	500	1,336	1,836	1,836	-
<b>Total Preschool Disabled-Part Time</b>	<u>75,104</u>	<u>17,851</u>	<u>92,955</u>	<u>92,955</u>	<u>-</u>
<b>Total Special Education</b>	<u>1,591,087</u>	<u>(6,029)</u>	<u>1,585,058</u>	<u>1,585,058</u>	<u>-</u>
<b>Basic Skills/Remedial</b>					
Salaries of Teachers	262,455	59,340	321,795	321,795	
Supplies	-	86	86	86	-
<b>Total Basic Skills/Remedial</b>	<u>262,455</u>	<u>59,426</u>	<u>321,881</u>	<u>321,881</u>	<u>-</u>
<b>Bilingual Education</b>					
Salaries of Teachers	269,047	(1,805)	267,242	267,242	
General Supplies	1,686	(1,117)	569	569	-
<b>Total Bilingual Education</b>	<u>270,733</u>	<u>(2,922)</u>	<u>267,811</u>	<u>267,811</u>	<u>-</u>
<b>School Sponsored Co/Extra Curricular Activities</b>					
Salaries	71,125	3,978	75,103	75,103	
Supplies and Materials	8,150	1,381	9,531	9,043	\$ 488
Other Objects	9,720	(1,891)	7,829	4,907	2,922
<b>Total School Sponsored Co/Extra Curricular Activ.</b>	<u>88,995</u>	<u>3,468</u>	<u>92,463</u>	<u>89,053</u>	<u>3,410</u>
<b>School Sponsored Athletics</b>					
Salaries	300,955	(1,826)	299,129	297,863	1,266
Purchased Services	26,500	(2,755)	23,745	19,497	4,248
Supplies and Materials	36,000	21,066	57,066	57,066	
Other Objects	32,406	(4,511)	27,895	27,895	
Transfer to Cover Deficit	55,000	(1,000)	54,000	54,000	-
<b>Total School Sponsored Athletics</b>	<u>450,861</u>	<u>10,974</u>	<u>461,835</u>	<u>456,321</u>	<u>5,514</u>
<b>Total - Instruction</b>	<u>10,409,221</u>	<u>145,630</u>	<u>10,554,851</u>	<u>10,544,040</u>	<u>\$ 10,811</u>

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within the State - Special	\$ 853,658	\$ (185,524)	\$ 668,134	\$ 654,388	\$ 13,746
Tuition to County Voc. School Districts - Regular	154,100	(13,003)	141,097	141,097	
Tuition to County Voc. School Districts - Special	75,000	(50,000)	25,000	25,000	
Tuition to CSSD & Regional Day Schools	108,950	4,536	113,486	113,486	
Tuition - Private School for the Disabled - Within State	285,781	89,105	374,886	366,986	7,900
Tuition to Priv. Sch. Disabled & Other Leas Spl, O/S State	<u>116,176</u>	<u>(4,394)</u>	<u>111,782</u>	<u>111,782</u>	<u>-</u>
Total Undistributed Expenditures - Instruction	<u>1,593,665</u>	<u>(159,280)</u>	<u>1,434,385</u>	<u>1,412,739</u>	<u>21,646</u>
Attend. & Social Work					
Purchased Professional & Technical Services	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Total Attend. & Social Work	<u>25,000</u>	<u>-</u>	<u>25,000</u>	<u>25,000</u>	<u>-</u>
Health Services					
Salaries	250,135	1,879	252,014	252,014	
Purchased Professional & Technical Services	8,200		8,200	8,200	
Supplies and Materials	<u>1,550</u>	<u>156</u>	<u>1,706</u>	<u>1,706</u>	<u>-</u>
Total Health Services	<u>259,885</u>	<u>2,035</u>	<u>261,920</u>	<u>261,920</u>	<u>-</u>
Speech, OT, PT & Related Services					
Salaries	349,379	3,768	353,147	353,147	
Purchased Professional-Educational Services	210,775	6,176	216,951	216,951	
Supplies and Materials	<u>6,450</u>	<u>(3,218)</u>	<u>3,232</u>	<u>3,232</u>	<u>-</u>
Total Speech, OT, PT & Related Services	<u>566,604</u>	<u>6,726</u>	<u>573,330</u>	<u>573,330</u>	<u>-</u>
Other Support Services - Students - Extra Services					
Salaries	557,784	(9,715)	548,069	548,069	-
Purchased Professional-Educational Services	208,980	(53,931)	155,049	152,232	2,817
Supplies and Material	<u>1,939</u>	<u>316</u>	<u>2,255</u>	<u>2,255</u>	<u>-</u>
Total Other Support Services-Students-Extra Svcs	<u>768,703</u>	<u>(63,330)</u>	<u>705,373</u>	<u>702,556</u>	<u>2,817</u>
Guidance					
Salaries of Other Professional Staff	372,376	9,177	381,553	381,553	
Salaries of Secretarial and Clerical Assistants	29,855		29,855	29,855	
Purchased Professional-Educational Services	4,500	(725)	3,775	3,775	
Other Purchased Services	1,500	(946)	554	554	
Supplies and Materials	<u>5,150</u>	<u>(2,054)</u>	<u>3,096</u>	<u>3,096</u>	<u>-</u>
Total Guidance	<u>413,381</u>	<u>5,452</u>	<u>418,833</u>	<u>418,833</u>	<u>-</u>

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Undistributed Expenditures (Continued)</b>					
<b>Child Study Team</b>					
Salaries of Other Professional Staff	\$ 499,294	\$ (27,928)	\$ 471,366	\$ 471,366	
Salaries of Secretarial and Clerical Assistants	47,475	-	47,475	47,475	
Purchased Professional-Educational Services	44,241	(2,936)	41,305	41,305	
Misc Purchased Services	-	416	416	416	
Supplies and Materials	500	-	500	500	-
<b>Total Child Study Team</b>	<u>591,510</u>	<u>(30,448)</u>	<u>561,062</u>	<u>561,062</u>	<u>-</u>
<b>Improvement of Inst. Serv.</b>					
Salaries of Supervisor of Instruction	135,904	(157)	135,747	135,747	
Salaries of Other Professional Staff	5,000	(3,812)	1,188	1,188	
Purchased Professional-Educational Services	16,000	11,173	27,173	27,173	
Other Purch. Services	500	(500)	-	-	
Other Objects	975	(894)	81	81	-
<b>Total Improvement of Inst. Serv.</b>	<u>158,379</u>	<u>5,810</u>	<u>164,189</u>	<u>164,189</u>	<u>-</u>
<b>Educational Media Services/School Library</b>					
Salaries	198,615	28	198,643	198,643	
Salaries of Technology Coordinators	110,551	-	110,551	110,551	
Supplies and Materials	15,548	(572)	14,976	14,976	-
<b>Total Educational Media Services/School Library</b>	<u>324,714</u>	<u>(544)</u>	<u>324,170</u>	<u>324,170</u>	<u>-</u>
<b>Instructional Staff Training Services</b>					
Salaries of Supervisors of Instruction	9,200	(4,260)	4,940	4,940	
Purchased Professional-Educational Services	45,000	(5,297)	39,703	39,703	-
<b>Total Instructional Staff Training Services</b>	<u>54,200</u>	<u>(9,557)</u>	<u>44,643</u>	<u>44,643</u>	<u>-</u>
<b>Support Services General Administration</b>					
Salaries	283,691	(1,990)	281,701	281,701	
Legal Services	58,000	(29,955)	28,045	26,571	\$ 1,474
Audit Fees	24,650	14,050	38,700	25,900	12,800
BOE Other Purchased Services	3,000	(2,725)	275	275	
Other Purchased Professional Services	16,025	9,408	25,433	24,033	1,400
Communications/Telephone	39,450	(3,782)	35,668	35,567	101
Other Purchased Services	43,495	(5,495)	38,000	38,000	
General Supplies	500	1,282	1,782	1,782	
BOE In-House Training/Meeting Supplies	2,000	(492)	1,508	1,508	
Miscellaneous Expenditures	2,650	745	3,395	3,395	
BOE Membership Dues and Fees	12,990	(698)	12,292	12,292	-
<b>Total Support Services General Administration</b>	<u>486,451</u>	<u>(19,652)</u>	<u>466,799</u>	<u>451,024</u>	<u>15,775</u>

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
CURRENT EXPENDITURES (Continued)					
Undistributed Expenditures (Continued)					
Support Services School Administration					
Salaries of Principals/Asst. Principals	\$ 648,060	\$ 38,976	\$ 687,036	\$ 687,036	
Salaries of Other Prof. Staff	137,810	(135)	137,675	137,675	
Salaries of Secretarial and Clerical Assistants	245,683	14,379	260,062	260,062	
Other Purchased Services	2,500	(2,500)			
Supplies and Materials	18,064	14,640	32,704	32,704	
Other Objects	5,300	2,089	7,389	7,389	-
<b>Total Support Services School Administration</b>	<u>1,057,417</u>	<u>67,449</u>	<u>1,124,866</u>	<u>1,124,866</u>	<u>-</u>
Central Services					
Salaries	231,623	(2,021)	229,602	229,602	
Purchased Technical Services	26,150	10,566	36,716	36,716	
Misc. Purchased Services	8,000	(6,505)	1,495	1,495	
Supplies and Materials	4,000	870	4,870	4,870	
Miscellaneous Expenditures	2,030	(125)	1,905	1,905	-
<b>Total Central Services</b>	<u>271,803</u>	<u>2,785</u>	<u>274,588</u>	<u>274,588</u>	<u>-</u>
Admin. Info. Tech					
Salaries	128,200	(33,225)	94,975	94,975	
Purchased Technical Services	57,100	(24,338)	32,762	32,762	
Other Purchased Services	14,000	(1,890)	12,110	12,110	
Supplies and Materials	14,000	57,732	71,732	71,732	
Other Objects	-	-	-	-	-
<b>Total Admin. Info. Tech</b>	<u>213,300</u>	<u>(1,721)</u>	<u>211,579</u>	<u>211,579</u>	<u>-</u>
Required Maintenance for School Facilities					
Salaries	89,335	-	89,335	89,335	
Cleaning, Repair and Maintenance Services	193,835	398,420	592,255	446,969	\$ 145,286
General Supplies	15,000	3,681	18,681	18,681	-
<b>Total Required Maintenance for School Facilities</b>	<u>298,170</u>	<u>402,101</u>	<u>700,271</u>	<u>554,985</u>	<u>145,286</u>
Custodial Services					
Salaries	751,670	10,014	761,684	761,684	
Purchased Professional and Technical Services	7,290	(795)	6,495	6,495	
Cleaning, Repair and Maintenance Services	24,275	(9,265)	15,010	15,010	
Other Purchased Property Services	98,353	8,605	106,958	106,291	667
Insurance	101,947	(4,289)	97,658	97,658	
General Supplies	61,500	36,481	97,981	97,981	
Energy (Electricity)	435,000	(94,166)	340,834	340,834	
Other Objects	1,925	(972)	953	953	
Energy (Natural Gas)	137,540	(13,879)	123,661	122,714	947
<b>Total Custodial Services</b>	<u>1,619,500</u>	<u>(68,266)</u>	<u>1,551,234</u>	<u>1,549,620</u>	<u>1,614</u>

