

BOROUGH OF CRESSKILL
BERGEN COUNTY, NEW JERSEY
REPORT OF AUDIT
YEAR ENDED DECEMBER 31, 2020

BOROUGH OF CRESSKILL

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BOROUGH OF CRESSKILL
BERGEN COUNTY, NEW JERSEY

PART I

REPORT ON AUDIT OF FINANCIAL STATEMENTS

AND SUPPLEMENTARY SCHEDULES

YEAR ENDED DECEMBER 31, 2020



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and
Members of the Borough Council
Borough of Cresskill
Cresskill, New Jersey

Report on the Financial Statements

We have audited the accompanying balance sheets - regulatory basis of the various funds and account group of the Borough of Cresskill, as of December 31, 2020 and 2019, and the related statements of operations and changes in fund balance - regulatory basis for the years then ended, and the related statement of revenues - regulatory basis and statement of expenditures - regulatory basis of the various funds for the year ended December 31, 2020, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

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

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

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the financial statements are prepared by the Borough of Cresskill on the basis of the financial accounting and reporting provisions and practices that demonstrate compliance with the regulatory basis of accounting and budget laws prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the financial reporting requirements of the State of New Jersey for municipal government entities.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the “Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles” paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of each fund of the Borough of Cresskill as of December 31, 2020 and 2019, or changes in financial position, or, where applicable, cash flows for the years then ended.

Basis for Qualified Opinion on Regulatory Basis of Accounting

As discussed in Note 18 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2020 and 2019. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 17 percent and 18 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2020 and 2019.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the possible effects of such adjustments, if any, as might have been determined to be necessary had the LOSAP Trust Fund financial statements been audited as described in the “Basis for Qualified Opinion on Regulatory Basis of Accounting” paragraph above, the financial statements – regulatory basis referred to above present fairly, in all material respects, the financial position – regulatory basis of the various funds and account group of the Borough of Cresskill as of December 31, 2020 and 2019, and the results of operations and changes in fund balance – regulatory basis of such funds for the years then ended and the respective revenues – regulatory basis and expenditures – regulatory basis of the various funds for the year ended December 31, 2020 in accordance with the financial accounting and reporting provisions and practices prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey as described in Note 1.

Other Matters

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements of the Borough of Cresskill as a whole. The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards, schedule of expenditures of state financial assistance and the supplementary data and letter of comments and recommendations section are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Cresskill.

The supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary schedules listed in the table of contents, schedule of expenditures of federal awards and schedule of expenditures of state financial assistance are fairly stated, in all material respects, in relation to the financial statements as a whole on the basis of accounting described in Note 1.

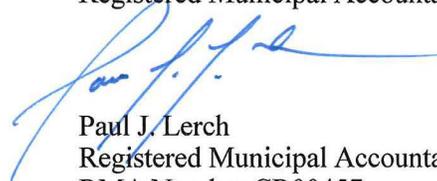
The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

Other Reporting Required by *Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated September 23, 2021 on our consideration of the Borough of Cresskill's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Cresskill's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Cresskill's internal control over financial reporting and compliance.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

Fair Lawn, New Jersey
September 23, 2021

BOROUGH OF CRESSKILL
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
CURRENT FUND
AS OF DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Cash	A-4	\$ 11,948,988	\$ 11,588,334
Change Fund	A-5	150	150
Grant Receivable	A-7	<u>18,003</u>	<u>15,311</u>
		<u>11,967,141</u>	<u>11,603,795</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-9	680,491	767,039
Tax Title Liens	A-10	112,695	108,016
Property Acquired for Taxes - Assessed Valuation	A-11	38,600	38,600
Revenue Accounts Receivable	A-12	2,986	2,986
Due from General Capital Fund	C-12	901	36,307
Due from Animal Control Trust Fund	B-11	1	4
Due from Assessment Trust Fund	B-8	1	1
Due from Unemployment Trust Fund	B-14	33	7
Due from Other Trust Fund	B-16	<u>207</u>	<u>20,291</u>
		<u>835,915</u>	<u>973,251</u>
Total Assets		<u>\$ 12,803,056</u>	<u>\$ 12,577,046</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	A-3,A-13	\$ 1,076,669	\$ 863,752
Encumbrances Payable	A-14	294,446	318,883
Accounts Payable	A-15	22,375	11,614
Other Fees Payable	A-16	3,823	2,261
Miscellaneous Reserves	A-22	539,085	330,453
Appropriated Reserves	A-23	147,286	137,510
Unappropriated Reserves	A-26	-	9,656
Due to State of NJ - Senior & Veterans	A-8	7,979	7,729
Prepaid Taxes	A-17	366,194	387,932
Tax Overpayments	A-18	68,715	23,740
Local District School Taxes Payable	A-21	6,031,961	6,180,204
County Taxes Payable	A-20	14,490	13,359
Unearned Revenue	A-27	3,698	3,688
Reserve for Tax Appeals Pending	A-24	<u>394,884</u>	<u>601,144</u>
		<u>8,971,605</u>	<u>8,891,925</u>
Reserve for Receivables and Other Assets	A	835,915	973,251
Fund Balance	A-1	<u>2,995,536</u>	<u>2,711,870</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 12,803,056</u>	<u>\$ 12,577,046</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF CRESSKILL
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS - CURRENT FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
REVENUE AND OTHER INCOME REALIZED			
Fund Balance Utilized	A-2	\$ 2,200,000	\$ 2,100,000
Miscellaneous Revenue Anticipated	A-2	2,239,854	2,266,500
Receipts from Delinquent Taxes	A-2	766,781	774,757
Receipts from Current Taxes	A-2	51,759,134	50,616,396
Non-Budget Revenue	A-2	328,362	342,315
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-13	466,763	570,508
Prior Year Interfunds Returned	A	56,610	2,293
Cancellation of Accounts Payable	A-15	1,614	
Cancellation of Tax Overpayments	A-18	<u>5,894</u>	<u>6,332</u>
		<u>57,825,012</u>	<u>56,679,101</u>
EXPENDITURES			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	9,108,900	8,806,700
Other Expenses	A-3	6,688,868	6,618,226
Capital Improvements	A-3	173,000	95,000
Municipal Debt Service	A-3	1,770,739	1,714,299
Deferred Charges and Statutory Expenditures	A-3	1,951,409	1,908,264
County Taxes	A-19	5,580,499	5,440,044
Due County for Added Taxes	A-20	14,490	13,359
Municipal Open Space Tax	B-23	216,327	214,091
Local District School Taxes	A-21	29,827,768	29,653,319
Refund Prior Year Revenue	A-4	8,203	75
Prior Year Senior Citizen's Deductions Disallowed	A-1		250
Refund of Current Year Revenue	A-1		448
Current Year Interfunds Established	A	<u>1,143</u>	<u>56,610</u>
		<u>55,341,346</u>	<u>54,520,685</u>
Excess in Revenue		2,483,666	2,158,416
Fund Balance, January 1	A,A-1	<u>2,711,870</u>	<u>2,653,454</u>
		5,195,536	4,811,870
Decreased by:			
Utilization as Anticipated Revenue	A-2	<u>2,200,000</u>	<u>2,100,000</u>
Fund Balance, December 31	A	<u>\$ 2,995,536</u>	<u>\$ 2,711,870</u>

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF CRESSKILL
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Reference</u>	<u>Budget</u>	<u>Added by:</u> <u>N.J.S.40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 2,200,000	-	\$ 2,200,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-12	8,900		8,904	\$ 4
Other	A-2	14,000		12,070	(1,930)
Fees and Permits					
Other	A-2	140,000		162,661	22,661
Fines and Costs - Municipal Court	A-12	30,000		11,727	(18,273)
Interest and Costs on Taxes	A-12	100,000		133,569	33,569
Interest on Investments and Deposits	A-2	100,000		103,883	3,883
Energy Receipts Tax	A-12	818,122		818,122	-
Uniform Construction Code Fees	A-12	300,000		361,948	61,948
Recycling Tonnage Grant	A-26	9,656		9,656	-
Municipal Alliance on Alcoholism and Drug Abuse	A-7	5,501		5,501	-
Body Armor Grant	A-7	920	\$ 3,261	4,181	-
Clean Communities Program	A-7	-	17,031	17,031	-
Uniform Fire Safety Act	A-12	3,700		12,329	8,629
Reserve for Payment of Bonds	A-12,C-14	149,122		149,122	-
Capital Fund Balance	A-12,C-1	16,000		16,000	-
Assessment Trust Fund Balance	A-12,B-3	3,225		3,225	-
Payment In Lieu of Taxes-Cresskill Residential	A-12	119,084		119,084	-
Payment In Lieu of Taxes-6 Madison Ave	A-12	41,572		52,952	11,380
Ambulance Billing - Third Party	A-12	275,000	-	237,889	(37,111)
 Total Miscellaneous Revenues	 A-1	 2,134,802	 20,292	 2,239,854	 84,760
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	650,000	-	766,781	116,781
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Minimum Library Tax		776,839		776,839	-
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes		15,662,983	-	16,545,211	882,228
	A-2	16,439,822	-	17,322,050	882,228
 Budget Totals	 A-3	 \$ 21,424,624	 \$ 20,292	 22,528,685	 \$ 1,083,769
Non-Budget Revenue	A-1,A-2			328,362	
				<u>\$ 22,857,047</u>	

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF CRESSKILL
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Revenue from Collections	A-1, A-9	\$ 51,759,134
Allocated School, County and Open Space Taxes	B-23,A-19,A-20,A-21	<u>36,039,084</u>
Balance for Support of Municipal Budget Appropriations		15,720,050
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,602,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 17,322,050</u>
Licenses - Other		
Borough Clerk	A-12	\$ 1,820
Board of Health	A-12	<u>10,250</u>
	A-2	<u>\$ 12,070</u>
Fees and Permits		
Borough Clerk	A-12	\$ 40,728
Planning Board	A-12	1,840
Zoning Board	A-12	11,115
Tax Collector	A-12	84,015
Fire Prevention	A-12	22,074
Police Department	A-12	1,251
Board of Health	A-12	<u>1,638</u>
	A-2	<u>\$ 162,661</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-12	\$ 82,717
Due from Assessment Trust Fund	B-8	8
Due from Animal Control Trust Fund	B-11	50
Due from Other Trust Fund	B-16	3,267
Due from Unemployment Trust Fund	B-14	227
Due from General Capital Fund	C-12	<u>17,614</u>
	A-2	<u>\$ 103,883</u>

BOROUGH OF CRESSKILL
STATEMENT OF REVENUES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020
(Continued)

Analysis of Non-Budget Revenue		
Cell Tower Rent		\$ 162,848
Admin Fee - Outside Police Duty		46,279
Miscellaneous		9,727
Cable Franchise Fees		34,229
Interest on Cresskill Board of Education Lease		30,288
Insurance Refund		12,173
Snowplowing Reimbursements		3,330
Rental Agreement - Tallman House		10,000
LOSAP - Non Vested Funds Returned		10,223
Cat Licenses		1,224
Admin Fee - Senior and Veteran's Discount		830
Interest on Assessments		258
Sale of Assets		<u>6,953</u>
	A-1,A-2	<u>\$ 328,362</u>
Non Budget Revenue		\$ 326,880
Due from Assessment Trust Fund	B-8	258
Due from Animal Control Trust Fund	B-11	<u>1,224</u>
Total Non Budget Revenue	A-1	<u>\$ 328,362</u>