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>EXPENDITURES</b>					
<b>CURRENT EXPENDITURES (Continued)</b>					
<b>Undistributed Expenditures (Continued)</b>					
<b>Care and Upkeep of Grounds</b>					
Salaries	\$ 56,900	\$ 404	\$ 57,304	\$ 57,304	
Cleaning, Repair, and Maintenance Svc.	13,500	10,963	24,463	24,179	\$ 284
General Supplies	<u>13,000</u>	<u>10,478</u>	<u>23,478</u>	<u>23,478</u>	<u>-</u>
<b>Total Care and Upkeep of Grounds</b>	<u>83,400</u>	<u>21,845</u>	<u>105,245</u>	<u>104,961</u>	<u>284</u>
<b>Student Transportation Services</b>					
Contracted Services (Bet. Home & Sch)-Vendors		1,320	1,320	1,320	
Contracted Services (Other Than Between Home and School) - Vendors	101,300	1,376	102,676	72,848	29,828
Contracted Services ( Sp Ed Stds)-Joint Agreements	502,250	(39,356)	462,894	417,308	45,586
Contracted Services (Reg. Students)-ESCs & CTSAs	67,500	(23,138)	44,362	35,606	8,756
Contracted Services (Spl. Ed. Students)-ESCs & CTSAs	<u>35,625</u>	<u>(10,000)</u>	<u>25,625</u>	<u>17,022</u>	<u>8,603</u>
<b>Total Student Transportation Services</b>	<u>706,675</u>	<u>(69,798)</u>	<u>636,877</u>	<u>544,104</u>	<u>92,773</u>
<b>Unallocated Benefits</b>					
Social Security Contributions	265,000	(8,940)	256,060	238,889	17,171
Other Retirement Contributions- Regular	190,000	14,347	204,347	204,347	
Workmens Compensation	103,291	177	103,468	103,468	
Health Benefits	2,326,969	45,408	2,372,377	2,363,139	9,238
Tuition Reimbursement	32,000	(5,700)	26,300	26,300	
Other Employee Benefits	<u>118,358</u>	<u>33,416</u>	<u>151,774</u>	<u>151,077</u>	<u>697</u>
<b>Total Employee Benefits</b>	<u>3,035,618</u>	<u>78,708</u>	<u>3,114,326</u>	<u>3,087,220</u>	<u>27,106</u>
<b>On-behalf Contributions</b>					
<b>On-behalf TPAF Pension System Contributions (Non-Budgeted)</b>					
Normal Pension Benefit Costs				37,479	(37,479)
Post Retirement Medical Benefit Contribution				703,911	(703,911)
Reimbursed TPAF Social Security Contributions (Non-Budgeted)	<u>-</u>	<u>-</u>	<u>-</u>	<u>897,275</u>	<u>(897,275)</u>
<b>Total On-Behalf Contributions</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,638,665</u>	<u>(1,638,665)</u>
<b>Total Undistributed Expenditures</b>	<u>12,528,375</u>	<u>170,315</u>	<u>12,698,690</u>	<u>14,030,054</u>	<u>(1,331,364)</u>
<b>Total Expenditures - Current Expenditures</b>	<u>22,937,596</u>	<u>315,945</u>	<u>23,253,541</u>	<u>24,574,094</u>	<u>(1,320,553)</u>
<b>CAPITAL OUTLAY</b>					
<b>Equipment</b>					
Grade 6-8		8,493	8,493	8,493	
Undistributed-Instruction	53,892		53,892	53,892	
Admin Info Technology		3,764	3,764	3,764	
Required Maint. For School Facilities		23,198	23,198		23,198
Care and Upkeep of Grounds	<u>-</u>	<u>9,450</u>	<u>9,450</u>	<u>9,450</u>	<u>-</u>
<b>Total Capital Outlay</b>	<u>53,892</u>	<u>44,905</u>	<u>98,797</u>	<u>75,599</u>	<u>23,198</u>
<b>Total Expenditures</b>	<u>\$ 22,991,488</u>	<u>\$ 360,850</u>	<u>\$ 23,352,338</u>	<u>\$ 24,649,693</u>	<u>\$ (1,297,355)</u>

**CRESSKILL BOARD OF EDUCATION  
GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ -	(360,850)	\$ (360,850)	\$ 313,724	\$ 674,574
Other Financing Sources (Uses) Transfer In - Capital Projects	-	-	-	287	287
Total Other Financing Sources	-	-	-	287	287
Excess (Deficiency) of Revenues Over/(Under) Expenditures and Other Sources	-	(360,850)	(360,850)	314,011	674,861
Fund Balances, Beginning of Year	778,176	-	778,176	778,176	-
Fund Balances, End of Year	\$ 778,176	\$ (360,850)	\$ 417,326	\$ 1,092,187	\$ 674,861
<b>Recapitulation</b>					
Reserved For:					
Encumbrances				\$ 193,069	
Legally Restricted-Waiver Offset Reserve-Designated for Subsequent Year's Expenditures				174,216	
Unreserved, Designated for Subsequent Year's Expenditures				42,000	
Unreserved/Undesignated				682,902	
				1,092,187	
Reconciliation to Governmental Funds Statements (GAAP)					
State Aid Revenue Not Recognized on GAAP Basis					
Extraordinary Aid			\$ (347,903)		
Delayed State Aid Payments			(98,542)		
				(446,445)	
Fund Balance per Governmental Funds (GAAP)				\$ 645,742	

**CRESSKILL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final to Actual</u>
<b>REVENUES</b>					
Intergovernmental					
State		\$ 129,572	\$ 129,572	\$ 90,275	\$ (39,297)
Federal	\$ 14,080	801,131	815,211	731,683	(83,528)
Local Sources					
Miscellaneous	7,887	96,217	104,104	89,165	(14,939)
Total Revenues	<u>21,967</u>	<u>1,026,920</u>	<u>1,048,887</u>	<u>911,123</u>	<u>(137,764)</u>
<b>EXPENDITURES</b>					
Instruction					
Salaries of Teachers		\$ 51,000	\$ 51,000	\$ 51,000	
Tuition		403,080	403,080	403,080	
Purchased Professional and Technical Services	\$ 125	119,048	119,173	80,569	\$ 38,604
Textbooks		13,215	13,215	12,206	1,009
Supplies	9,626	132,406	142,032	109,858	32,174
Other Objects	-	5,000	5,000	-	5,000
Total Instruction	<u>9,751</u>	<u>723,749</u>	<u>733,500</u>	<u>656,713</u>	<u>76,787</u>
Support Services					
Purchased Professional and Technical Services	6,560	134,279	140,839	83,887	56,952
Other Purchased Services	2,556	71,617	74,173	73,148	1,025
Total Support Services	<u>9,116</u>	<u>205,896</u>	<u>215,012</u>	<u>157,035</u>	<u>57,977</u>
Unallocated Benefits					
Employee Benefits	3,100	4,530	7,630	4,630	3,000
Facilities Acquisition and Construction					
Instructional Equipment		55,183	55,183	55,183	
Noninstructional Equipment	-	37,562	37,562	37,562	-
Total Facilities Acquisition and Construction	<u>-</u>	<u>92,745</u>	<u>92,745</u>	<u>92,745</u>	<u>-</u>
Total Expenditures	<u>21,967</u>	<u>1,026,920</u>	<u>1,048,887</u>	<u>911,123</u>	<u>137,764</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, 2010**

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 Funds 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>General Fund</b>	<b>Special Revenue Fund</b>
<b>Sources/Inflows of Resources</b>		
Actual amounts (budgetary basis) revenue from the budgetary comparison schedule (Exhibits C-1 and C-2)	\$ 24,963,417	\$ 911,123
<b>Difference - Budget to GAAP</b>		
Grant accounting budgetary basis differs from GAAP in that encumbrances are recognized as expenditures, and the related revenue is recognized.		
Encumbrances, June 30, 2009		7,100
Encumbrances, June 30, 2010		(26,126)
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2008-2009)	547,183	
State Aid revenue recognized for budgetary purposes, not recognized for GAAP statements (2009-2010)	(446,445)	-
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	<u>\$ 25,064,155</u>	<u>\$ 892,097</u>
<b>Uses/Outflows of Resources</b>		
Actual amounts (budgetary basis) total outflows from the budgetary comparison schedule	\$ 24,649,693	\$ 911,123
<b>Differences - Budget to GAAP</b>		
Encumbrances for supplies and equipment ordered but not received are reported in the year the order is placed for budgetary purposes but in the year the supplies are received for financial reporting purposes		
Encumbrances, June 30, 2009		7,100
Encumbrances, June 30, 2010	-	(26,126)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds (Exhibit B-2)	<u>\$ 24,649,693</u>	<u>\$ 892,097</u>

**SCHOOL LEVEL SCHEDULES**

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

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

CRESKILL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	No Child Left Behind (N.C.L.B.)				ARRA IDEA Part B- Basic	ARRA IDEA Part B- Preschool	ARRA IDEA Part B- Preschool	Total Page 2	Grand Total
	Title II-A	Title III	Title IV	Title III Immigrant					
<b>REVENUES</b>									
Intergovernmental									
State	\$ 31,571	\$ 20,887	\$ 3,192	\$ 16,235	\$ 302,143	\$ 13,376	\$ 330,580	\$ 13,699	\$ 90,275
Federal	-	-	-	-	-	-	-	-	731,683
Local	-	-	-	-	-	-	-	-	89,165
<b>Total Revenues</b>	<b>\$ 31,571</b>	<b>\$ 20,887</b>	<b>\$ 3,192</b>	<b>\$ 16,235</b>	<b>\$ 302,143</b>	<b>\$ 13,376</b>	<b>\$ 330,580</b>	<b>\$ 13,699</b>	<b>\$ 911,123</b>
<b>EXPENDITURES</b>									
Instruction									
Salaries of Teachers	\$ 15,000				\$ 204,255	\$ 10,804	\$ 20,000	\$ 16,000	\$ 51,000
Tuition			\$ 2,500		188,021				403,080
Purchased Professional and Technical Services		2,638	692	5,068			45,044	\$ 13,699	78,069
Supplies									42,717
Textbooks									12,206
<b>Total Instruction</b>	<b>-</b>	<b>17,638</b>	<b>3,192</b>	<b>5,068</b>	<b>204,255</b>	<b>10,804</b>	<b>253,065</b>	<b>13,699</b>	<b>148,992</b>
Support Services									
Employee Benefits	3,100						1,530		4,630
Purchased Professional and Technical Services	29,637	1,934		11,167	26,823	2,572	13,688		83,887
Other Purchased Services					71,065				73,148
<b>Total Support Services</b>	<b>31,571</b>	<b>3,249</b>	<b>-</b>	<b>11,167</b>	<b>97,888</b>	<b>2,572</b>	<b>15,218</b>	<b>-</b>	<b>161,665</b>
Facilities Acquisition and Construction									
Instructional Equipment							36,171		19,012
Noninstructional Equipment							26,126		11,436
<b>Total Facilities Acquisition and Construction</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>62,297</b>	<b>-</b>	<b>30,448</b>
<b>Total Expenditures</b>	<b>\$ 31,571</b>	<b>\$ 20,887</b>	<b>\$ 3,192</b>	<b>\$ 16,235</b>	<b>\$ 302,143</b>	<b>\$ 13,376</b>	<b>\$ 330,580</b>	<b>\$ 13,699</b>	<b>\$ 911,123</b>