BOROUGH OF CRESSKILL
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriated</u>		<u>Expended</u>		<u>Cancelled</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATIONS - WITHIN "CAPS"					
GENERAL GOVERNMENT					
General Administration					
Salaries and Wages	\$ 30,000	\$ 6,000	\$ 1	\$ 5,999	
Mayor and Council					
Other Expenses	20,000	13,000	3,261	9,739	
Municipal Clerk					
Salaries and Wages	270,000	287,000	269,106	17,894	
Other Expenses	51,000	51,000	36,625	14,375	
Financial Administration					
Salaries and Wages	276,000	279,000	265,507	13,493	
Other Expenses	66,000	58,000	46,851	11,149	
Audit Services					
Other Expenses	53,000	63,000	60,869	2,131	
Computerized Data					
Salaries and Wages	10,000	10,000	10,000	-	
Other Expenses	53,000	62,000	60,340	1,660	
Revenue Administration					
Salaries and Wages	48,000	48,000	45,020	2,980	
Other Expenses	10,000	10,000	6,588	3,412	
Tax Assessment Administration					
Salaries and Wages	38,000	38,000	35,375	2,625	
Other Expenses	78,000	78,000	65,205	12,795	
Legal Services and Costs					
Other Expenses	205,000	205,000	200,787	4,213	
Engineering Services and Costs					
Other Expenses	60,000	60,000	33,995	26,005	
Historical Committee					
Other Expenses	3,000	3,000	1,550	1,450	
LAND USE ADMINISTRATION					
Planning Board					
Salaries and Wages	15,500	15,500	14,676	824	
Other Expenses	47,000	47,000	16,893	10,107	\$ 20,000
Zoning Board of Adjustment					
Salaries and Wages	5,500	5,500	3,790	1,710	
Other Expenses	6,800	6,800	3,361	3,439	
INSURANCE					
Unemployment Insurance	40,000	80,000	80,000	-	
General Liability	251,900	251,900	238,400	13,500	
Workman's Compensation	250,100	250,100	250,064	36	
Employee Group Health	1,200,000	1,145,000	1,076,978	18,022	50,000
MUNICIPAL COURT FUNCTION					
Municipal Court					
Salaries and Wages	74,000	74,000	63,112	10,888	
Other Expenses	7,100	7,100	3,948	3,152	

BOROUGH OF CRESSKILL
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)					
PUBLIC SAFETY FUNCTIONS					
Police					
Salaries and Wages - Regular	\$ 4,080,000	\$ 4,095,000	\$ 3,801,319	\$ 293,681	
Salaries and Wages - School Marshals	312,000	272,000	263,364	8,636	
Salaries and Wages - Specials	10,000	10,000	2,946	7,054	
Other Expenses	276,000	276,000	229,653	46,347	
Emergency Management Services					
Salaries and Wages	15,000	15,000	7,500	7,500	
Other Expenses	19,500	15,500	10,251	5,249	
Emergency Medical Service					
Salaries and Wages - Ambulance	340,000	340,000	333,123	6,877	
Other Expenses - Contribution	65,000	65,000	41,381	23,619	
Fire					
Fire Sub Code Salaries and Wages	640,000	670,000	640,195	29,805	
Other Expenses	116,000	101,000	73,374	27,626	
Fire Hydrant Service	140,000	136,000	124,561	11,439	
Municipal Prosecutor					
Contractual	16,500	16,500	13,289	3,211	
PUBLIC WORKS FUNCTIONS					
Streets and Roads Maintenance					
Salaries and Wages - Regular	2,325,000	2,345,000	2,237,436	107,564	
Salaries and Wages - Snow Removal	37,000	37,000	34,223	2,777	
Other Expenses	140,500	120,500	49,358	46,142	\$ 25,000
Other Public Works Functions					
Shade Tree Commission					
Other Expenses	7,200	7,200	908	6,292	
Solid Waste Collection					
Salaries and Wages - Recycling	9,400	9,400	6,267	3,133	
Other Expenses - Sanitation	401,000	401,000	400,979	21	
Other Expenses-Recycling	322,400	322,400	308,485	13,915	
Buildings and Grounds					
Salaries and Wages	44,000	37,000	30,093	6,907	
Other Expenses	112,000	134,000	133,215	785	
Vehicle Maintenance					
Other Expenses	100,000	100,000	92,275	7,725	
HEALTH AND HUMAN SERVICES					
Public Health Services					
Salaries and Wages	46,000	46,000	43,889	2,111	
Other Expenses	15,300	15,300	4,398	10,902	
Environmental Commission (NJS 40:56-1 seq.)					
Other Expenses	5,000	5,000	1,388	3,612	
Animal Control Services					
Other Expenses	2,000	2,000	2,000	-	
Welfare/Administration of Public Service					
Salaries and Wages	15,000	15,000	14,280	720	
Other Expenses	500	500	-	500	

BOROUGH OF CRESSKILL
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
PARK AND RECREATION FUNCTIONS					
Recreation Services and Programs					
Salaries and Wages	\$ 180,000	\$ 180,000	\$ 170,065	\$ 9,935	
Other Expenses	73,000	108,000	88,695	19,305	
Senior Citizens					
Salaries and Wages	73,000	73,000	66,363	6,637	
Other Expenses	40,200	40,200	17,217	7,983	\$ 15,000
Maintenance of Parks					
Other Expenses	31,750	31,750	29,519	2,231	
OTHER COMMON OPERATING FUNCTIONS					
Celebration of Public Events					
Other Expenses	30,000	15,000	3,107	11,893	
HEALTH AND HUMAN SERVICES FUNCTIONS					
Hepatitis "B" Inoculations -					
Other Expenses - PEOSHA	2,000	2,000	-	2,000	
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17) CODE ENFORCEMENT AND ADMINISTRATION					
Construction Code Official					
Salaries and Wages	145,000	145,000	129,416	10,584	5,000
Other Expenses	35,000	35,000	9,545	10,455	15,000
Sub-Code Officials					
Plumbing Inspector					
Salaries and Wages	19,000	19,000	17,200	1,800	
Electrical Inspector					
Salaries and Wages	16,000	16,000	12,462	3,538	
Fire Inspector					
Salaries and Wages	10,000	10,000	8,835	1,165	
Other Expenses	4,600	4,600	1,785	2,815	
UTILITY EXPENSES AND BULK PURCHASES					
Electricity	125,000	125,000	104,176	20,824	
Street Lighting	100,000	105,000	104,407	593	
Telephone	90,000	90,000	84,952	5,048	
Natural Gas	44,000	39,000	27,660	11,340	
Gasoline	90,000	90,000	48,517	21,483	20,000
Water	33,000	33,000	31,494	1,506	
Sewer System - Other Expenses	41,000	46,000	44,103	1,897	

**BOROUGH OF CRESSKILL
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - WITHIN "CAPS" (Continued)					
LANDFILL/SOLID WASTE DISPOSAL					
COSTS					
Dumping Fees	\$ 245,000	\$ 273,000	\$ 264,354	\$ 8,646	-
Total Operations Within "CAPS"	<u>14,208,750</u>	<u>14,243,750</u>	<u>13,056,324</u>	<u>1,037,426</u>	<u>\$ 150,000</u>
Total Operations Including Contingent Within "CAPS"	<u>14,208,750</u>	<u>14,243,750</u>	<u>13,056,324</u>	<u>1,037,426</u>	<u>150,000</u>
Detail:					
Salaries and Wages	9,099,900	9,113,900	8,538,852	570,048	5,000
Other Expenses	<u>5,108,850</u>	<u>5,129,850</u>	<u>4,517,472</u>	<u>467,378</u>	<u>145,000</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"					
Deferred Charges -					
Deficit in Community Center	13,016	13,016	13,016	-	
Statutory Charges					
Contribution to:					
Defined Contribution Retirement Program	25,000	15,000	11,807	3,193	-
Social Security System (O.A.S.I.)	390,000	390,000	387,420	2,580	
Police and Firemen Retirement System	1,083,880	1,083,880	1,083,880	-	
Public Employees' Retirement System	<u>448,634</u>	<u>423,634</u>	<u>419,335</u>	<u>4,299</u>	<u>-</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>1,960,530</u>	<u>1,925,530</u>	<u>1,915,458</u>	<u>10,072</u>	<u>-</u>
Total General Appropriations for Municipal Purposes - Within "CAPS"	<u>16,169,280</u>	<u>16,169,280</u>	<u>14,971,782</u>	<u>1,047,498</u>	<u>150,000</u>
OPERATIONS - EXCLUDED FROM "CAPS"					
EDUCATION FUNCTIONS					
Maintenance of Free Public Library	776,839	776,839	776,839	-	
SEWERAGE PROCESSING AND DISPOSAL					
Bergen County Utilities Authority-Sewer Fees	662,935	662,935	662,934	1	
OTHER COMMON OPERATING FUNCTIONS					
Tax Appeals	100,000	100,000	100,000	-	
Recycling Tax	12,000	12,000	11,091	909	

**BOROUGH OF CRESSKILL
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
PUBLIC SAFETY FUNCTION					
Fire - LOSAP	\$ 10,000	\$ 10,000	\$ 10,000	-	-
Total Other Operations Excluded from "CAPS"	<u>1,561,774</u>	<u>1,561,774</u>	<u>1,560,864</u>	<u>\$ 910</u>	<u>-</u>
Interlocal Municipal Service Agreements					
Police Dispatch 911	5,000	5,000	5,000	-	
Interlocal Recycling - Alpine	67,500	67,500	67,500	-	
Interlocal Public Health Services - County of Bergen	<u>32,000</u>	<u>32,000</u>	<u>31,187</u>	<u>813</u>	<u>-</u>
Total Interlocal Municipal Service Agreements	<u>104,500</u>	<u>104,500</u>	<u>103,687</u>	<u>813</u>	<u>-</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES					
Municipal Drug Alliance Program					
State Share	5,501	5,501	-	5,501	
Borough Share	1,375	1,375	-	1,375	
State Recycling Grant	9,656	9,656	-	9,656	
Body Armor Fund Grant	920	4,181	4,181	-	
Clean Communities Grant	<u>-</u>	<u>17,031</u>	<u>6,652</u>	<u>10,379</u>	<u>-</u>
Total Public and Private Programs Offset By Revenues	<u>17,452</u>	<u>37,744</u>	<u>10,833</u>	<u>26,911</u>	<u>-</u>
Total Operations Excluded from "CAPS"	<u>1,683,726</u>	<u>1,704,018</u>	<u>1,675,384</u>	<u>28,634</u>	<u>-</u>
Detail:					
Other Expenses	<u>1,683,726</u>	<u>1,704,018</u>	<u>1,675,384</u>	<u>28,634</u>	<u>-</u>