CRESKILL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
COMBINING SCHEDULE OF REVENUES AND EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

	Ch. 193				Ch. 192		Total (Carried Forward)	
	Nonpublic Transportation	Nonpublic Nursing	Supplemental Instruction	Exam & Classification	Corrective Speech	Compensatory Education		ESL
REVENUES								
Intergovernmental								
State	\$ 12,206	\$ 4,000	\$ 15,672	\$ 5,286	\$ 14,603	\$ 16,275	\$ 12,180	\$ 90,275
Federal	-	-	-	-	-	-	-	\$ 89,165
Local	-	-	-	-	-	-	-	-
Total Revenues	\$ 12,206	\$ 4,000	\$ 15,672	\$ 5,286	\$ 14,603	\$ 16,275	\$ 12,180	\$ 179,440
EXPENDITURES								
Instruction								
Salaries of Instruction								
Purchased Professional Technical Services	\$ 4,000	\$ 15,672	\$ 5,286	\$ 14,603	\$ 16,275	\$ 10,053	\$ 12,180	\$ 16,000
Supplies								\$ 78,069
Textbooks	\$ 12,206							42,717
Other Objects								12,206
Total Instruction	12,206	4,000	15,672	5,286	14,603	16,275	12,180	148,992
Support Services								
Purchased Professional and Technical Services								
Total Support Services								
Facilities Acquisition and Construction								
Instructional Equipment								19,012
Noninstructional Equipment								11,436
Total Facilities Acquisition and Construction								30,448
Total Expenditures	\$ 12,206	\$ 4,000	\$ 15,672	\$ 5,286	\$ 14,603	\$ 16,275	\$ 12,180	\$ 179,440

**CRESSKILL BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF PRESCHOOL EDUCATION PROGRAM AID EXPENDITURES  
BUDGETARY BASIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

**NOT APPLICABLE**

**CAPITAL PROJECTS FUND**

EXHIBIT F-1

CRESSKILL BOARD OF EDUCATION  
 CAPITAL PROJECTS FUND  
 SUMMARY SCHEDULE OF PROJECT EXPENDITURES  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2010

<u>Year</u>	<u>Project</u>	<u>Appropriation</u>	<u>Expenditures to Date</u>		<u>Cancelled/ Adjusted</u>	<u>Balance, June 30, 2010</u>
			<u>Prior Year</u>	<u>Current Year</u>		
2005	Renovations to High School	\$ 24,698,771	\$ 24,696,828	\$ 1,749	\$ 30	\$ 164
2005	Renovations to Merrit Memorial School	2,715,714	2,715,714			
2005	Renovations to Edward H. Bryan School	3,830,825	3,830,815		10	-
2006	Int. Door Rep to Edward H. Bryan School	192,525	191,320		486	719
2006	Int. Door Rep to Merrit Memorial School	116,610	115,231	-	551	828
		<u>\$ 31,554,445</u>	<u>\$ 31,549,908</u>	<u>\$ 1,749</u>	<u>\$ 1,077</u>	<u>\$ 1,711</u>
			Fund Balance, June 30, 2010			<u>\$ 1,711</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, 2010**

**Revenues and Other Financing Sources**

Revenues

Interest and Investment Income	\$ 287
Miscellaneous	-

Total Revenues	287
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**Expenditures and Other Financing Uses**

Expenditures

General Administrative - Cancelled SDA Accounts Receivable	1,077
Purchased Professional and Technical Services	1,749
Construction Services	

Other Financing Uses

Transfers Out - General Fund	287
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Total Expenditures and Other Financing Uses	3,113
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Excess of Expenditures Over Revenues	(2,826)
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Fund Balance, July 1, 2009	4,537
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Fund Balance, June 30, 2010	\$ 1,711
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**CRESSKILL BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
2005 REFERENDUM  
RENOVATIONS TO HIGH SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
<b>Revenues</b>				
State Sources - SDA Grant	\$ 7,759,752	\$ (30)	\$ 7,759,722	
Bond Proceeds	16,698,646		16,698,646	
Local Sources - Interest	373		373	
<b>Other Financing Sources</b>				
Transfer from Capital Reserve	139,729		139,729	
Transfer from Capital Outlay	100,271	-	100,271	-
	<u>24,698,771</u>	<u>(30)</u>	<u>24,698,741</u>	<u>\$ 24,698,741</u>
<b>Total Revenues</b>				
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	3,839,131	1,749	3,840,880	
Construction Services	20,857,697	-	20,857,697	-
	<u>24,696,828</u>	<u>1,749</u>	<u>24,698,577</u>	<u>24,698,741</u>
<b>Total Expenditures</b>				
Excess of Revenue Over Expenditures	<u>\$ 1,943</u>	<u>\$ (1,779)</u>	<u>\$ 164</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	
Grant Date	
Bond Authorization Date	
Bonds Authorized	\$ 16,698,646
Bonds Issued	16,698,646
Original Authorized Cost	23,849,846
Additional Authorized Cost	-
Revised Authorized Cost	24,698,741
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	
Revised Target Completion Date	2008/09

**CRESSKILL BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
2005 REFERENDUM  
RENOVATIONS TO MERRIT MEMORIAL SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,232,755		\$ 1,232,755	\$ 1,232,755
Bond Proceeds	1,482,959	-	1,482,959	1,482,959
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	2,715,714	-	2,715,714	2,715,714
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	439,350		439,350	439,350
Construction Services	2,276,364	-	2,276,364	2,276,364
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	2,715,714	-	2,715,714	2,715,714
Excess of Revenue Over Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	
Grant Date	
Bond Authorization Date	
Bonds Authorized	\$ 1,482,959
Bonds Issued	1,482,959
Original Authorized Cost	2,699,549
Additional Authorized Cost	-
Revised Authorized Cost	2,715,714
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	
Revised Target Completion Date	

**CRESSKILL BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
2005 REFERENDUM  
RENOVATIONS TO EDWARD H. BRYAN SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 1,629,430	\$ (10)	\$ 1,629,420	\$ 1,629,420
Bond Proceeds	<u>2,201,395</u>	<u>-</u>	<u>2,201,395</u>	<u>2,201,395</u>
 Total Revenues	 <u>3,830,825</u>	 <u>(10)</u>	 <u>3,830,815</u>	 <u>3,830,815</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	711,888		711,888	711,888
Construction Services	<u>3,118,937</u>	<u>(10)</u>	<u>3,118,927</u>	<u>3,118,927</u>
 Total Expenditures	 <u>3,830,825</u>	 <u>(10)</u>	 <u>3,830,815</u>	 <u>3,830,815</u>
 Excess of Revenue Over Expenditures	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

**Additional Project Information:**

Project Number	
Grant Date	
Bond Authorization Date	
Bonds Authorized	\$ 2,201,395
Bonds Issued	2,201,395
Original Authorized Cost	3,814,660
Additional Authorized Cost	-
Revised Authorized Cost	3,830,815
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	100.00%
Original Target Completion Date	
Revised Target Completion Date	

**CRESSKILL BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
2006 PROJECT  
INTERIOR DOOR REPLACEMENT - EDWARD H. BRYAN SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 77,010	\$ (486)	\$ 76,524	\$ 76,524
Transfers from Capital Reserve	<u>115,515</u>	<u>-</u>	<u>115,515</u>	<u>115,515</u>
 Total Revenues	 <u>192,525</u>	 <u>(486)</u>	 <u>192,039</u>	 <u>192,039</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	38,456		38,456	40,000
Construction Services	<u>152,854</u>	<u>10</u>	<u>152,864</u>	<u>152,039</u>
 Total Expenditures	 <u>191,310</u>	 <u>10</u>	 <u>191,320</u>	 <u>192,039</u>
 Excess of Revenue Over Expenditures	 <u>\$ 1,215</u>	 <u>\$ (496)</u>	 <u>\$ 719</u>	 <u>\$ -</u>

**Additional Project Information:**

Project Number	
Grant Date	
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	\$ 192,525
Additional Authorized Cost	
Revised Authorized Cost	192,039
 Percentage Increase Over Original Authorized Cost	 0.00%
Percentage Completion	100.00%
Original Target Completion Date	
Revised Target Completion Date	

**CRESSKILL BOARD OF EDUCATION  
CAPITAL PROJECTS FUND  
SCHEDULE OF PROJECT REVENUES, EXPENDITURES, PROJECT BALANCE  
AND PROJECT STATUS - BUDGETARY BASIS  
2006 PROJECT  
INTERIOR DOOR REPLACEMENT - MERRITT MEMORIAL SCHOOL  
FROM INCEPTION AND FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Prior Periods</u>	<u>Current Year</u>	<u>Totals</u>	<u>Revised Authorized Cost</u>
<b>Revenues and Other Financing Sources</b>				
State Sources - SDA Grant	\$ 46,644	\$ (551)	\$ 46,093	\$ 46,093
Transfers from Capital Reserve	69,966	-	69,966	69,966
	<u>116,610</u>	<u>(551)</u>	<u>116,059</u>	<u>116,059</u>
<b>Expenditures and Other Financing Uses</b>				
Purchased Professional and Technical Services	-	-	-	-
Construction Services	115,231	-	115,231	116,059
	<u>115,231</u>	<u>-</u>	<u>115,231</u>	<u>116,059</u>
Excess of Revenue Over Expenditures	<u>\$ 1,379</u>	<u>\$ (551)</u>	<u>\$ 828</u>	<u>\$ -</u>

**Additional Project Information:**

Project Number	
Grant Date	
Bond Authorization Date	
Bonds Authorized	
Bonds Issued	
Original Authorized Cost	\$ 116,610
Additional Authorized Cost	-
Revised Authorized Cost	116,059
Percentage Increase Over Original Authorized Cost	0.00%
Percentage Completion	100.00%
Original Target Completion Date	
Revised Target Completion Date	

**PROPRIETARY FUNDS**

**ENTERPRISE FUNDS**

**CRESSKILL BOARD OF EDUCATION  
COMMUNITY STEP TO INDEPENDENCE ("CSI") PROGRAM FUND  
STATEMENT OF NET ASSETS  
JUNE 30, 2010**