BOROUGH OF CRESSKILL
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)					
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"					
Capital Improvement Fund	\$ 165,000	\$ 165,000	\$ 165,000	-	
Traffic Signal Equipment	8,000	8,000	7,463	\$ 537	-
Total Capital Improvements	<u>173,000</u>	<u>173,000</u>	<u>172,463</u>	<u>537</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"					
Payment of Bond Principal	1,375,000	1,375,000	1,375,000	-	
Interest on Bonds	302,814	302,814	302,814	-	
Interest on Notes	92,925	92,925	92,925	-	-
Total Municipal Debt Service Excluded from "CAPS"	<u>1,770,739</u>	<u>1,770,739</u>	<u>1,770,739</u>	<u>-</u>	<u>-</u>
DEFERRED CHARGES MUNICIPAL- EXCLUDED FROM "CAPS"					
Deferred Charges - Unfunded	<u>25,879</u>	<u>25,879</u>	<u>25,879</u>	<u>-</u>	<u>-</u>
Total Deferred Charges-Municipal Excluded from "CAPS"	<u>25,879</u>	<u>25,879</u>	<u>25,879</u>	<u>-</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,653,344</u>	<u>3,673,636</u>	<u>3,644,465</u>	<u>29,171</u>	<u>-</u>
Subtotal General Appropriations	<u>19,822,624</u>	<u>19,842,916</u>	<u>18,616,247</u>	<u>1,076,669</u>	<u>\$ 150,000</u>
Reserve for Uncollected Taxes	<u>1,602,000</u>	<u>1,602,000</u>	<u>1,602,000</u>	<u>-</u>	<u>-</u>
Total General Appropriations	<u>\$ 21,424,624</u>	<u>\$ 21,444,916</u>	<u>\$ 20,218,247</u>	<u>\$ 1,076,669</u>	<u>\$ 150,000</u>
	A-2	A-3	A-1	A,A-1	A-1

**BOROUGH OF CRESSKILL
STATEMENT OF EXPENDITURES - REGULATORY BASIS
CURRENT FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-2	\$ 21,424,624	
Added by N.J.S. 40A:4-87	A-2	<u>20,292</u>	
		<u>\$ 21,444,916</u>	
Cash Disbursed	A-4		\$ 18,221,801
Reserve for Uncollected Taxes	A-2		1,602,000
Encumbrances Payable	A-14		294,446
Reserve for Tax Appeals	A-24		<u>100,000</u>
			<u>\$ 20,218,247</u>

**BOROUGH OF CRESSKILL
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
ASSESSMENT TRUST FUND			
Cash	B-4,B-5	\$ 3,227	\$ 3,226
Assessments Receivable	B-6	<u>3,225</u>	<u>6,451</u>
		<u>6,452</u>	<u>9,677</u>
ANIMAL CONTROL TRUST FUND			
Cash	B-4	<u>2,127</u>	<u>7,493</u>
		<u>2,127</u>	<u>7,493</u>
OTHER TRUST FUND			
Cash	B-4	2,981,463	2,360,758
Police Outside Services Receivable	B-15	<u>87,113</u>	<u>94,953</u>
		<u>3,068,576</u>	<u>2,455,711</u>
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND			
Cash	B-4	<u>92,886</u>	<u>14,552</u>
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND			
Cash	B-4	782,121	572,540
Due From Swim Pool Utility Capital Fund	D-9	<u>-</u>	<u>12,000</u>
		<u>782,121</u>	<u>584,540</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Investments	B	771,098	651,640
Contribution Receivable	B	<u>10,204</u>	<u>8,434</u>
		<u>781,302</u>	<u>660,074</u>
Total Assets		<u>\$ 4,733,464</u>	<u>\$ 3,732,047</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CRESSKILL
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
TRUST FUNDS
AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
LIABILITIES, RESERVES AND FUND BALANCE			
ASSESSMENT TRUST FUND			
Reserve for			
Assessment and Liens	B-7	\$ 3,225	\$ 6,451
Due to Current Fund	B-8	1	1
Fund Balance	B-3	<u>3,226</u>	<u>3,225</u>
		<u>6,452</u>	<u>9,677</u>
ANIMAL CONTROL TRUST FUND			
Due to Current Fund	B-11	1	4
Reserve for Animal Control Expenditures	B-9	<u>2,126</u>	<u>7,489</u>
		<u>2,127</u>	<u>7,493</u>
OTHER TRUST FUND			
Due to Current Fund	B-16	207	20,291
Reserve for			
Escrow Deposits	B-17	364,747	296,656
Street Opening Deposits	B-18	3,100	2,900
Affordable Housing Trust	B-19	2,260,722	1,733,220
Payroll Salaries and Withholdings	B-20	85,217	67,939
Miscellaneous Reserves and Deposits	B-21	241,048	213,190
Police Outside Services	B-22	<u>113,535</u>	<u>121,515</u>
		<u>3,068,576</u>	<u>2,455,711</u>
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND			
Due to Current Fund	B-14	33	7
Reserve for Expenditures	B-12	<u>92,853</u>	<u>14,545</u>
		<u>92,886</u>	<u>14,552</u>
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND			
Reserve for Expenditures	B-23	<u>782,121</u>	<u>584,540</u>
LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)			
Reserve for LOSAP	B	<u>781,302</u>	<u>660,074</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 4,733,464</u>	<u>\$ 3,732,047</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CRESSKILL
STATEMENT OF REVENUES - REGULATORY BASIS
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Reference</u>	Anticipated <u>Budget</u> (Memo)	Realized in <u>2020</u>	Excess or <u>(Deficit)</u>
Amount to be Raised by Taxation	B-23	\$ 215,768	\$ 216,327	\$ 559
	B-2	\$ 215,768	216,327	<u>559</u>
Non-Budget Revenue	B-23		<u>3,280</u>	
			\$ <u>219,607</u>	

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

		Appropriated <u>Budget</u> (Memo)	Paid or <u>Charged</u>	Excess or <u>(Deficit)</u>
Reserve for Future Use		\$ 215,768	\$ 22,026	\$ 193,742
	Reference	B-1	B-23	

BOROUGH OF CRESSKILL
COMPARATIVE STATEMENT OF CHANGES IN FUND BALANCE - REGULATORY BASIS
ASSESSMENT TRUST FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	B	\$ 3,225	\$ 3,231
Increased by:			
Collections of Unpledged Assessment and Liens	B-7	<u>3,226</u>	<u>3,226</u>
		6,451	6,457
Decreased by:			
Payment to Current Fund as Anticipated Revenue	A-2	<u>3,225</u>	<u>3,232</u>
Balance, December 31	B	<u>\$ 3,226</u>	<u>\$ 3,225</u>

**BOROUGH OF CRESSKILL
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
GENERAL CAPITAL FUND
AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
ASSETS			
Cash	C-2,C-3	\$ 3,831,653	\$ 3,685,200
Grants Receivable	C-6	356,405	315,655
Due From Cresskill Board of Education	C-16	991,296	1,016,008
Deferred Charges to Future Taxation			
Funded	C-4	9,757,000	11,132,000
Unfunded	C-5	8,350,000	6,207,278
Overexpenditure of Ordinance	C-17	<u>-</u>	<u>25,879</u>
 Total Assets		 <u>\$ 23,286,354</u>	 <u>\$ 22,382,020</u>
 LIABILITIES, RESERVES AND FUND BALANCE			
Bond Anticipation Notes	C-10	\$ 8,350,000	\$ 5,310,000
Serial Bonds	C-11	9,757,000	11,132,000
Encumbrances Payable	C-8	391,291	2,211,216
Due to Current Fund	C-12	901	36,307
Reserve for Defibrillator	C-13	-	1,417
Reserve for Improvements to Firehouse	C-15	230,765	230,765
Reserve for Payment of Bonds	C-14	37,678	149,122
Reserve for Grants Receivable	C-6	306,405	265,655
Reserve for Cresskill Board of Education Receivable	C-16	991,296	1,016,008
Improvement Authorizations			
Funded	C-9	516,557	614,511
Unfunded	C-9	2,566,244	1,396,843
Capital Improvement Fund	C-7	44,865	1,290
Fund Balance	C-1	<u>93,352</u>	<u>16,886</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 23,286,354</u>	 <u>\$ 22,382,020</u>

There were bonds and notes authorized but not issued on December 31, 2020 and 2019 of \$ -0- and \$926,250 respectively (Exhibit C-18).

BOROUGH OF CRESSKILL
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS
GENERAL CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	C	\$ 16,886	\$ 13,793
Increased by:			
Improvement Authorization Cancelled by Resolution	C-9	46,207	
Premium on Notes Issued	C-2	<u>46,259</u>	<u>16,886</u>
		109,352	30,679
Decreased by:			
Anticipated as Current Fund Revenue	A-2, C-2,C-1	<u>16,000</u>	<u>13,793</u>
		<u>16,000</u>	<u>13,793</u>
Balance, December 31	C	<u>\$ 93,352</u>	<u>\$ 16,886</u>

**BOROUGH OF CRESSKILL
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS
SWIMMING POOL UTILITY FUND
AS OF DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
<u>OPERATING FUND</u>			
ASSETS			
Cash	D-5	\$ 933	\$ 101,961
Due from Swim Pool Utility Capital Fund	D-8	5	9
Deferred Charges - Operating Deficit	D-1	<u>66,167</u>	<u>-</u>
Total Assets		<u>\$ 67,105</u>	<u>\$ 101,970</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	D-3,D-16	\$ 9,988	\$ 1,534
Encumbrances Payable	D-19	9,950	10,019
Reserve for Swim and Dive Team	D-17	9,139	9,139
Reserve for Snack Bar Security Deposit	D-18	-	250
Fund Balance	D-1	<u>38,028</u>	<u>81,028</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 67,105</u>	<u>\$ 101,970</u>
<u>CAPITAL FUND</u>			
ASSETS			
Cash	D-5,D-6	\$ 17,226	\$ 17,230
Fixed Capital	D-7	781,973	781,973
Fixed Capital Authorized and Uncompleted	D-10	<u>143,059</u>	<u>143,059</u>
Total Assets		<u>\$ 942,258</u>	<u>\$ 942,262</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations	D-11	\$ 67,818	\$ 67,818
Reserve for Amortization	D-12	845,973	845,973
Reserve for Deferred Amortization	D-14	16,000	4,000
Due to Swim Pool Utility Operating Fund	D-8	5	9
Due to Municipal Open Space Trust Fund	D-9	-	12,000
Capital Improvement Fund	D-13	8,800	8,800
Fund Balance	D-4	<u>3,662</u>	<u>3,662</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 942,258</u>	<u>\$ 942,262</u>

There were bonds and notes authorized but not issued on December 31, 2020 and 2019 of \$63,059 and \$75,059 (Exhibit D-15).