	<b>Non-Major Enterprise <u>Fund</u></b>
<b>ASSETS</b>	
Current Assets	
Cash	\$ 18,364
Intergovernmental Receivable	
Other	<u>4,730</u>
Total Current Assets	<u>23,094</u>
 Total Assets	 <u>23,094</u>
 <b>LIABILITIES</b>	
Current Liabilities	
Accounts Payable	<u>-</u>
Total Current Liabilities	<u>-</u>
 <b>NET ASSETS</b>	
Unrestricted	<u>23,094</u>
Total Net Assets	<u>\$ 23,094</u>

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

**CRESSKILL BOARD OF EDUCATION  
COMMUNITY STEP TO INDEPENDENCE ("CSI") PROGRAM FUND  
STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<b>Non-Major Enterprise Fund</b>
<b>OPERATING REVENUES</b>	
Charges for Services	
Program Fees	\$ 234,500
Total Operating Revenues	234,500
<b>OPERATING EXPENSES</b>	
Salaries and Benefits	159,453
Other Supplies/Services	13,898
Repairs	18,055
Rentals	20,000
Total Operating Expenses	211,406
Operating Income	23,094
<b>NONOPERATING REVENUES</b>	
Interest	-
Total Nonoperating Revenues	-
Change in Net Assets	23,094
Total Net Assets - Beginning of Year	-
Total Net Assets - End of Year	\$ 23,094

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

**CRESSKILL BOARD OF EDUCATION  
COMMUNITY STEP TO INDEPENDENCE ("CSI") PROGRAM FUND  
STATEMENT OF CASH FLOWS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<b>Non-Major Enterprise Fund</b>
<b>Cash Flows from Operating Activities</b>	
Cash Received for Program Fees	\$ 234,500
Cash Payments for Salaries and Benefits	(159,453)
Cash Payments to Suppliers for Goods and Services	<u>(56,683)</u>
Net Cash Provided by (Used For) Operating Activities	<u>18,364</u>
<b>Cash Flows from Investing Activities</b>	
Interest on Investments	<u>-</u>
Net Cash Provided by Investing Activities	<u>-</u>
Net Increase in Cash and Cash Equivalents	18,364
Cash and Cash Equivalents, Beginning of Year	<u>-</u>
Cash and Cash Equivalents, End of Year	<u>\$ 18,364</u>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities</b>	
Operating Income	\$ <u>23,094</u>
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Change in Assets and Liabilities	
(Increase)/Decrease in Other Accounts Receivable	<u>(4,730)</u>
Total Adjustments	<u>(4,730)</u>
Net Cash Provided by Operating Activities	<u>\$ 18,364</u>

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

**INTERNAL SERVICE FUND**

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

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**CRESSKILL BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF NET ASSETS  
AS OF JUNE 30, 2010**

	<u>Student Activity</u>	<u>Payroll</u>	<u>Total Agency Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 149,836	\$ 81,242	\$ 231,078
Total Assets	<u>\$ 149,836</u>	<u>\$ 81,242</u>	<u>\$ 231,078</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings Payable		\$ 81,017	\$ 81,017
Due to Other Funds		225	225
Due to Student Groups	<u>\$ 149,836</u>	<u>-</u>	<u>149,836</u>
Total Liabilities	<u>\$ 149,836</u>	<u>\$ 81,242</u>	<u>\$ 231,078</u>

**CRESSKILL BOARD OF EDUCATION  
FIDUCIARY FUNDS  
COMBINING STATEMENT OF CHANGES IN NET ASSETS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

NOT APPLICABLE

**STUDENT ACTIVITY AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<b>Balance, July 1, <u>2009</u></b>	<b><u>Additions</u></b>	<b><u>Deletions</u></b>	<b>Balance, June 30, <u>2010</u></b>
<b>ELEMENTARY SCHOOLS</b>				
Merritt	\$ 3,158	\$ 9,314	\$ 8,145	\$ 4,327
Bryan	7,537	57,680	49,696	15,521
<b>HIGH SCHOOL</b>				
Cresskill High School	<u>118,725</u>	<u>466,305</u>	<u>455,042</u>	<u>129,988</u>
Total	<u>\$ 129,420</u>	<u>\$ 533,299</u>	<u>\$ 512,883</u>	<u>\$ 149,836</u>

**CRESSKILL BOARD OF EDUCATION  
PAYROLL AGENCY FUND  
SCHEDULE OF RECEIPTS AND DISBURSEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	Balance, July 1, <u>2009</u>	<u>Additions</u>	<u>Deletions</u>	Balance, June 30, <u>2010</u>
<b>ASSETS</b>				
Cash	\$ 106,635	\$ 26,305,491	\$ 26,330,884	\$ 81,242
Total Assets	<u>\$ 106,635</u>	<u>\$ 26,305,491</u>	<u>\$ 26,330,884</u>	<u>\$ 81,242</u>
<b>LIABILITIES</b>				
Payroll Deductions and Withholdings	\$ 97,135	\$ 16,634,462	\$ 16,650,580	\$ 81,017
Accrued Salaries and Wages		9,668,389	9,668,389	
Due to Other Funds	<u>9,500</u>	<u>2,640</u>	<u>11,915</u>	<u>225</u>
Total Liabilities	<u>\$ 106,635</u>	<u>\$ 26,305,491</u>	<u>\$ 26,330,884</u>	<u>\$ 81,242</u>

**LONG-TERM DEBT**

**CRESSKILL BOARD OF EDUCATION  
LONG-TERM DEBT  
SCHEDULE OF SERIAL BONDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<u>Issue</u>	<u>Date of Issue</u>	<u>Amount of Issue</u>	<u>Annual Maturities Date</u>	<u>Amount</u>	<u>Interest Rate</u>	<u>Balance, July 1, 2009</u>	<u>Retired</u>	<u>Balance, June 30, 2010</u>
Renovations to All Schools	5/1/2005	\$ 20,383,000	2/1/2011	\$ 580,000	4.375	\$ 18,780,000	\$ 555,000	\$ 18,225,000
			2/1/2012	605,000				
			2/1/2013	635,000				
			2/1/2014	655,000				
			2/1/2015	685,000				
			2/1/2016	720,000				
			2/1/2017	765,000				
			2/1/2018	815,000				
			2/1/2019-21	980,000				
			2/1/2022	985,000				
			2/1/23-30	990,000				
			2/1/2031	920,000				
			Refunding School Bonds	5/28/2008				
8/1/2011	230,000							
8/1/2012	240,000							
8/1/2013	255,000							
8/1/2014	260,000							
8/1/2015	270,000							
8/1/2016	265,000							
8/1/2017	260,000							
8/1/2018	250,000							
						<u>\$ 21,255,000</u>	<u>\$ 775,000</u>	<u>\$ 20,480,000</u>
						Paid by Budget \$ <u>775,000</u>		

**CRESSKILL BOARD OF EDUCATION**  
**LONG-TERM DEBT**  
**SCHEDULE OF CAPITAL LEASES/LEASE PURCHASE AGREEMENTS PAYABLE**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

<u>Series</u>	<u>Interest Rate Payable</u>	<u>Amount of Original Issue</u>	<u>Amount Outstanding July 1, 2009</u>	<u>Payments</u>	<u>Amount Outstanding June 30, 2010</u>
BCIA Lease Purchase - Computer Equipment	4%	\$ 62,223	\$ 21,556	\$ 21,556	-
Lease Purchase - Computer Equipment	5.45%	217,800	55,821	55,821	-
IP Telephone Lease	4.55%	86,829	49,792	15,796	\$ 33,996
BCIA Lease Purchase - Two Way Radios	2.16%	19,525	13,011	6,436	6,575
BCIA Lease Purchase-Security Equipment	2.12%	83,995	62,555	20,416	42,139
BICA Lease Purchase-Playground Equipment	2.33%	<u>101,750</u>	<u>81,243</u>	<u>19,615</u>	<u>61,628</u>
		<u>\$ 572,122</u>	<u>\$ 283,978</u>	<u>\$ 139,640</u>	<u>\$ 144,338</u>
			Payments	<u>\$ 139,640</u>	

**CRESSKILL BOARD OF EDUCATION**  
**DEBT SERVICE FUND**  
**BUDGETARY COMPARISON SCHEDULE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

	<u>Original</u>	<u>Budget</u>	<u>Final</u>	<u>Actual</u>	<u>Variance</u>
	<u>Budget</u>	<u>Transfers</u>	<u>Budget</u>	<u>Actual</u>	<u>Final to Actual</u>
REVENUES					
Local Sources					
Property Taxes	\$ 1,611,737		\$ 1,611,737	\$ 1,611,737	
Intergovernmental State					
Debt Service Aid Type II	41,090	-	41,090	41,090	-
	<u>1,652,827</u>	<u>-</u>	<u>1,652,827</u>	<u>1,652,827</u>	<u>-</u>
Total Revenues					
EXPENDITURES					
Regular Debt Service					
Principal	775,000		775,000	775,000	
Interest	901,282	-	901,282	901,281	1
	<u>1,676,282</u>	<u>-</u>	<u>1,676,282</u>	<u>1,676,281</u>	<u>1</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(23,455)</u>	<u>-</u>	<u>(23,455)</u>	<u>(23,454)</u>	<u>1</u>
Net Changes in Fund Balance	(23,455)	-	(23,455)	(23,454)	1
Fund Balance, Beginning of Year	<u>23,455</u>	<u>-</u>	<u>23,455</u>	<u>23,455</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ 1</u>

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

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

J-16 to J-20

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

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

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Governmental Activities</b>						Restated		
Invested in Capital Assets, Net of Related Debt	\$ 672,030	\$ 684,207	\$ 1,087,081	\$ 2,006,442	\$ 9,508,993	\$ 13,140,837	\$ 12,182,578	\$ 12,109,928
Restricted	147,596	149,048	174,543	333,065	139,729	10,050	23,455	1
Unrestricted	(186,029)	130,979	160,207	(12,441)	(109,316)	(1,921,191)	(1,253,443)	(506,562)
<b>Total Governmental Activities Net Assets</b>	<b>\$ 633,597</b>	<b>\$ 964,234</b>	<b>\$ 1,421,831</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>Business-Type Activities</b>								
Invested in Capital Assets, Net of Related Debt	\$ 10,199	\$ 8,577	\$ 6,956	\$ 5,334	\$ 19,455	\$ 8,420	\$ 79,745	\$ 8,943
Unrestricted	34,849	63,605	86,791	72,559	84,000	74,671		73,037
<b>Total Business-Type Activities Net Assets</b>	<b>\$ 45,048</b>	<b>\$ 72,182</b>	<b>\$ 93,747</b>	<b>\$ 77,893</b>	<b>\$ 103,455</b>	<b>\$ 83,091</b>	<b>\$ 79,745</b>	<b>\$ 81,980</b>
<b>District-Wide</b>								
Invested in Capital Assets, Net of Related Debt	\$ 682,229	\$ 692,784	\$ 1,094,037	\$ 2,011,776	\$ 9,528,448	\$ 13,149,257	\$ 12,182,578	\$ 12,118,871
Restricted	147,596	149,048	174,543	333,065	139,729	10,050	23,455	1
Unrestricted	(151,180)	194,584	246,998	60,118	(25,316)	(1,846,520)	(1,173,698)	(433,525)
<b>Total District Net Assets</b>	<b>\$ 678,645</b>	<b>\$ 1,036,416</b>	<b>\$ 1,515,578</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>