The Accompanying Notes are an Integral Part of these Financial Statements

BOROUGH OF CRESSKILL
COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -
REGULATORY BASIS
SWIMMING POOL UTILITY OPERATING FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
REVENUES AND OTHER INCOME			
Fund Balance Utilized	D-2	\$ 43,000	\$ 70,000
Membership Fees	D-2	143,346	264,599
Snack Bar	D-2	10,654	66,145
Non-Budget Revenue	D-2	583	1,190
Other Credits to Income			
Cancelled Reserve Balance	D-18	250	
Unexpended Balance of Appropriation Reserves	D-1	-	14,902
		<u>197,833</u>	<u>416,836</u>
EXPENDITURES			
Operating	D-3	243,000	326,000
Deferred Charges and Statutory Expenditures	D-3	21,000	27,000
		<u>264,000</u>	<u>353,000</u>
Excess in Revenues			63,836
Deficit in Revenues		<u>\$ 66,167</u>	
Operating Deficit to be Raised in Budget of Succeeding Year	D	<u>\$ 66,167</u>	
Fund Balance, January 1	D	<u>81,028</u>	<u>87,192</u>
		81,028	151,028
Decreased by:			
Utilization by Swimming Pool Utility Operating Fund	D-1,D-2	<u>43,000</u>	<u>70,000</u>
Fund Balance, December 31	D	<u>\$ 38,028</u>	<u>\$ 81,028</u>

**BOROUGH OF CRESSKILL
STATEMENT OF REVENUES - REGULATORY BASIS
SWIMMING POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Reference</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Operating Fund Balance Anticipated	D-1	\$ 43,000	\$ 43,000	
Membership Fees	D-1,D-5	256,000	143,346	\$ (112,654)
Snack Bar	D-1,D-5	<u>60,000</u>	<u>10,654</u>	<u>(49,346)</u>
	D-3	<u>\$ 359,000</u>	197,000	<u>\$ (162,000)</u>
Non-Budget Revenue	D-1,D-2		<u>583</u>	
			<u>\$ 197,583</u>	

Analysis of Realized Revenues

	<u>Reference</u>	
Non-Budget Revenue		
Interest on Investments	D-2	\$ 548
Miscellaneous	D-2	<u>35</u>
		<u>\$ 583</u>
Interest and Investments:		
Swimming Pool Operating Fund	D-5	\$ 459
Swimming Pool Capital Fund	D-8	<u>89</u>
		<u>\$ 548</u>

**BOROUGH OF CRESSKILL
STATEMENT OF EXPENDITURES - REGULATORY BASIS
SWIMMING POOL UTILITY OPERATING FUND
FOR THE YEAR ENDED DECEMBER 31, 2020**

	<u>Appropriated</u>		<u>Expended</u>		
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	<u>Cancelled</u>
OPERATING					
Salaries and Wages	\$ 153,000	\$ 153,000	\$ 111,741	\$ 259	\$ 41,000
Other Expenses	181,000	181,000	121,723	9,277	50,000
 STATUTORY EXPENDITURES/ DEFERRED CHARGES					
Deferred Charges - Unfunded					
Ord#15-01 Various Improvements	12,000	12,000	12,000		
Contribution to Social Security System (O.A.S.I.)	13,000	13,000	8,548	452	4,000
	<u>\$ 359,000</u>	<u>\$359,000</u>	<u>\$ 254,012</u>	<u>\$ 9,988</u>	<u>\$ 95,000</u>
<u>Reference</u>	D-2	D-2		D	
	<u>Reference</u>				
Cash Disbursed	D-5		\$ 244,062		
Encumbrances Payable	D-19		9,950		
			<u>\$ 254,012</u>		

**BOROUGH OF CRESSKILL
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE -
REGULATORY BASIS
SWIMMING POOL UTILITY CAPITAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019**

	<u>Reference</u>	<u>2020</u>	<u>2019</u>
Balance, January 1	D	\$ <u>3,662</u>	\$ <u>3,662</u>
Balance, December 31	D	\$ <u>3,662</u>	\$ <u>3,662</u>

**BOROUGH OF CRESSKILL
COMPARATIVE BALANCE SHEET - REGULATORY BASIS
GENERAL FIXED ASSETS ACCOUNT GROUP
AS OF DECEMBER 31, 2020 AND 2019**

	<u>2020</u>	<u>2019</u>
ASSETS		
Land	\$ 5,784,973	\$ 5,784,973
Buildings and Building Improvements	6,003,202	6,003,202
Machinery and Equipment	<u>7,621,798</u>	<u>7,045,603</u>
 Total Assets	 <u>\$ 19,409,973</u>	 <u>\$ 18,833,778</u>
 FUND BALANCE		
Investment in General Fixed Assets	<u>\$ 19,409,973</u>	<u>\$ 18,833,778</u>

NOTES TO FINANCIAL STATEMENTS

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The Borough of Cresskill (the "Borough") was incorporated in 1894 and operates under an elected Mayor and Council form of government. The Mayor is elected to a four-year term and the six council members are elected at-large, two each year for terms of three years. The Mayor is the Chief Executive Officer of the Borough and as such presides over all public meetings and makes appointments to various boards. The Borough Council exercises all legislative powers including final adoption of the municipal budget and bond ordinances and confirmation of the Mayor's appointments, and all executive authority which is not specifically provided to the Mayor, by state law. A Borough Administrator is appointed by the Borough Council and is responsible for the implementation of the policies of the Mayor and Council, for the administration of all Borough affairs and for the day to day operations of the Borough. The Borough Administrator is the Chief Administrative Officer for the Borough. The Borough's major operations include public safety, road repair and maintenance, sanitation, fire protection, recreation and parks, health services, and general administrative services.

GASB requires the financial reporting entity to include both the primary government and component units. Component units are legally separate organizations for which the Borough is financially accountable. The Borough is financially accountable for an organization if the Borough appoints a voting majority of the organization's governing board and (1) the Borough is able to significantly influence the programs or services performed or provided by the organization; or (2) the Borough is legally entitled to or can otherwise access the organization's resources; the Borough is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Borough is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the Borough in that the Borough approves the budget, the issuance of debt or the levying of taxes. The Borough is not includable in any other reporting entity as a component unit.

The financial statements contained herein include only those boards, bodies, officers or commissions as required by NJS 40A:5-5. Accordingly, the financial statements of the Borough do not include the municipal library or volunteer fire department which are considered component units under GAAP. Complete financial statements of the above component units can be obtained by contacting the Treasurer of the respective entity.

B. Description of Regulatory Basis of Accounting

The financial statements of the Borough of Cresskill have been prepared on a basis of accounting in conformity with accounting principles and practices prescribed or permitted by the Division of Local Government Services, Department of Community Affairs, State of New Jersey (the "Division") which is a regulatory basis of accounting other than accounting principles generally accepted in the United States of America (GAAP). Such principles and practices are designed primarily for determining compliance with legal provisions and budgetary restrictions and as a means of reporting on the stewardship of public officials with respect to public funds. Under this method of accounting, the Borough accounts for its financial transactions through separate funds, which differ from the fund structure required by GAAP.

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB has adopted accounting statements to be used by governmental units when reporting financial position and results of operations in accordance with accounting principles generally accepted in the United States of America. (GAAP). The municipalities in the State of New Jersey do not prepare financial statements in accordance with GAAP and thus do not comply with all of the GASB pronouncements.

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements

The Borough uses funds, as required by the Division, to report on its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial administration by segregating transactions related to certain Borough functions or activities. The Borough also uses an account group, which is designed to provide accountability for certain assets that are not recorded in those Funds.

The Borough has the following funds and account group:

Current Fund – This fund is used to account for the revenues and expenditures for governmental operations of a general nature and the assets and liabilities related to such activities, including Federal and State grants not accounted for in another fund.

Trust Funds - These funds are used to account for assets held by the government in a trustee capacity. Funds held by the Borough as an agent for individuals, private organizations, or other governments are recorded in the Trust Funds.

Assessment Trust Fund - This fund is used to account for special benefit assessments levied against properties for specific purposes.

Animal Control Trust Fund - This fund is used to account for fees collected from dog and cat licenses and expenditures which are regulated by NJS 4:19-15.11.

Other Trust Fund - This fund is established to account for the assets and resources, which are held by the Borough as a trustee or agent for individuals, private organizations, other governments and/or other funds. These funds include dedicated fees/proceeds collected, developer deposits, payroll related deposits and funds deposited with the Borough as collateral.

Unemployment Insurance Trust Fund - This fund is used to account for employee and employer contributions for the purpose of providing unemployment benefits to former eligible employees.

Municipal Open Space Preservation Fund - This fund is used to account for the receipts and disbursements relating to taxes dedicated to the acquisition of real property for open space.

Length of Service Awards Program Fund (LOSAP) – This fund is established to account for the tax-deferred income benefits to active volunteer members of emergency service organizations of the Borough.

General Capital Fund – This fund is used to account for the receipt and disbursement of funds used and related financial transactions related to the acquisition or improvement of general capital facilities and other capital assets, other than those acquired in the Current Fund.

Swim Pool Utility Fund - This fund is used to account for the revenues and expenditures for operation of the Borough's swimming and recreational facilities and the assets and liabilities relative to such activities. Acquisition or improvement of capital facilities and other capital assets for the swim pool utility is accounted for in the capital section of the fund.

General Fixed Assets Account Group - This account group is used to account for all general fixed assets of the Borough, other than those accounted for in the Swim Pool Utility fund. The Borough's infrastructure is not reported in the account group.

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Presentation – Financial Statements (Continued)

Comparative Data - Comparative data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Borough's financial position and operations. However, comparative data have not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

Financial Statements – Regulatory Basis

The GASB Codification also requires the financial statements of a governmental unit to be presented in the basic financial statements in accordance with GAAP. The Borough presents the regulatory basis financial statements listed in the table of contents which are required by the Division and which differ from the basic financial statements required by GAAP. In addition, the Division requires the regulatory basis financial statements listed in the table of contents to be referenced to the supplementary schedules. This practice differs from reporting requirements under GAAP.

D. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the accounting principles and practices prescribed by the Division in accordance with the regulatory basis of accounting. Measurement focus indicates the type of resources being measured. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The Borough of Cresskill follows a modified accrual basis of accounting. Under this method of accounting, revenues, except State/Federal Aid, are recognized when received and expenditures are recorded when incurred. The accounting principles and practices prescribed or permitted for municipalities by the Division (“regulatory basis of accounting”) differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. The more significant differences are as follows:

Cash and Investments - Cash includes amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government. Investments are reported at cost and are limited by N.J.S.A. 40A:5-15.1 et seq. with the exception of LOSAP Trust Fund investments which are reported at fair value and are limited by N.J.A.C. 5:30-14.19. GAAP requires that all investments be reported at fair value.

Inventories - The costs of inventories of supplies for all funds are recorded as expenditures at the time individual items are purchased. The costs of inventories are not included on the various balance sheets. GAAP requires inventories to be recorded as assets in proprietary-type funds.

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Property Tax Revenues/Receivables - Real property taxes are assessed locally, based upon the assessed value of the property. The tax bill includes a levy for Municipal, County, and School purposes. The bills are mailed annually in June for that calendar year's levy. Taxes are payable in four quarterly installments on February 1, May 1, August 1, and November 1. The amounts of the first and second installments are determined as one-quarter of the total tax levied against the property for the preceding year. The installment due the third and fourth quarters is determined by taking the current year levy less the amount previously charged for the first and second installments, with the remainder being divided equally. If unpaid on these dates, the amount due becomes delinquent and subject to interest at 8% per annum, or 18% on any delinquency amount in excess of \$1,500. A penalty of up to 6% of the delinquency may be imposed on a taxpayer with a delinquency in excess of \$10,000 who fails to pay that delinquency prior to the end of the fiscal year in which the charges become delinquent. The school levy is turned over to the Board of Education as expenditures are incurred, and the balance, if any, must be transferred as of December 31, of each fiscal year. County taxes are paid quarterly on February 15, May 15, August 15 and November 15, to the County by the Borough. When unpaid taxes or any municipal lien, or part thereof, on real property, remains in arrears on April first in the year following the calendar year levy when the same became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing the property on a standard tax sale. The Borough also has the option when unpaid taxes or any municipal lien, or part thereof, on real property remains in arrears on the 11th day of the eleventh month in the fiscal year when the taxes or lien became in arrears, the collector in the municipality shall, subject to the provisions of the New Jersey Statutes, enforce the lien by placing property on an accelerated tax sale, provided that the sale is conducted and completed no earlier than in the last month of the fiscal year. The Borough may institute annual in rem tax foreclosure proceedings to enforce the tax collection or acquisition of title to the property. In accordance with the accounting principles prescribed by the State of New Jersey, current and delinquent taxes are realized as revenue when collected. Since delinquent taxes and liens are fully reserved, no provision has been made to estimate that portion of the tax receivable and tax title liens that are uncollectible. GAAP requires property tax revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both levied and available), reduced by an allowance for doubtful accounts.

Miscellaneous Revenues/Receivables - Miscellaneous revenues are recognized on a cash basis. Receivables for the miscellaneous items that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's Current Fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual (i.e., when they are both measurable and available).

Membership Fees – Swim pool membership fees are levied annually based upon a flat fee charge by membership classifications. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accrual are recorded with offsetting reserves on the balance sheet of the Borough's swim pool utility operating fund. GAAP requires such revenues to be recognized in the accounting period when they become susceptible to accrual, reduced by an allowance for doubtful accounts.

Grant and Similar Award Revenues/Receivables - Federal and State grants, entitlements or shared revenues received for purposes normally financed through the Current Fund are recognized when anticipated in the Borough's budget. GAAP requires such revenues to be recognized as soon as all eligibility requirements imposed by the grantor or provider have been met.

Property Acquired for Taxes – Property acquired for taxes is recorded in the Current Fund at the assessed valuation when such property was acquired, and is fully reserved. GAAP requires such property to be recorded as a capital asset in the government-wide financial statements at fair value on the date of acquisition.

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Interfunds - Interfund receivables in the Current Fund are recorded with offsetting reserves, which are created by charges to operations. Income is recognized in the year the receivables are liquidated. Interfund receivables in the other funds are not offset by reserves. GAAP does not require the establishment of an offsetting reserve for interfunds and, therefore, does not recognize income in the year liquidated.

Deferred Charges – Certain expenditures, operating deficits and other items are required to be deferred to budgets of succeeding years. GAAP requires expenditures, operating deficits and certain other items generally to be recognized when incurred, if measurable.

Funded and unfunded debt authorizations for general capital projects are also recorded as deferred charges and represent permanent long-term debt issues outstanding (funded) and temporary debt issues outstanding or unissued debt authorizations (unfunded), respectively. GAAP does not permit the recording of deferred charges for funded and unfunded debt authorizations.

Appropriation Reserves – Appropriation reserves are recorded as liabilities and are available, until lapsed at the close of the succeeding year, to meet specific claims, commitments or contracts incurred during the preceding year. Lapsed appropriation reserves are recorded as additions to income. Appropriation reserves do not exist under GAAP.

Expenditures – Expenditures are recorded on the "budgetary" basis of accounting. Generally, expenditures are recorded when an amount is encumbered for goods or services through the issuance of a purchase order in conjunction with an encumbrance accounting system. Outstanding encumbrances at December 31, are reported as a cash liability in the financial statements. Unexpended or uncommitted appropriations, at December 31, are reported as expenditures through the establishment of appropriation reserves unless cancelled by the governing body. GAAP requires expenditures to be recognized in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on general long-term debt, as well as expenditures related to compensated absences and claims and judgements, which are recognized when due.

Encumbrances - Contractual orders outstanding at December 31, are reported as expenditures and liabilities through the establishment of an encumbrance payable. Encumbrances do not constitute expenditures or liabilities under GAAP.

Compensated Absences - Expenditures relating to obligations for unused vested accumulated vacation and sick leave are not recorded until paid; however, municipalities may establish and budget reserve funds subject to NJSA 40A:4-39 for the future payment of compensated absences. GAAP requires that the amount that would normally be liquidated with expendable available financial resources be recorded as an expenditure in the operating funds and the remaining obligations are recorded as a long-term obligation in the government-wide financial statements.

Tax Appeals and Other Contingent Losses - Losses arising from tax appeals and other contingent losses are recognized at the time a decision is rendered by an administrative or judicial body; however, municipalities may establish reserves transferred from tax collections or by budget appropriation for future payments of tax appeal losses. GAAP requires such amounts to be recorded when it is probable that a loss has been incurred and the amount of such loss can be reasonably estimated.

Deferred School Taxes – School taxes raised in advance in the Current Fund for a school fiscal year (July 1 to June 30) which remain unpaid at December 31 of the calendar year levied may be deferred to fund balance to the extent of not more than 50% of the annual levy providing no requisition has been made by the school district for such amount. GAAP does not permit the deferral of unpaid school taxes to fund balance at year end.

Operating Deficits – Deficits resulting from expenditures and other debits which exceed cash revenues, other realized revenues and credits to income in such fiscal year are recorded as deferred charges on the balance sheet of the respective operating fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of operating deficits at year end.

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

General Fixed Assets - In accordance with NJAC 5:30-5.6, Accounting for Governmental Fixed Assets, the Borough of Cresskill has developed a fixed assets accounting and reporting system. Fixed assets are defined by the Borough as assets with an initial, individual cost of \$5,000 and an estimated useful life in excess of two years.

Fixed assets used in governmental operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Public domain ("infrastructure") general fixed assets consisting of certain improvements other than buildings, such as roads, bridges, curbs and gutters, streets and sidewalks and sewerage and drainage systems are not capitalized.

General Fixed Assets purchased after December 31, 1985 are stated at cost. Donated fixed assets are recorded at acquisition value at the date of donation.

General Fixed Assets purchased prior to December 31, 1985 are stated as follows:

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

Expenditures for construction in progress are recorded in the General Capital Fund until such time as the construction is completed and put into operation for general fixed assets.

Accounting for utility fund "fixed capital" remains unchanged under NJAC 5:30-5.6.

Property and equipment purchased by the swim pool utility fund is recorded in the capital account at cost and is adjusted for disposition and abandonment. The amounts shown do not purport to represent reproduction costs or current value. Contributions in aid of construction are not capitalized. The balance in the Reserve for Amortization and Deferred Reserve for Amortization accounts in the Utility Capital Fund represents charges to operations for the costs of acquisitions of property, equipment and improvements. The utility does not record depreciation on fixed assets.

GAAP requires that capital assets be recorded in proprietary-type funds as well as the government-wide financial statement at historical or estimated historical cost if actual historical cost is not available. In addition, GAAP requires depreciation on capital assets to be recorded in proprietary-type funds as well as in the government-wide financial statements.

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Measurement Focus and Basis of Accounting (Continued)

Use of Estimates - The preparation of financial statements requires management of the Borough to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of accrued revenues and expenditures during the reporting period. Accordingly, actual results could differ from those estimates.

NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgets and Budgetary Accounting - An annual budget is required to be adopted and integrated into the accounting system to provide budgetary control over revenues and expenditures. Budget amounts presented in the accompanying financial statements represent amounts adopted by the Borough and approved by the State Division of Local Government Services as per N.J.S.A. 40A:4 et seq.

The Borough is not required to adopt budgets for the following funds:

Trust Funds (with the exception of the Assessment Trust Fund and Municipal
Open Space Preservation Trust Fund)
General Capital Fund
Swim Pool Utility Capital Fund

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2020 and 2019 the Borough Council increased the original budget by \$20,292 and \$18,889. (The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2020 and 2019.

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 3 CASH DEPOSITS AND INVESTMENTS

The Borough considers petty cash, change funds, cash in banks, certificates of deposit and deposits with the New Jersey Cash Management Fund as cash and cash equivalents.

A. Cash Deposits

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

Bank balances are insured up to \$250,000 in the aggregate by the FDIC for each bank. NCUSIF insures credit union accounts up to \$250,000 in the aggregate for each financial institution. SIPC replaces cash claims up to a maximum of \$250,000 for each failed brokerage firm. At December 31, 2020 and 2019, the book value of the Borough's deposits were \$19,660,774 and \$18,351,444 and bank and brokerage firm balances of the Borough's deposits amounted to \$20,094,100 and \$18,461,869, respectively. The Borough's deposits which are displayed on the various fund balance sheets as "cash" are categorized as:

<u>Depository Account</u>	<u>Bank Balance</u>	
	<u>2020</u>	<u>2019</u>
Insured	\$ 15,110,872	\$ 7,521,873
Uninsured and Collateralized	<u>4,983,228</u>	<u>10,939,996</u>
	<u>\$ 20,094,100</u>	<u>\$ 18,461,869</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Borough does not have a formal policy for custodial credit risk. As of December 31, 2020 and 2019, the Borough's bank balances of \$4,983,228 and \$10,939,996 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2020</u>	<u>2019</u>
	Uninsured and Collateralized	
Collateral held by pledging financial institution's trust department not in the Borough's name	<u>\$ 4,983,228</u>	<u>\$ 10,939,996</u>

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments

The Borough is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 40A:5-15.1. Investments include bonds or other obligations of the United States or obligations guaranteed by the United States of America, Government Money Market Mutual Funds, any obligation that a federal agency or a federal instrumentality has issued in accordance with an act of Congress, which security has a maturity date not greater than 397 days from the date of purchase, provided that such obligations bear a fixed rate of interest not dependent on any index or other external factor; bonds or other obligations of the Borough or bonds or other obligations of the school districts which are a part of the Borough or school districts located within the Borough, Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school district, municipalities, counties, and entities subject to the “Local Authorities Fiscal Control Law, “ (C.40A:5A-1 et seq.); Other bonds or obligations having a maturity date not more than 397 days from the date of purchase may be approved by the Division of Investments in the Department of the Treasury for investment by local units; Local Government investment pools, deposits with the State of New Jersey Cash Management Fund established pursuant to section 1 of P.L. 1977, c.281 (C.52:18A-90.4); and agreements for the repurchase of fully collateralized securities, if transacted in accordance with NJSA 40A:5-15.1 (8a-8e). In addition, the Borough is permitted to invest LOSAP Funds with the types of eligible investments authorized in NJAC 5:30-14.19. LOSAP investments include interest bearing accounts or securities, in which savings banks of New Jersey are authorized to invest their funds, New Jersey Cash Management Fund, fixed and variable individual or group annuity contracts, mutual fund shares or fixed and variable life insurance contracts.