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 eight 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**  
**CHANGES IN NET ASSETS**  
**LAST EIGHT FISCAL YEARS**  
(Unaudited)  
*(accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Expenses</b>								
<b>Governmental Activities</b>								
<b>Instruction</b>								
Regular	\$ 8,179,442	\$ 8,499,982	\$ 8,894,544	\$ 9,521,196	\$ 10,215,190	\$ 10,762,060	\$ 10,402,088	\$ 10,701,308
Special Education	2,500,667	2,631,438	2,952,217	3,628,665	4,080,745	4,086,717	4,030,225	3,788,211
Other Instruction	679,849	728,253	677,884	813,092	958,905	839,494	722,043	814,517
School Sponsored Activities And Athletics	469,752	483,445	542,518	524,709	672,973	651,377	658,837	675,280
<b>Support Services:</b>								
Student & Instruction Related Services	2,266,528	2,525,046	2,540,157	2,839,330	2,808,292	3,505,701	3,684,962	3,904,218
General Administrative Services	381,465	559,086	598,929	541,081	598,054	700,326	592,009	522,683
School Administrative Services	1,059,742	1,114,096	1,053,337	1,134,724	1,309,597	1,359,410	1,359,102	1,424,952
Central Services/Business Services	277,623	264,682	426,278	307,910	296,889	519,102	759,933	559,109
Administrative Information Technology				107,189	161,720	-		
Plant Operations And Maintenance	1,622,428	1,687,797	1,724,674	1,794,239	1,760,128	2,610,468	2,762,583	3,144,414
Pupil Transportation	494,993	517,618	555,309	595,420	723,936	790,467	587,325	544,104
Interest On Long-Term Debt	162,322	155,171	301,724	1,032,251	1,018,370	901,485	942,575	905,303
<b>Total Governmental Activities Expenses</b>	<b>18,094,811</b>	<b>19,166,614</b>	<b>20,267,571</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>Business-Type Activities:</b>								
Food Service	209,264	219,003	239,203	275,194	259,073	263,506	362,220	392,350
CSI Program	-	-	-	-	-	-	-	211,406
<b>Total Business-Type Activities Expense</b>	<b>209,264</b>	<b>219,003</b>	<b>239,203</b>	<b>275,194</b>	<b>259,073</b>	<b>263,506</b>	<b>362,220</b>	<b>603,756</b>
<b>Total District Expenses</b>	<b>\$ 18,304,075</b>	<b>\$ 19,385,617</b>	<b>\$ 20,506,774</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>Program Revenues</b>								
<b>Governmental Activities:</b>								
<b>Charges For Services:</b>								
Instruction (Regular)		\$ 40,573	\$ 69,979	\$ 88,110	\$ 206,500	\$ 318,309	\$ 381,957	\$ 288,052
Special Education	\$ 12,544			72,150	85,949	81,200	95,489	303,825
Operating Grants And Contributions	2,216,157	2,431,205	2,538,822	2,774,596	3,653,188	3,873,081	3,146,613	4,118,917
Capital Grants And Contributions	40,264	-	309,189	1,000,859	6,750,410	2,662,932	133,060	92,129
<b>Total Governmental Activities Program Revenues</b>	<b>2,268,965</b>	<b>2,471,778</b>	<b>2,917,990</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>Business-Type Activities:</b>								
<b>Charges For Services:</b>								
Food Service	209,502	229,244	241,959	238,677	262,838	262,854	333,252	342,834
CSI Program								234,500
Operating Grants And Contributions	12,421	16,883	18,247	19,055	18,132	13,766	25,622	28,072
<b>Total Business Type Activities Program Revenues</b>	<b>221,923</b>	<b>246,127</b>	<b>260,206</b>	<b>257,732</b>	<b>280,970</b>	<b>276,620</b>	<b>358,874</b>	<b>605,406</b>
<b>Total District Program Revenues</b>	<b>\$ 2,490,888</b>	<b>\$ 2,717,905</b>	<b>\$ 3,178,196</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>Net (Expense)/Revenue</b>								
Governmental Activities	\$ (15,825,846)	\$ (16,694,836)	\$ (17,349,581)	\$ (18,904,091)	\$ (13,908,752)	\$ (19,791,085)	\$ (22,744,563)	\$ (22,181,176)
Business-Type Activities	12,659	27,124	21,003	(17,462)	21,897	13,114	(3,346)	1,650
<b>Total District-Wide Net Expense</b>	<b>\$ (15,813,187)</b>	<b>\$ (16,667,712)</b>	<b>\$ (17,328,578)</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>

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

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>General Revenues and Other Changes in Net Assets</b>								
<b>Governmental Activities:</b>								
Property Taxes Levied For General Purposes, Net	\$ 15,509,449	\$ 16,501,188	\$ 17,088,647	\$ 17,889,113	\$ 18,521,666	\$ 19,896,511	\$ 20,422,815	\$ 21,052,000
Property Taxes Levied For Debt Service, Net	261,275	259,822	262,349	871,781	1,623,773	1,640,858	1,639,664	1,611,737
State Aid Restricted for Debt Service	43,788	20,813	23,248	6,980	43,946	44,201	20,325	18,901
Unrestricted State Aid	93,113	178,675	178,675	185,456	248,160	268,869	-	-
Investment Earnings	30,000	22,850	113,274	780,476	634,844	254,691	339,480	21,369
Miscellaneous Income	165,956	127,687	140,985	75,520	48,703	16,626	45,173	127,946
<b>Total Governmental Activities</b>	<b>16,010,468</b>	<b>17,025,473</b>	<b>17,807,178</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>Business-Type Activities:</b>								
Investment Earnings	105	10	562	1,608	3,665	2,099	-	585
<b>Total Business-Type Activities</b>	<b>105</b>	<b>10</b>	<b>562</b>	<b>1,608</b>	<b>3,665</b>	<b>2,099</b>	<b>-</b>	<b>585</b>
<b>Total District-Wide</b>	<b>\$ 16,010,573</b>	<b>\$ 17,025,483</b>	<b>\$ 17,807,740</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>Change in Net Assets</b>								
Governmental Activities	\$ 184,622	\$ 330,637	\$ 457,597	\$ 905,235	\$ 7,212,340	\$ 2,330,671	\$ (277,106)	\$ 650,777
Business-Type Activities	12,764	27,134	21,565	(15,854)	25,562	15,213	(3,346)	2,235
<b>Total District</b>	<b>\$ 197,386</b>	<b>\$ 357,771</b>	<b>\$ 479,162</b>	<b>\$ 889,381</b>	<b>\$ 7,237,902</b>	<b>\$ 2,345,884</b>	<b>\$ (280,452)</b>	<b>\$ 653,012</b>

**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 eight 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  
FUND BALANCES - GOVERNMENTAL FUNDS  
LAST EIGHT FISCAL YEARS**

(Unaudited)  
(modified accrual basis of accounting)

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
General Fund								
Reserved	\$ 200,389	\$ 429,782	\$ 638,705	\$ 757,330	\$ 957,676	\$ 459,230	\$ 245,493	\$ 367,285
Unreserved	658,405	696,093	543,665	392,108	375,426	84,644	(14,500)	278,457
Total General Fund	\$ 858,794	\$ 1,125,875	\$ 1,182,370	\$ 1,149,438	\$ 1,333,102	\$ 543,874	\$ 230,993	\$ 645,742
All Other Governmental Funds								
Reserved				\$ 26,326,377	\$ 8,027,514	\$ 333,289		\$ -
Unreserved	(3,140)	-	19,804,870	(8,165,090)	(2,447,188)	78,484	27,992	1,712
Total All Other Governmental Funds	\$ (3,140)	\$ -	\$ 19,804,870	\$ 18,161,287	\$ 5,580,326	\$ 411,773	\$ 27,992	\$ 1,712

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 eight 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**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**LAST EIGHT FISCAL YEARS**  
**(Unaudited)**  
*(modified accrual basis of accounting)*

	Fiscal Year Ending June 30,							
	2003	2004	2005	2006	2007	2008	2009	2010
<b>Revenues</b>								
Tax Levy	\$ 15,770,724	\$ 16,761,010	\$ 17,350,996	\$ 18,760,894	\$ 20,145,439	\$ 21,537,369	\$ 22,062,479	\$ 22,663,737
Tuition Charges	12,544	40,573	69,979	160,260	292,449	399,509	477,446	591,877
Interest Earnings	30,000	22,850	113,274	780,476	634,844	254,691	45,173	21,369
Miscellaneous	181,565	150,873	79,591	104,552	169,457	282,295	339,480	224,211
State Sources	2,081,941	2,270,758	2,727,412	3,626,866	10,234,271	6,222,772	2,943,554	3,402,615
Federal Sources	202,659	251,187	293,400	311,993	340,679	360,642	356,445	705,557
<b>Total Revenue</b>	<b>18,279,433</b>	<b>19,497,251</b>	<b>20,634,652</b>	<b>23,745,041</b>	<b>31,817,139</b>	<b>29,057,278</b>	<b>26,224,577</b>	<b>27,609,366</b>
<b>Expenditures</b>								
<b>Instruction</b>								
Regular Instruction	8,141,458	8,491,800	8,923,195	9,524,318	10,396,236	10,682,218	10,305,610	10,655,035
Special Education Instruction	2,492,707	2,629,837	2,959,080	3,635,103	3,862,119	4,097,215	4,026,400	3,788,911
Other Instruction	676,227	715,809	677,279	815,878	949,130	839,494	733,758	796,752
School Sponsored Activities and Athletics	469,752	482,881	542,518	526,197	672,973	651,377	650,037	676,480
<b>Support Services:</b>								
Student and Inst. Related Services	2,236,628	2,565,307	2,539,327	2,831,276	2,790,717	3,459,432	3,637,630	3,874,855
General Administrative Services	381,465	556,581	600,311	527,755	592,497	587,381	559,005	522,683
School Administrative Services	1,088,614	1,137,045	1,044,709	1,138,652	1,309,002	1,345,135	1,345,719	1,463,553
Central Services/Business Services	271,128	253,353	438,608	416,387	458,609	519,102	759,933	565,484
Plant Operations And Maintenance	1,409,319	1,494,176	1,586,372	1,560,230	1,656,952	1,888,119	1,963,669	2,363,401
Pupil Transportation	492,997	520,773	551,851	595,641	723,936	790,467	587,325	544,104
Capital Outlay	92,808	159,516	923,084	2,862,931	19,318,560	8,659,051	530,246	142,218
<b>Debt Service:</b>								
Principal	140,000	145,000	177,743	174,482	737,427	701,522	904,068	914,640
Interest and Other Charges	165,064	158,367	157,198	812,706	1,026,301	1,096,695	917,839	912,781
Advance Refunding Escrow			62,097			49,332		
Cost of Issuance	-	-	-	-	-	56,643	-	-
<b>Total Expenditures</b>	<b>18,058,167</b>	<b>19,310,445</b>	<b>21,121,275</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>Excess (Deficiency) of Revenues</b>								
Over (Under) Expenditures	221,266	186,806	(486,623)	(1,676,515)	(12,677,320)	(6,365,905)	(696,662)	388,469
<b>Other Financing Sources (Uses)</b>								
Bond Sale Proceeds			20,383,000			2,520,000		
Capital Leases (Non-Budgeted)	13,570	83,415	4,569		280,023	292,099		
Premium on Sale of Bonds			296			38,025		
Payment to Refunded Bond Escrow Agent						(2,442,000)		
Accrued Interest on Bond Sale			22,220					
Transfers In	14,565		97,184	(841,032)	544,349	387,366	35,764	287
Transfers Out	(14,565)	-	(97,184)	841,032	(544,349)	(387,366)	(35,764)	(287)
<b>Total Other Financing Sources (Uses)</b>	<b>13,570</b>	<b>83,415</b>	<b>20,410,085</b>	<b>-</b>	<b>280,023</b>	<b>408,124</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balances</b>	<b>\$ 234,836</b>	<b>\$ 270,221</b>	<b>\$ 19,923,462</b>	<b>\$ (1,676,515)</b>	<b>\$ (12,397,297)</b>	<b>\$ (5,957,781)</b>	<b>\$ (696,662)</b>	<b>\$ 388,469</b>
<b>Debt Service as a Percentage of</b>								
Noncapital Expenditures	1.70%	1.58%	1.66%	4.38%	7.01%	6.72%	6.90%	6.75%