As of December 31, 2020 and 2019, the Borough had the following investments:

	<u>2020</u>	<u>2019</u>
	<u>Fair Value</u>	
Lincoln Financial Group (LOSAP) Investment Fund (Unaudited)	\$ 771,098	\$ 651,640

Custodial Credit Risk – Investments – For an investment, this is the risk, that in the event of the failure of the counterparty, the Borough will not be able to recover the value of its investments or collateral securities that are held by an outside party. The Borough does not have a policy for custodial risk. As of December 31, 2020 and 2019, \$771,098 and \$651,640 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2020</u>	<u>2019</u>
	<u>Fair Value</u>	
Uninsured and Collateralized Collateral held by pledging financial institution's trust department but not in the Borough's name (LOSAP) (unaudited)	\$ 771,098	\$ 651,640

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

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)

B. Investments (Continued)

Credit Risk – State law limits investments as noted above (N.J.S.A. 40A:5-15.1 and NJAC 5:30-14.19). The Borough does not have an investment policy that would further limit its investment choices. As of December 31, 2020 and 2019, the Borough’s investment in Lincoln National Corporation was rated Baa1 by Moody’s Investor Service and A- by Standard and Poors.

Concentration of Credit Risk – The Borough places no limit in the amount the Borough may invest in any one issuer. More than five (5) percent of the Borough’s investments are in Lincoln Financial Group. These investments are 100% of the Borough’s total investments.

The fair value of the above-listed investment was based on quoted market prices or information provided by Lincoln Financial Group.

Interest earned in the General Capital Fund, Assessment Trust Fund, Animal Control Trust Fund, Unemployment Trust Fund and certain Other Trust Funds are assigned to the Current Fund in accordance with the regulatory basis of accounting. Interest earned in the Swim Pool Utility Capital Fund is assigned to the Swim Pool Utility Operating Fund in accordance with the regulatory basis of accounting.

NOTE 4 TAXES RECEIVABLE

Receivables at December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
<u>Current</u>		
Property Taxes	\$ 680,491	\$ 767,039
Tax Title Liens	<u>112,695</u>	<u>108,016</u>
	<u>\$ 793,186</u>	<u>\$ 875,055</u>

In 2020 and 2019, the Borough collected \$767,032 and \$774,757 from delinquent taxes, which represented 99% and 99%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 5 DUE TO/FROM OTHER FUNDS

As of December 31, interfund receivables and payables that resulted from various interfund transactions were as follows:

	<u>2020</u>		<u>2019</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 1,143		\$ 56,610	
Trust Funds:				
Animal Control Fund		\$ 1		\$ 4
Assessment Trust		1		1
Other Trust		207		20,291
Unemployment		33		7
Open Space Preservation Trust			12,000	
General Capital Fund		901		36,307
Swim Pool Utility Fund				
Operating Fund	5		9	
Capital Fund	<u>-</u>	<u>5</u>	<u>-</u>	<u>12,009</u>
 Total	 <u>\$ 1,148</u>	 <u>\$ 1,148</u>	 <u>\$ 68,619</u>	 <u>\$ 68,619</u>

The above balances are the result of expenditures being paid by one fund on behalf of another.

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

NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS

Under the regulatory basis of accounting, certain expenditures are required to be deferred to budgets of succeeding years. At December 31, the following deferred charges are reported on the balance sheets of the following funds:

	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
 <u>2020</u>			
Swimming Pool Operating Fund			
Operating Deficit	<u>\$ 66,167</u>	<u>\$ 66,167</u>	<u>\$ -</u>
 <u>2019</u>			
General Capital Fund			
Overexpenditure of Ordinance Appropriation	<u>\$ 25,879</u>	<u>\$ 25,879</u>	<u>\$ -</u>

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 7 DEFERRED SCHOOL TAXES

Under the regulatory basis of accounting, regulations allow for the deferral to fund balance of not more than 50% of the annual school levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31. The balance of unpaid school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2020 and 2019 are as follows:

	<u>Local District School</u>	
	<u>2020</u>	<u>2019</u>
Balance of Tax	\$ 12,839,621	\$ 12,587,864
Deferred Liability	<u>6,807,660</u>	<u>6,407,660</u>
Taxes Payable	<u>\$ 6,031,961</u>	<u>\$ 6,180,204</u>

NOTE 8 FUND BALANCES APPROPRIATED

Under the regulatory basis of accounting, fund balances in the Current Fund and Swim Pool Utility Operating Fund are comprised of cash surplus (fund balance) and non-cash surplus (fund balance). All or part of cash surplus as of December 31 may be anticipated in the subsequent year’s budget. The non-cash surplus portion of fund balance may be utilized in the subsequent year’s budget with the prior written consent of the Director of the Division of Local Government Services if certain guidelines are met as to its availability. Fund balances at December 31, which were appropriated and included as anticipated revenue in their own respective fund’s budget for the succeeding year were as follows:

	<u>2020</u>		<u>2019</u>	
	Fund Balance December 31,	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31,	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 2,977,533	\$ 2,500,000	\$ 2,696,559	\$ 2,200,000
Non-Cash Surplus	<u>18,003</u>	<u>-</u>	<u>15,311</u>	<u>-</u>
	<u>\$ 2,995,536</u>	<u>\$ 2,500,000</u>	<u>\$ 2,711,870</u>	<u>\$ 2,200,000</u>
Swimming Pool Utility Operating Fund				
Cash Surplus	<u>\$ 38,028</u>	<u>\$ -</u>	<u>\$ 81,028</u>	<u>\$ 43,000</u>

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 9 FIXED ASSETS

A. General Fixed Assets

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2020 and 2019.

	Balance January 1, <u>2020</u>	<u>Additions</u>	<u>Decrease</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Land	\$ 5,784,973			\$ 5,784,973
Buildings and Building Improvement	6,003,202			6,003,202
Machinery and Equipment	<u>7,045,603</u>	\$ 576,195	-	<u>7,621,798</u>
	<u>\$ 18,833,778</u>	<u>\$ 576,195</u>	<u>\$ -</u>	<u>\$ 19,409,973</u>

	Balance January 1, <u>2019</u>	<u>Additions</u>	<u>Decrease</u>	Balance, December 31, <u>2019</u>
<u>2019</u>				
Land	\$ 5,784,973			\$ 5,784,973
Buildings and Building Improvement	5,826,420	\$ 176,782		6,003,202
Machinery and Equipment	<u>7,046,473</u>	<u>82,440</u>	\$ 83,310	<u>7,045,603</u>
	<u>\$ 18,657,866</u>	<u>\$ 259,222</u>	<u>\$ 83,310</u>	<u>\$ 18,833,778</u>

B. Swim Pool Utility Fund Fixed Assets

The following is a summary of changes in the swim pool utility fund fixed assets for the years ended December 31, 2020 and 2019.

	Balance January 1, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
<u>2020</u>				
Fixed Capital				
System and System Improvements	\$ 781,973	\$ -	\$ -	\$ 781,973

	Balance January 1, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2019</u>
<u>2019</u>				
Fixed Capital				
System and System Improvements	\$ 781,973	\$ -	\$ -	\$ 781,973

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 10 MUNICIPAL DEBT

The Local Bond Law governs the issuance of bonds and notes used to finance capital expenditures. General obligation bonds have been issued for both general capital and utility capital fund projects. All bonds are retired in serial installments within the statutory period of usefulness. Bonds issued by the Borough are general obligation bonds, backed by the full faith and credit of the Borough. Bond anticipation notes, which are issued to temporarily finance capital projects and acquisitions or other purposes permitted by the Local Bond Law must be paid off within ten years and four months or retired by the issuance of bonds.

The Borough's debt is summarized as follows:

	<u>2020</u>	<u>2019</u>
Issued		
General		
Bonds and Notes	\$ 18,107,000	\$ 16,442,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>37,678</u>	<u>178,094</u>
Net Debt Issued	18,069,322	16,263,906
Authorized But Not Issued		
General		
Bonds and Notes	-	926,250
Swimming Pool Utility		
Bonds and Notes	<u>63,059</u>	<u>75,059</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 18,132,381</u>	<u>\$ 17,265,215</u>

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 10 MUNICIPAL DEBT (Continued)

Statutory Net Debt

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .78% and .74% at December 31, 2020 and 2019, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2020</u>			
General Debt	\$ 18,107,000	\$ 37,678	\$ 18,069,322
School Debt	23,066,000	23,066,000	
Utility Debt	<u>63,059</u>	<u>63,059</u>	<u>-</u>
Total	<u>\$ 41,236,059</u>	<u>\$ 23,166,737</u>	<u>\$ 18,069,322</u>

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<u>2019</u>			
General Debt	\$ 17,368,250	\$ 178,094	\$ 17,190,156
School Debt	24,431,000	24,431,000	
Utility Debt	<u>75,059</u>	<u>75,059</u>	<u>-</u>
Total	<u>\$ 41,874,309</u>	<u>\$ 24,684,153</u>	<u>\$ 17,190,156</u>

Statutory Borrowing Power

The Borough's remaining borrowing power under N.J.S. 40A:2-6, as amended, at December 31, was as follows:

	<u>2020</u>	<u>2019</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 81,099,859	\$ 81,151,021
Net Debt	<u>18,069,322</u>	<u>17,190,156</u>
Remaining Borrowing Power	<u>\$ 63,030,537</u>	<u>\$ 63,960,865</u>

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 10 MUNICIPAL DEBT (Continued)

A. Long-Term Debt

The Borough's long-term debt consisted of the following at December 31:

General Obligation Bonds

The Borough levies ad valorem taxes to pay debt service on general obligation bonds. General obligation bonds outstanding at December 31 are as follows:

	<u>2020</u>	<u>2019</u>
\$7,047,000, 2008 Bonds, due in annual installments of \$497,000 to \$500,000 through April, 2024, interest at 3.00% to 4.00%	\$ 1,997,000	\$ 2,497,000
\$4,780,000, 2013 Bonds, due in annual installments of \$500,000 to \$510,000 through March, 2023, interest at 1.00% to 2.00%	1,510,000	2,010,000
\$7,000,000, 2018 Bonds, due in annual installments of \$375,000 to \$750,000 through March, 2030, interest at 2.00% to 3.00%	<u>6,250,000</u>	<u>6,625,000</u>
	<u>\$ 9,757,000</u>	<u>\$ 11,132,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2020 is as follows:

Calendar <u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 1,375,000	\$ 265,237	\$ 1,640,237
2022	1,375,000	226,799	1,601,799
2023	1,385,000	188,261	1,573,261
2024	1,122,000	151,971	1,273,971
2025-2029	3,750,000	393,750	4,143,750
2030-2030	<u>750,000</u>	<u>11,250</u>	<u>761,250</u>
Total	<u>\$ 9,757,000</u>	<u>\$ 1,237,268</u>	<u>\$ 10,994,268</u>

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 10 MUNICIPAL DEBT (Continued)

Changes in Long-Term Municipal Debt

The Borough's long-term capital debt activity for the years ended December 31, 2020 and 2019 were as follows:

	Balance, January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>2020</u>					
General Capital Fund Bonds Payable	\$ 11,132,000	\$ -	\$ 1,375,000	\$ 9,757,000	\$ 1,375,000
General Capital Fund Long-Term Liabilities	<u>\$ 11,132,000</u>	<u>\$ -</u>	<u>\$ 1,375,000</u>	<u>\$ 9,757,000</u>	<u>\$ 1,375,000</u>
	Balance, January 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<u>2019</u>					
General Capital Fund Bonds Payable	\$ 12,507,000	\$ -	\$ 1,375,000	\$ 11,132,000	\$ 1,375,000
General Capital Fund Long-Term Liabilities	<u>\$ 12,507,000</u>	<u>\$ -</u>	<u>\$ 1,375,000</u>	<u>\$ 11,132,000</u>	<u>\$ 1,375,000</u>

B. Short-Term Debt

The Borough's short-term debt activity for the years ended December 31, 2020 and 2019 was as follows:

Bond Anticipation Notes

<u>Purpose</u>	Rate (%)	Maturity Date	Balance, January 1, <u>2020</u>	Renewed/ Issued	Retired/ Redeemed	Balance, December 31, <u>2020</u>
<u>2020</u>						
<u>General Capital Fund Purpose</u>						
Various Improvements including Road	1.00 %	10/15/2021	\$ 5,310,000	\$ 8,350,000	5,310,000	\$ 8,350,000
Total Bond Anticipation Notes Payable			<u>\$ 5,310,000</u>	<u>\$ 8,350,000</u>	<u>\$ 5,310,000</u>	<u>\$ 8,350,000</u>

**BOROUGH OF CRESSKILL
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 10 MUNICIPAL DEBT (Continued)

B. Short-Term Debt (Continued)

Bond Anticipation Notes (Continued)

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	<u>Balance, January 1, 2019</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	<u>Balance, December 31, 2019</u>
<u>2019</u>						
<u>General Capital Fund Purpose</u>						
Various Improvements including Road	1.75 %	10/15/2020	-	\$ 5,310,000	-	\$ 5,310,000
Total Bond Anticipation Notes Payable			<u>\$ -</u>	<u>\$ 5,310,000</u>	<u>\$ -</u>	<u>\$ 5,310,000</u>

The purpose of these short-term borrowings was to provide resources for capital construction, acquisitions or improvement projects and other purposes permitted by State Local Bond Law NJSA 40A:2 et. seq. The amounts issued for general governmental activities are accounted for in the General Capital Fund.

State law requires that notes are to be issued for a period not exceeding one year and may be renewed from time to time for additional periods, none of which shall exceed one year. All bond anticipation notes, including renewals, shall mature and be paid not later than the first day of the fifth month following the close of the tenth fiscal year following the date of the original notes. In addition any note renewed beyond the third anniversary date of the original note, requires one legally payable installment to be paid.

NOTE 11 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

As of December 31, the Borough had the following commitments with respect to unfinished capital projects:

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<u>2020</u>		
2020 Road Improvements	\$17,764	2021
2019 Road Improvements	112,339	2021
<u>2019</u>		
Merritt Field Improvements	\$24,958	2020
Parking Facility	337,157	2020
Piermont Road (Section 3) Improvements	40,191	2020
2019 Road Improvements	509,901	2020
East Madison Ave. Improvements	63,757	2020
Merritt Field Fieldhouse	428,740	2020

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 12 OTHER LONG-TERM LIABILITIES

A. Compensated Absences

Under the existing policies and labor agreements of the Borough, employees are not allowed to accumulate unused sick leave over the life of their working careers and to redeem such unused leave time in cash (with certain limitations) upon death, retirement or by extended absence immediately preceding retirement.

As of December 31, 2020 and 2019, the Borough has reserved in the Other Trust Fund \$0 to fund compensated absences in accordance with NJSA 40A:4-39.

Changes in Other Long-Term Liabilities

Under the regulatory basis of accounting, certain other long-term liabilities which may be considered material to the financial statements are not reported either as an expenditure or a liability. However, under the regulatory basis of accounting, these other long-term liabilities and related information are required to be disclosed in the notes to the financial statements in conformity with the disclosure requirements of the Governmental Accounting Standards Board.

The Borough's changes in other long-term liabilities for the years ended December 31, 2020 and 2019 were as follows:

	Balance, January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<u>2020</u>					
Net Pension Liability - PERS	\$ 8,290,086		\$ 667,791	\$ 7,622,295	
Net Pension Liability - PFRS	<u>13,131,559</u>	\$ 312,584	<u>-</u>	<u>13,444,143</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 21,421,645</u>	<u>\$ 312,584</u>	<u>\$ 667,791</u>	<u>\$ 21,066,438</u>	<u>\$ -</u>
	Balance, January 1, <u>2019</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2019</u>	Due Within <u>One Year</u>
<u>2019</u>					
Net Pension Liability - PERS	\$ 8,839,815		\$ 549,729	\$ 8,290,086	
Net Pension Liability - PFRS	<u>14,582,635</u>	<u>-</u>	<u>1,451,076</u>	<u>13,131,559</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 23,422,450</u>	<u>\$ -</u>	<u>\$ 2,000,805</u>	<u>\$ 21,421,645</u>	<u>\$ -</u>

**BOROUGH OF CRESSKILL
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement systems (retirement systems) covering substantially all state and local government employees which includes those Borough employees who are eligible for pension coverage.

Police and Firemen’s Retirement System (PFRS) – established in July 1944, under the provisions of N.J.S.A. 43:16A to provide coverage to substantially all full time county and municipal police or firemen and State firemen appointed after December 31, 1944. Membership is mandatory for such employees. PFRS is a cost-sharing multi-employer defined benefit pension plan with a special funding situation. For additional information about PFRS, please refer to the State Division of Pension and Benefits (Division’s) Comprehensive Annual Financial Report (CAFR) which can be found at www.state.nj.us/treasury/pensions.

The vesting and benefit provisions are set by N.J.S.A. 43:16A. PFRS provides retirement benefits as well as death and disability benefits. All benefits vest after ten years of service, except disability benefits which vest after four years of service.

The following represents the membership tiers for PFRS:

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

Service retirement benefits are available at age 55 and are generally determined to be 2% of final compensation for each year of creditable service, as defined, up to 30 years plus 1% for each year of service in excess of 30 years. Members may seek special retirement after achieving 25 years of creditable service, in which benefits would equal 65% (tier 1 and 2 members) and 60% (tier 3 members) of final compensation plus 1% for each year of creditable service over 25 years, but not to exceed 30 years. Members may elect deferred retirement benefits after achieving ten years of service, in which case, benefits would begin at age 55 equal to 2% of final compensation for each year of service.

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

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

The following represents the membership tiers for PERS:

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

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Public Employees' Retirement System (PERS) (Continued)

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

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 Borough employees who are eligible for pension coverage.

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

Other Pension Funds

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

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

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

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

Measurement Focus and Basis of Accounting

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

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

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Investment Valuation

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

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

Collective Net Pension Liability

The collective net pension liability of the participating employers for local PERS at June 30, 2020 and 2019 is \$16.4 billion and \$18.1 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 58.32% and 56.27%, respectively. The collective net pension liability of the participating employers for local PFRS at June 30, 2020 and 2019 is \$14.9 billion and \$14.2 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 63.52% and 65.00%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2019 and 2018 which were rolled forward to June 30, 2020 and 2019, respectively.

Actuarial Methods and Assumptions

In the July 1, 2019 and 2018 PERS and PFRS actuarial valuations, the actuarial assumptions and methods used in these valuations were described in the Actuarial Assumptions and Methods section of the Actuary's report and are included here in this note to the financial statements. The pension systems selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 68. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

Employer and Employee Pension Contributions

The contribution policy is set by laws of the State of New Jersey and contributions are required by active members and participating employers. Plan members and employer contributions may be amended by State of New Jersey legislation, with the amount of contributions by the State of New Jersey contingent upon the annual Appropriations Act. As defined, the various retirement systems require employee contributions for 2020 and 2019 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2020 and 2019 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2020, 2019 and 2018 were equal to the required contributions.

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

Employer and Employee Pension Contributions (Continued)

During the years ended December 31, 2020, 2019 and 2018, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2020	\$ 1,083,880	\$ 418,233	\$ 11,807
2019	1,053,580	423,310	15,382
2018	956,870	425,920	23,125

In addition for the years ended December 31, 2020, 2019 and 2018 the Borough contributed for long-term disability insurance premiums (LTDI) \$1,102, \$1,113 and \$2,575, respectively for PERS.

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions, (GASB No.68)* their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions. The employer allocation percentages presented are based on the ratio of the contributions as an individual employer to total contributions to the PERS and PFRS during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

At December 31, 2020 and 2019, the Borough reported a liability of \$7,622,295 and \$8,290,086, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, respectively. The Borough's proportionate share of the net pension liability was based on a projection of the Borough's long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2020, the Borough's proportionate share was .04674 percent, which was an increase of .00074 percent from its proportionate share measured as of June 30, 2019 of .04600 percent.

**BOROUGH OF CRESSKILL
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

For the years ended December 31, 2020 and 2019, the pension system has determined the Borough’s pension expense to be \$138,570 and \$352,527, respectively, for PERS based on the actuarial valuations which are less than the actual contributions reported in the Borough’s financial statements of \$418,233 and \$423,310, respectively. At December 31, 2020 and 2019, the Borough’s deferred outflows of resources and deferred inflows of resources related to PERS pension which are not reported on the Borough’s financial statements are from the following sources:

	2020		2019	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 138,789	\$ 26,956	\$ 148,796	\$ 36,622
Changes of Assumptions	247,276	3,191,527	827,796	2,877,463
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	260,536			130,862
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>289,699</u>	<u>183,539</u>	<u>246,828</u>	<u>349,160</u>
Total	<u>\$ 936,300</u>	<u>\$ 3,402,022</u>	<u>\$ 1,223,420</u>	<u>\$ 3,394,107</u>

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense/(deficit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2020	\$ (881,907)
2021	(1,126,229)
2022	(687,590)
2023	(243,969)
2024	473,973
Thereafter	<u>-</u>
	<u>\$ (2,465,722)</u>

**BOROUGH OF CRESSKILL
 NOTES TO THE FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Actuarial Assumptions

The Borough's total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PERS</u>	<u>2020 and 2019</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	2.00-6.00% Based on Years of Service
Thereafter	3.00%-7.00% Based on Years of Service
Investment Rate of Return	7.00%
Mortality Rate Table	Pub-2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020 and 2019.

The actuarial assumptions used in the July 1, 2019 and 2018 valuations were based on the results of an actuarial experience study for the period July 1, 2014 to June 30, 2018.