\* Noncapital expenditures are total expenditures less capital outlay.

**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 eight 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>Interest on Invest.</u>	<u>Rentals</u>	<u>Refunds of Prior Year Expenditures</u>	<u>Miscellaneous</u>	<u>Total</u>
2001	\$ 118,152	\$ 112,704	\$ 34,908	\$ 9,299	\$ 71,794	\$ 346,857
2002	146,042	46,747	47,283		95,141	335,213
2003	12,544	29,547	2,089	84,087	79,780	208,047
2004	40,573	22,850	46,689	806	80,192	191,110
2005	69,979	38,606	35,438		15,031	159,054
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

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>
2001	\$ 21,460,100	\$ 738,482,700	\$ 51,385,900	\$ 8,801,300	\$ 3,313,400	\$ 823,443,400	\$ 675,257	\$ 824,118,657	\$ 1,149,076,796	\$ 1.76
2002	32,887,400	748,578,300	38,216,400	6,303,400	2,989,600	828,975,100	620,392	829,595,492	1,271,296,252	1.90
2003	31,646,800	753,858,000	38,246,500	4,810,900	2,989,600	831,551,800	582,468	832,134,268	1,319,753,288	2.01
2004 (1)	55,693,200	1,537,913,100	86,752,900	19,409,400	5,340,800	1,705,109,400	912,679	1,706,022,079	1,909,396,896	1.02
2005	43,143,800	1,538,106,200	102,017,800	15,005,400	5,340,800	1,705,614,000	900,983	1,706,514,983	1,947,047,945	1.10
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	631,356	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

Source: County Abstract of Rates

(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*

<u>Calendar Year</u>	<u>Total Direct School Tax Rate Cresskill Local School District</u>	<u>Overlapping Rates</u>		<u>Total Direct and Overlapping Tax Rate</u>
		<u>Municipality of Cresskill</u>	<u>County of Bergen</u>	
2001	\$1.76	\$0.77	\$0.31	\$2.84
2002	\$1.90	\$0.79	\$0.34	\$3.03
2003	\$2.01	\$0.83	\$0.34	\$3.18
2004 (1)	\$1.02	\$0.45	\$0.18	\$1.65
2005	\$1.10	\$0.49	\$0.20	\$1.79
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

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

Source: Tax Duplicate, Borough of Cresskill

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

Taxpayer	2010		2001	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
CNL Retirement Suni Cresskill	\$ 30,000,000	1.69%	<b>NOT AVAILABLE</b>	
Care One at Dunroven	7,000,000	0.39%		
MTX Wealth Mang-D. Carl Trust	4,785,000	0.27%		
P.S. Realty, L.L.C.	4,127,500	0.23%		
Bello, Michael	4,125,600	0.23%		
Kings Supermarket Inc.	3,791,000	0.21%		
Spadaccini, Joseph & Kim	3,789,500	0.21%		
Leibowitz, Michael & Rana	3,625,800	0.20%		
Hwang, Grace	3,623,300	0.20%		
Cresskill Industrial Park	3,518,200	0.20%		
	<u>\$ 68,385,900</u>	<u>3.86%</u>	<u>\$ -</u>	<u>- %</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2001	\$ 13,915,314	\$ 13,915,314	100.00%	
2002	14,478,490	14,478,490	100.00%	
2003	15,770,724	15,770,724	100.00%	
2004	16,761,010	16,761,010	100.00%	
2005	17,350,996	17,350,996	100.00%	
2006	18,760,894	18,760,894	100.00%	
2007	20,145,439	20,145,439	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%	

**CRESSKILL BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST SIX 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)				
2005	\$ 23,457,000		\$ 77,882		\$ 23,534,882	8,368	\$ 2,812	
2006	23,297,000		34,375		23,331,375	8,336	2,799	
2007	22,632,000		232,583		22,864,583	8,553	2,673	
2008	22,020,000		423,046	\$ 5,019,900	27,462,946	8,553 e	3,211	
2009	21,255,000		283,978		21,538,978	8,615 e	2,500	
2009	20,480,000		144,338		20,624,338	8,614	2,394	

(e) Estimate

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 six 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**  
**RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING**  
**LAST SIX FISCAL YEARS**  
**(Unaudited)**

<u>General Bonded Debt Outstanding</u>				
Fiscal Year Ended June 30,	General Obligation Bonds	Deductions	Net General Bonded Debt Outstanding	Percentage of Actual Taxable Value of Property
2005	\$ 23,457,000		\$ 23,457,000	1.37%
2006	23,297,000		23,297,000	1.31%
2007	22,632,000		22,632,000	1.26%
2008	22,020,000		22,020,000	1.23%
2009	21,255,000		21,255,000	1.19%
2010	20,480,000		20,480,000	1.15%

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 six 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  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2009  
(UNAUDITED)**

## Municipal Debt:

Cresskill Board of Education (as of June 30, 2010)	\$ 20,480,000
Borough of Cresskill	<u>12,223,086</u>
 Total Direct Debt	 <u>32,703,086</u>

## Overlapping Debt Apportioned to the Municipality:

Bergen County:	
County of Bergen (A)	9,787,904
Bergen County Utilities Authority - Water Pollution (B)	<u>2,387,302</u>
 Total Overlapping Debt	 <u>12,175,206</u>
 Total Direct and Overlapping Debt	 <u>\$ 44,878,292</u>

- (A) The debt for this entity was apportioned by dividing the Municipality's 2009 equalized value by the total 2009 equalized value for Bergen County.
- (B) Overlapping Debt was computed based upon municipal flow to the Authority.

## Sources:

Borough of Cresskill 2009 Annual Debt Statement  
BCUA 2009 Audit  
Bergen County 2009 Annual Debt Statement

CRESKILL BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

Legal Debt Margin Calculation for Fiscal Year 2010

Equalized valuation basis	
2007	\$ 2,327,822,082
2008	2,691,661,261
2009	2,500,482,005

\$ 7,719,965,348

\$ 2,573,321,783

102,932,871  
20,480,000  
82,452,871

Average equalized valuation of taxable property

Debt limit (4 % of average equalization value)  
Total Net Debt Applicable to Limit  
Legal debt margin

	Fiscal Year									
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Debt Limit	\$ 39,535,001	\$ 42,791,842	\$ 47,269,693	\$ 52,873,680	\$ 59,941,679	\$ 68,413,392	\$ 79,272,395	\$ 90,361,757	\$ 100,289,934	\$ 102,932,871
Total Net Debt Applicable to Limit	3,717,000	3,582,000	3,442,000	3,297,000	34,025,927	33,865,827	32,127,827	28,709,849	21,253,000	20,480,000
Legal Debt Margin	\$ 35,818,001	\$ 39,209,842	\$ 43,827,693	\$ 49,576,680	\$ 25,915,752	\$ 34,547,565	\$ 47,144,568	\$ 61,651,908	\$ 79,034,934	\$ 82,452,871
Total Net Debt Applicable to the Limit as a Percentage of Debt Limit	9.40%	8.37%	7.28%	6.24%	56.77%	49.50%	40.53%	31.77%	21.19%	19.90%

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>
2001	2.7	\$ 52,143	7,813
2002	3.7	51,521	7,834
2003	3.6	50,862	7,861
2004	3.0	54,095	8,145
2005	2.3	56,435	8,368
2006	2.5	61,264	8,336
2007	2.2	67,113	8,553
2008	2.9	67,696	8,553
2009	5.2	N/A	8,615
2010	N/A	N/A	8,614

N/A - Not Available

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>2010</u>		<u>2001</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 SIX FISCAL YEARS**  
(Unaudited)

<u>Function/Program</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Instruction						
Regular	89	91	109	112	119	124
Special Education	30	30	31	31	30	13
Support Services:						
Student and Instruction Related Services	24	23	27	22	17	43.5
General Administration	3	3	8	3	3	3
School Administrative Services	11	10	12	12	12	12
Central Services	3	3		3	3	3
Administrative Information Technology	2	2		2	2	2
Plant Operations And Maintenance	16	16	16	17	17	19
Pupil Transportation	1	1	-	-	-	-
<b>Total</b>	<u>179</u>	<u>179</u>	<u>203</u>	<u>202</u>	<u>203</u>	<u>219.5</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 six 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				
2001	1,299.9	\$ 15,899,419	\$ 12,231	3.16%	127	19:1	16:1	1,299.9	1,253.4	3.47%	96.42%
2002	1,365.0	16,629,912	12,183	-0.39%	134	19:1	16:1	1,365.1	1,309.3	5.02%	95.91%
2003	1,424.8	17,660,295	12,395	1.74%	135	14:1	11:1	1,424.8	1,363.9	4.37%	95.73%
2004	1,490.9	18,847,562	12,642	1.99%	142	13:1	13:1	1,490.9	1,435.3	4.64%	96.27%
2005	1,601.6	19,863,250	12,402	-1.90%	139	13:1	13:1	1,601.6	1,560.6	7.43%	97.44%
2006	1,605.0	21,571,437	13,440	8.37%	120	14:1	12:1	1,605.0	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%

Sources: District records

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

	2006	2007	2008	2009	2010
<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
Capacity (students)	378	378	378	378	378
Enrollment	520	532	548	474	478
 <u>Merrill Memorial School</u>					
Square Feet	42,540	42,540	42,540	42,540	42,540
Capacity (students)	313	313	313	313	313
Enrollment	335	338	354	280	299
 <u>Middle School/High School</u>					
Square Feet	140,261	140,261	141,769	141,769	141,769
Capacity (students)	956	956	956	956	956
Enrollment	750	782	784	938	965

Number of Schools at June 30, 2010  
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 four 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)**

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

<u>School Facilities</u>	<u>Project # (s)</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>
Edward H. Bryan	N/A	\$ 81,713	\$ 61,876	\$ 46,582	\$ 49,481	\$ 46,098	\$ 47,978	\$ 53,165	\$ 45,764	\$ 27,504	\$ 87,776
Merritt Memorial School	N/A	61,099	46,265	34,048	55,818	53,189	45,206	36,345	34,309	25,567	61,613
Middle School/High School	N/A	163,047	123,464	117,818	84,145	78,011	93,529	88,559	101,572	99,771	405,596
Total School Facilities		<u>305,859</u>	<u>231,605</u>	<u>198,448</u>	<u>189,444</u>	<u>177,298</u>	<u>186,713</u>	<u>178,069</u>	<u>181,645</u>	<u>152,842</u>	<u>554,985</u>
Other Facilities		-	-	-	-	-	-	-	-	-	-
Grand Total		<u>\$ 305,859</u>	<u>\$ 231,605</u>	<u>\$ 198,448</u>	<u>\$ 189,444</u>	<u>\$ 177,298</u>	<u>\$ 186,713</u>	<u>\$ 178,069</u>	<u>\$ 181,645</u>	<u>\$ 152,842</u>	<u>\$ 554,985</u>

Note: Beginning in fiscal year 2001, the New Jersey Department of Education required districts to report maintenance expenditures by location, therefore, ten years of data is not required or available

**CRESSKILL BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2010  
(Unaudited)**

	<u>Coverage</u>	<u>Deductible</u>
School Package Policy - Selective Insurance Group		
Property Blanket Building & Contents	\$ 44,971,597	\$ 5,000
General Liability		
General Aggregate	2,000,000	
Products Completed Operations	2,000,000	
Personal & Advertising Injury	1,000,000	
Each Occurrence	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	41,376,218	5,000
Bonds		
Public Official Bond - Bus. Admn.	50,000	
Public Official Bond-Treas. Of School Monies	250,000	
Environmental Impairment Liability - American Safety	20,000,000	
Source School District's records	(Group Aggregate)	
Each Impairment Aggregate Limit Per Insured:	3,000,000	15,000
School Board Legal Liability - ACE USA	1,000,000	5,000
Employment Related Practices Liability	1,000,000	10,000
Crime		
Employee Dishonesty	00 Per Employee	5,000
	\$400,000 Per Loss	100,000
Forgery & Alteration	50,000	1,000
Workers' Compensation		
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	250,000	

**SINGLE AUDIT SECTION**

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-1

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

17 - 17 ROUTE 208  
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## 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

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

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, 2010, which collectively comprise the Cresskill Board of Education's basic financial statements and have issued our report thereon dated October 29, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and audit requirements as prescribed by the Division of Finance, Department of Education, State of New Jersey.

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

In planning and performing our audit, we considered the Cresskill Board of Education's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion 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 over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Cresskill Board of Education's internal control over financial reporting.

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 Cresskill Board of Education's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over financial reporting described in the accompanying schedule of findings and questioned costs as item 2010-1 that we consider to be a significant deficiency in internal control over financial reporting. 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.

### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Cresskill Board of Education's financial statements are free of 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 an instance of noncompliance or other matters that is required to be reported under Government Auditing Standards and audit requirements as prescribed by Division of Finance, Department of Education, State of New Jersey and which are described in the accompanying schedule of findings and questioned costs as item 2010-1.

We also noted certain matters that we reported to management of the Cresskill Board of Education in a separate report entitled, "Auditors' Management Report on Administrative Findings – Financial, Compliance and Performance" dated October 29, 2010.

Cresskill Board of Education's response to the finding identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Cresskill Board of Education's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Board of Trustees, management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*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  
October 29, 2010

# LERCH, VINCI & HIGGINS, LLP

EXHIBIT K-2

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133 AND NEW JERSEY OMB CIRCULAR 04-04

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

### Compliance

We have audited the Cresskill Board of Education's compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement and the New Jersey OMB Circular 04-04 State Aid/Grant Compliance Supplement that could have a direct and material effect on each of Cresskill Board of Education's major federal and state programs for the fiscal year ended June 30, 2010. Cresskill Board of Education's major federal and state programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirement of laws, regulations, contracts and grants applicable to each of its major federal and state programs is the responsibility of the Cresskill Board of Education's management. Our responsibility is to express an opinion on Cresskill Board of Education's compliance based on our audit.

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 Division of Finance, Department of Education, State of New Jersey; OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and New Jersey OMB Circular 04-04, 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 federal or state program occurred. An audit includes examining, on a test basis, evidence about 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. Our audit does not provide a legal determination on Cresskill Board of Education's compliance with those requirements.

In our opinion, Cresskill Board of Education complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal and state programs for the fiscal year ended June 30, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04 and which are described in the accompanying schedule of findings and questioned costs as item 2010-2 and 2010-3.

### Internal Control Over Compliance

Management of Cresskill Board of Education is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal and state programs. In planning and performing our audit, we considered Cresskill Board of Education's internal control over compliance with requirements that could have a direct and material effect on a major federal or state program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133 and New Jersey OMB Circular 04-04, 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 Board's internal control over compliance.

A deficiency in internal control over compliance 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 noncompliance with a type of compliance requirement of a federal or state program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal or state program will not be prevented, or detected and corrected on a timely basis.

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 deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified a certain deficiency in internal control over compliance that we consider to be a significant deficiency as described in the accompanying schedule of findings and questioned costs as item 2010-2. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal or state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The Board of Education's response to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the Board of Education's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of the Board of Trustees, management, the New Jersey State Department of Education and other federal and state awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

*Lerch, Vinci & Higgins, LLP*  
 LERCH, VINCI & HIGGINS, LLP  
 Certified Public Accountants  
 Public School Accountants

*D. Japhet*  
 Donna L. Japhet  
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 PSA Number CS002314

**CRESKILL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

Federal CFDA Number	Grant or State Project Number	Grant Period	Award Amount	Balance July 1, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Cancelled Prior Year Orders	Refund of Prior Years' Balances	(Accounts Receivable)	June 30, 2010 Deferred Revenue	Due to Grantor
<b>U.S. Department of Agriculture</b>												
<b>Passed-through State Department of Education</b>												
10.555	N/A	9/1/09-6/30/10	\$ 12,458			\$ 12,022	\$ 12,458			\$ (436)		
10.555	N/A	9/1/08-6/30/09	10,841	(622)		622				(241)		
10.556	N/A	9/1/09-6/30/10	3,752	(353)		3,511	3,752					
	N/A	9/1/08-6/30/09	4,512			353						
10.555	N/A	9/1/09-6/30/10	11,207			11,207	10,479				\$ 728	
10.555	N/A	9/1/08-6/30/09	7,821	67			67					
Total U.S. Department of Agriculture				(908)	-	27,715	26,756	-	-	(677)	728	-
<b>U.S. Department of Education</b>												
<b>Passed-through State Department of Education</b>												
84.367a	NCLB0990-10	9/1/09-8/31/10	23,629		\$ 223	12,040	23,852			(11,589)		
84.367a	NCLB0990-09	9/1/08-8/31/09	23,225	(4,785)	(223)	12,730	7,719				3	
84.365A	NCLB0990-10	9/1/09-8/31/10	19,466		1,025	11,317	20,887			(8,545)		
84.365A	NCLB0990-09	9/1/08-8/31/09	19,956	(8,218)	(1,025)	9,243				(6,803)		
84.365A	NCLB0990-10	9/1/09-8/31/10	47,696			9,432	16,235			(2,500)		
84.186A	NCLB0990-10	9/1/09-8/31/10	2,691			2,839	2,500			(131,444)	89	
84.186A	NCLB0990-09	9/1/08-8/31/09	2,839	(2,058)		170,699	692					
84.027	FT-0990-10	9/1/09-8/31/10	302,143			121,513	302,143					
84.027	FT-0990-09	9/1/08-6/30/09	304,532	(121,513)		141,399				(189,181)		
84.391	ARRA542010	9/1/09-6/30/11	378,431			1,700	330,580			(11,999)		
84.392	ARRA542010	9/1/09-6/30/11	13,699			2,347	13,699			(11,029)		
84.173	PS-0990-10	9/1/09-8/31/10	13,376			646	13,376					
84.173	PS-0990-09	9/1/08-8/31/09	13,401	(646)								
Total U.S. Department of Education				(137,220)	-	495,905	731,683	-	-	(373,090)	92	-
Total				\$ (138,128)	\$ -	\$ 523,620	\$ 758,459	\$ -	\$ -	\$ (373,767)	\$ 820	\$ -

CRENSHILL BOARD OF EDUCATION  
SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010

State Grantor/Program Title	Grant or State Project Number	Grant Period	Award Amount	Balance, July 1, 2009	Carryover Amount	Cash Received	Budgetary Expenditures	Balance Cancelled	Refund of Prior Years' Balances	(Accounts Receivable)	June 30, 2010 Deferred Revenue	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures
<b>State Department of Education</b>														
Current Expense														
Special Education Categorical Aid	10-495-034-5120-089	7/1/09-6/30/10	\$ 975,523	\$ (67,148)	\$	\$ 894,379	\$ 975,523			\$ (81,194)				\$ 975,523
Special Education Aid	7/1/08-6/30/09		967,955			67,148								
Transportation Aid	10-495-034-5120-014	7/1/08-6/30/10	80,940	(8,043)		74,205	80,940			(6,737)				80,940
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	127,481	(8,838)		116,870	127,481			(106,611)				127,481
Security Aid	7/1/08-6/30/09		127,020			8,838								
Security Aid	10-495-034-5120-084	7/1/09-6/30/10	347,905	(462,954)		462,954	347,905			(347,905)				347,905
Security Aid	7/1/08-6/30/09		462,954											
TPAF On Behalf Pension Contribution	10-100-034-5095-007	7/1/09-6/30/10	36,419			37,479	37,479							37,479
TPAF On Behalf Pension Contribution	7/1/09-6/30/10		694,786			705,911	705,911							705,911
TPAF Social Security Tax	10-100-034-5095-002	7/1/09-6/30/10	791,230	(42,311)		832,152	897,275			(45,123)			\$ (45,123)	897,275
TPAF Social Security Tax	7/1/08-6/30/09		850,231			42,311								
				(589,494)		3,368,438	3,170,512			(491,568)			(45,123)	3,170,512
<b>Total General Fund</b>														
Special Revenue Fund														
New Jersey Nonpublic Aid	10-100-034-5120-064	7/1/09-6/30/10	13,215			13,215	12,206			\$ 1,009				12,206
Textbook Aid	7/1/08-6/30/09		11,324	39		15,672	15,672		\$ (39)					15,672
Nursing Services	10-100-034-5120-070	7/1/09-6/30/10	15,286	459					(459)					
Nursing Services	7/1/08-6/30/09													
Auxiliary Services	10-100-034-5120-067	7/1/09-6/30/10	14,778	1,827		14,778	12,180		(1,827)					12,180
English as a Second Language	7/1/08-6/30/09		7,714											
English as a Second Language	10-100-034-5120-067	7/1/09-6/30/10	19,194	14,034		19,194	10,053		(14,034)					10,053
Compensation Education	7/1/08-6/30/09		17,916											
Compensation Education	10-100-034-5120-068	7/1/09-6/30/10	5,909			5,909	4,000							4,000
Transportation	7/1/08-6/30/09													
Handicapped Services	10-100-034-5120-066	7/1/09-6/30/10	22,852	8,717		22,852	14,603		(8,717)					14,603
Handicapped Services	7/1/08-6/30/09		26,546											
Examination and Classification	10-100-034-5120-066	7/1/09-6/30/10	26,005	2,418		26,005	16,275		(2,418)					16,275
Examination and Classification	7/1/08-6/30/09		18,042											
Corrective Speech	10-100-034-5120-068	7/1/09-6/30/10	1,747			1,947	3,286		(2,389)					3,286
Corrective Speech	7/1/08-6/30/09		10,408											
Supplemental Instruction	10-100-034-5120-066	7/1/09-6/30/10												
Supplemental Instruction	7/1/08-6/30/09													
				(29,880)		129,372	90,275		(29,880)					90,275
<b>Total Special Revenue Fund</b>														
Capital Projects Fund														
NI EDA - SDA Grants	0990-060-05-1000	7/1/09-6/30/10	7,759,752	(349,219)		3,491,889		30						
Renovations to High School	7/1/08-6/30/09		1,332,755	(63,397)										
Renovations to Merritt Memorial School	0990-060-05-1000	7/1/09-6/30/10	1,629,430	(87,373)		87,365		10						
Renovations to Edward H. Bryan School	0990-060-05-1000	7/1/09-6/30/10	77,010	(3,465)		2,914		551						
Int. Door Rep. - Bryan Elem. School	0990-060-05-OA.XV	7/1/09-6/30/10	46,644	(2,332)		1,846		486						
Int. Door Rep. - Merritt Elem. School	0990-060-05-08AA	7/1/09-6/30/10												
				(505,986)		504,909		1,077						
Debt Service	10-495-034-5120-017	7/1/09-6/30/10	41,090			41,090	41,090							41,090
Debt Service Aid - State Support														
<b>Total Debt Service Fund</b>														
Enterprise Fund														
National School Lunch Program	10-100-010-3330-023	7/1/09-6/30/10	1,316	(75)		1,271	1,316			(45)			(45)	1,316
National School Lunch Program	7/1/08-6/30/09		1,473			75								
				(75)										
				(75)		1,346	1,316			(45)			(45)	1,316
<b>Total Enterprise Fund</b>														
<b>Total State Financial Assistance</b>														
				(1,065,665)		3,945,355	3,303,193	1,077	(29,890)	(491,613)			(45,168)	3,303,193
<b>State Financial Assistance Not Subject to Single Audit Determination</b>														
General Fund	10-100-034-5095-007	7/1/09-6/30/10	36,419			(37,479)								
General Fund	7/1/09-6/30/10		694,786			(705,911)								
On-Behalf TPAF Pension System Contrib.	10-100-034-5095-001	7/1/09-6/30/10												
On-Behalf TPAF Post Retirement Medical	7/1/09-6/30/10													
<b>Total State Financial Assistance Subject to Single Audit</b>														
				(1,065,665)		3,203,965	2,561,805	1,077	(29,890)	(491,613)			(45,168)	3,303,193

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, 2010**

**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 basic 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 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 bases of accounting are described in Notes 1(C) to the Board's basic financial statements.

**NOTE 3 RELATIONSHIP TO BASIC FINANCIAL STATEMENTS**

The basic financial statements present the general fund and special revenue fund on a GAAP basis. Budgetary comparison statements or schedules (RSI) are presented for the general fund and special revenue fund to demonstrate finance-related legal compliance in which certain revenue is permitted by law or grant agreement to be recognized in the 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 delay and recording of certain state aid payments in the subsequent year. The special revenue fund is presented in the accompanying schedules on the grant accounting budgetary basis which recognizes encumbrances as expenditures and also recognizes the related revenues, which may include the delayed state aid payments, whereas the GAAP basis does not. The special revenue fund also recognizes the delayed state aid payments in the current budget year, consistent with N.J.S.A. 18A:22-44.2.

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$100,738 for the general fund and a decrease of \$19,026 for the special revenue fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's basic financial statements on a GAAP basis as presented as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
General Fund		\$ 3,271,250	\$ 3,271,250
Special Revenue Fund	\$ 705,557	90,275	795,832
Debt Service Fund		41,090	41,090
Food Service Fund	<u>26,756</u>	<u>1,316</u>	<u>28,072</u>
Total Financial Assistance	<u>\$ 732,313</u>	<u>\$ 3,403,931</u>	<u>\$ 4,136,244</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, 2010**

**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**

Revenues and expenditures reported under the National School Lunch Program as non-cash assistance represent current year value received and current year distributions, respectively of the Federal Food Distribution Program. TPAF Social Security contributions in the amount of \$897,275 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the year ended June 30, 2010. The amount reported as TPAF Pension System Contributions in the amount of \$37,479 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$703,911 represents the amount paid by the State on behalf of the District for the year ended June 30, 2010.

**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 basic 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, 2010**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

Type of auditors' report issued on financial statements Unqualified

Internal control over financial reporting:

1) Material weakness(es) identified        yes   X   no

2) Significant deficiency(ies) identified that are not considered to be material weakness(es)?   X   yes        none reported

Noncompliance material to basic financial statements noted?   X   yes        no

**Federal Awards Section**

Internal Control over major programs:

1) Material weakness(es) identified        yes   X   no

2) Significant deficiency(ies) identified that are not considered to be material weakness(es)?   X   yes        none reported

Type of auditor's report issued on compliance for major programs Unqualified

Any audit findings disclosed that are required to be reported in accordance with section .510(a) of Circular A-133?   X   yes        no

Identification of major federal programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>84.027</u>	<u>IDEA Part B Basic</u>
<u>84.173</u>	<u>IDEA Preschool</u>
<u>84.391</u>	<u>IDEA Part B Basic - ARRA</u>
<u>84.392</u>	<u>IDEA Preschool - ARRA</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 BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

*Part 2 – Schedule of Financial Statement Findings*

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

**Finding 2010-1:**

Our audit of budget account charges in the General Fund, Special Revenue Fund and Community Step to Independence (“CSI”) Fund revealed numerous expenditures were not charged to the proper budget line accounts. We noted budget account charges for supplies and equipment were not classified and charged to the proper budget line accounts. The financial statements and budget accounts were adjusted to reclassify these expenditures to the proper budget line item accounts.

**Criteria or specific requirement:**

The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition and NJAC 6A:23.2.2(f).

**Condition:**

Line item account determinations were not being carefully reviewed and/or monitored, which resulted in certain misclassifications.

**Questioned Costs:**

None.

**Context:**

The District misclassified \$53,892 of capital outlay purchases to Regular Programs Instruction – Other Purchases Services in the General Fund. In addition \$56,987 of charges misclassified to capital outlay should have been Instruction General Supplies in the Special Revenue Fund. Also, general supplies totaling \$11,485 purchased in the CSI Enterprise Fund were misclassified to maintenance and repairs.

**Effect:**

None – financial statements have been adjusted for audit presentation.

**Cause:**

Unknown.

**Recommendation:**

The District should reference The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with New Jersey Administrative Code.

**View of Responsible Officials and Planned Corrective Action:**

Management has reviewed this finding and has indicated it will review and revise its procedures to ensure corrective action is taken.

**CRESSKILL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

*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 04-04.

**CURRENT YEAR FEDERAL AWARDS**

**Finding 2010-2**

Our audit of budget account charges in the General Fund, Special Revenue Fund and Community Step to Independence ("CSI") Fund revealed numerous expenditures were not charged to the proper budget line accounts. We noted budget account charges for supplies and equipment were not classified and charged to the proper budget line accounts. The financial statements and budget accounts were adjusted to reclassify these expenditures to the proper budget line item accounts.

**Federal program information:**

IDEA Part B Basic – ARRA 84,391

**Criteria or specific requirement:**

Grant Compliance Supplement

**Condition:**

See Finding

**Questioned Costs:**

Unknown

**Context:**

The District's internal records show charges in the amount of \$101,931 for capital related items. However, only \$62,297 were true capital items – client subsequently amended ARRA – Basic application and submitted correct charges to the State per E-WEG. However, the District's internal budget records do not agree to State E-WEG.

**Effect:**

See Finding 2010-1.

**Cause:**

Unknown.

**Recommendation:**

The District should reference The Uniform Minimum Chart of Accounts for New Jersey Public Schools, 2008 Edition and other available reference materials, such as the Budget Guidelines for the proper classifications required to be in compliance with New Jersey Administrative Code.

**View of Responsible Officials and Planned Corrective Action**

Management has reviewed this finding and has indicated it will review and revise the procedures to ensure corrective action is taken.

**CRESSKILL BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

*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 04-04.

**CURRENT YEAR STATE AWARDS**

**Finding 2010-3**

Our audit of expenditures revealed that:

- Quotes were not obtained for certain building renovations, the auditorium/stage repairs, installation of fencing around the High School track and football field and for the fire alarm upgrades to the Tallman House all of which exceeded 15% of the current school year bid threshold.

**Information on the State Program**

State Aid Public

**Criteria or Specific Requirement**

N.J. Department of Education – Grant Compliance Supplement.

**Condition**

The District did not obtain quotes for certain purchases in excess of 15% of the bid threshold.

**Questioned Costs**

Unknown.

**Context**

See Condition

**Effect**

Unknown.

**Cause**

Unknown

**Recommendation**

Internal controls regarding school purchasing be enhanced to ensure at least two quotes are properly obtained in compliance with the New Jersey Public School Contracts Law.

**Views of Responsible Officials and Planned Corrective Action**

Management has reviewed this finding and has indicated it will implement procedures to ensure corrective action is taken.

**CRESSKILL BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND QUESTIONED COSTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2010**

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 2009-1**

Our audit of payroll revealed that a certain compensatory benefit in accordance with an employee's contract was not properly reported on the employee's IRS W-2 Form.

**Status**

Corrective action was taken