**BOROUGH OF CRESSKILL
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2020 and 2019, as reported for the years ended December 31, 2020 and 2019, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>		<u>2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
US Equity	27.00%	7.71%	28.00%	8.26%
Non-US Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
High Yield	2.00%	5.95%	2.00%	5.37%
Real Assets	3.00%	9.73%	2.50%	9.31%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Estate	8.00%	9.56%	7.50%	8.33%
Private Equity	13.00%	11.42%	12.00%	10.85%

Discount Rate

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

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

**BOROUGH OF CRESSKILL
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Discount Rate (Continued)

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

	<u>2020</u>	<u>2019</u>
Period of Projected Benefit		
Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	All Periods	Through June 30, 2057
Municipal Bond Rate *	Not Applicable	From July 1, 2057 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough's proportionate share of the PERS net pension liability as of December 31, 2020 and 2019 calculated using the discount rate of 7.00% and 6.28%, respectively, as well as what the Borough's proportionate share of the PERS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% and 5.28%, respectively or 1-percentage-point higher 8.00% and 7.28%, respectively than the current rate:

<u>2020</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>9,595,198</u>	\$ <u>7,622,295</u>	\$ <u>5,948,233</u>
	1% Decrease (5.28%)	Current Discount Rate (6.28%)	1% Increase (7.28%)
<u>2019</u>			
Borough's Proportionate Share of the PERS Net Pension Liability	\$ <u>10,471,726</u>	\$ <u>8,290,086</u>	\$ <u>6,451,745</u>

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2020 and 2019. A sensitivity analysis specific to the Borough's net pension liability was not provided by the pension system.

**BOROUGH OF CRESSKILL
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Public Employees Retirement System (PERS) (Continued)

Pension Plan Fiduciary Net Position

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

Police and Firemen’s Retirement System (PFRS)

At December 31, 2020 and 2019, the Borough reported a liability of \$13,444,143 and \$13,131,559, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2020 and 2019, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2019 and 2018, respectively. The Borough’s proportionate share of the net pension liability was based on a projection of the Borough’s long-term share of contributions to the pension plan relative to the projected contributions of all participating governmental entities, actuarially determined. As of the measurement date of June 30, 2020, the Borough’s proportionate share was .10405 percent, which was a decrease of .00325 percent from its proportionate share measured as of June 30, 2018 of .10730 percent.

For the years ended December 31, 2020 and 2019, the pension system has determined the Borough pension expense to be \$717,079 and \$1,797,710, respectively, for PFRS based on the actuarial valuations which are less than or more than the actual contributions reported in the Borough’s financial statements of \$1,083,880 and \$1,053,580, respectively. At December 31, 2020 and 2019, the Borough’s deferred outflows of resources and deferred inflows of resources related to PFRS pension which are not reported on the Borough’s financial statements are from the following sources:

	2020		2019	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 135,540	\$ 34,651	\$ 110,847	\$ 83,138
Changes of Assumptions	33,832	2,588,508	449,959	4,244,000
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	788,293			177,928
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>187,508</u>	<u>393,543</u>	<u>494,448</u>	<u>97,100</u>
Total	<u>\$ 1,145,173</u>	<u>\$ 3,016,702</u>	<u>\$ 1,055,254</u>	<u>\$ 4,602,166</u>

**BOROUGH OF CRESSKILL
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen’s Retirement System (PFRS) (Continued)

At December 31, 2020 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense/(deficit) as follows:

<u>Year Ending December 31,</u>	<u>Total</u>
2020	\$ (1,295,535)
2021	(1,280,303)
2022	(789,641)
2023	(34,837)
2024	1,528,787
Thereafter	<u>-</u>
	<u>\$ (1,871,529)</u>

Actuarial Assumptions

The Borough’s total pension liability reported for the year ended December 31, 2020 was based on the June 30, 2020 measurement date as determined by an actuarial valuation as of July 1, 2019, which was rolled forward to June 30, 2020. The total pension liability reported for the year ended December 31, 2019 was based on the June 30, 2019 measurement date as determined by an actuarial valuation as of July 1, 2018, which was rolled forward to June 30, 2019. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

<u>PFRS</u>	<u>2020 and 2019</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through	All Future Years 3.25%-15.25% Based on Years of Service
Thereafter	Not Applicable
Investment Rate of Return	7.00%
Mortality Rate Table	Pub - 2010

Assumptions for mortality improvements are based on Society of Actuaries Scale MP for 2020 and 2019.

The actuarial assumptions used in the July 1, 2019 and 2018 valuations were based on the results of an actuarial experience study for the period July 1, 2013 to June 30, 2018.

**BOROUGH OF CRESSKILL
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen’s Retirement System (PFRS) (Continued)

Long-Term Expected Rate of Return

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rate of return (expected returns, net of pension plans investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans’ target asset allocation as of June 30, 2019 and 2018, as reported for the years ended December 31, 2020 and 2019, respectively, are summarized in the following table:

<u>Asset Class</u>	<u>2020</u>		<u>2019</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%	3.00%	4.67%
Cash Equivalents	4.00%	0.50%	5.00%	2.00%
U.S. Treasuries	5.00%	1.94%	5.00%	2.68%
Investment Grade Credit	8.00%	2.67%	10.00%	4.25%
US Equity	27.00%	7.71%	28.00%	8.26%
Non-US Developed Markets Equity	13.50%	8.57%	12.50%	9.00%
Emerging Markets Equity	5.50%	10.23%	6.50%	11.37%
High Yield	2.00%	5.95%	2.00%	5.37%
Real Assets	3.00%	9.73%	2.50%	9.31%
Private Credit	8.00%	7.59%	6.00%	7.92%
Real Estate	8.00%	9.56%	7.50%	8.33%
Private Equity	13.00%	11.42%	12.00%	10.85%

Discount Rate

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

<u>Calendar Year</u>	<u>Measurement Date</u>	<u>Discount Rate</u>
2020	June 30, 2020	7.00%
2019	June 30, 2019	6.85%

**BOROUGH OF CRESSKILL
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen’s Retirement System (PFRS) (Continued)

Discount Rate (Continued)

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

	<u>2020</u>	<u>2019</u>
Period of Projected Benefit		
Payments for which the Following Rates were Applied:		
Long-Term Expected Rate of Return	All Periods	Through June 30, 2076
Municipal Bond Rate *	Not Applicable	From July 1, 2076 and Thereafter

* The municipal bond return rate used is 3.50% as of the measurement date of June 30, 2019. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher.

Sensitivity of Net Pension Liability

The following presents the Borough’s proportionate share of the PFRS net pension liability as of December 31, 2020 and 2019 calculated using the discount rate of 7.00% and 6.85%, respectively, as well as what the Borough’s proportionate share of the PFRS net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower 6.00% and 5.85%, respectively or 1-percentage-point higher 8.00% and 7.85%, respectively than the current rate:

<u>2020</u>	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 17,877,943	\$ 13,444,143	\$ 9,761,533
<u>2019</u>	1% Decrease (5.85%)	Current Discount Rate (6.85%)	1% Increase (7.85%)
Borough's Proportionate Share of the PFRS Net Pension Liability	\$ 17,749,083	\$ 13,131,559	\$ 9,309,893

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2020 and 2019. A sensitivity analysis specific to the Borough’s net pension liability was not provided by the pension system.

**BOROUGH OF CRESSKILL
NOTES TO THE FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)

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

Police and Firemen's Retirement System (PFRS) (Continued)

Special Funding Situation – PFRS

Under N.J.S.A. 43:16A-15, the Borough is responsible for their own PFRS contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 8, P.L. 2000, Chapter 318, P.L. 2001, Chapter 86, P.L. 2001, Chapter 511, P.L. 1991, Chapter 109, P.L. 1979, Chapter 247, P.L. 1993 and Chapter 201, P.L. 2001. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 68 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 68 is zero percent and the State's proportionate share is 100% for PFRS under this legislation.

At December 31, 2020 and 2019, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$2,086,470 and \$2,073,498, respectively. For the years ended December 31, 2020 and 2019, the pension system has determined the State's proportionate share of the pension expense attributable to the Borough for the PFRS special funding situation is \$236,460 and \$240,924, respectively, which are more than the actual contributions the State made on behalf of the Borough of \$160,553 and \$139,711, respectively. At December 31, 2020 (measurement date June 30, 2020) the State's share of the PFRS net pension liability attributable to the Borough was .10405 percent, which was a decrease of .00325 percent from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .10730 percent. The State's proportionate share attributable to the Borough was developed based on actual contributions made to PFRS allocated to employers based upon covered payroll. These on-behalf contributions have not been reported on the Borough's financial statements.

Pension Plan Fiduciary Net Position

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

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 14 POST-RETIREMENT MEDICAL BENEFITS

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for participating municipalities including the Borough.

Plan Description and Benefits Provided

The State of New Jersey sponsors and administers the following post-retirement health benefit program covering substantially all eligible local government employees from local participating employers.

State Health Benefit Program Fund – Local Government Retired (the Plan) (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. The plan meets the definition of an equivalent arrangement as defined in paragraph 4 of GASB Statement No. 75, *Accounting and Financial Reporting for the Postemployment Benefits Other Than Pensions* (GASB Statement No. 75); therefore, assets are accumulated to pay associated benefits. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits’ (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

The Plan provides medical and prescription drug to retirees and their covered dependents of the employers. Under the provisions of Chapter 88, P.L. 1974 and Chapter 48, P.L. 1999, local government employers electing to provide postretirement medical coverage to their employees must file a resolution with the Division. Under Chapter 88, local employers elect to provide benefit coverage based on the eligibility rules and regulations promulgated by the State Health Benefits Commission. Chapter 48 allows local employers to establish their own age and service eligibility for employer paid health benefits coverage for retired employees. Under Chapter 48, the employer may assume the cost of postretirement medical coverage for employees and their dependents who: 1) retired on a disability pension; or 2) retires with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 3) retired and reached the age of 65 with 25 or more years of service credit in a State or locally administered retirement system and a period of service of up to 25 years with the employer at the time of retirement as established by the employer; or 4) retires and reached age 62 with at least 15 years of service with the employer. Further, the law provides that the employer paid obligations for retiree coverage may be determined by means of a collective negotiations agreement.

In accordance with Chapter 330, P.L. 1997, which is codified in N.J.S.A. 52:14-17.32i, the State provides medical and prescription coverage to local police officers and firefighters, who retire with 25 years of service or on a disability from an employer who does not provide postretirement medical coverage. Local employers were required to file a resolution with the Division in order for their employees to qualify for State-paid retiree health benefits coverage under Chapter 330. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989.

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

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

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 14 POST-RETIREMENT MEDICAL BENEFITS (Continued)

Measurement Focus and Basis of Accounting

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

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

Investment Valuation

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

Special Funding Situation

Under N.J.S.A. 43:3C-24 the Borough is responsible for their own OPEB contributions based on actuarially determined amounts, except where legislation was passed which legally obligated the State to make contributions if certain circumstances occurred. The legislation which legally obligates the State is as follows: Chapter 330, P.L. 1997 and Chapter 271, P.L., 1989. Under Chapter 330, P.L. 1997, the State pays the premiums or periodic charges for the qualified local police and firefighter retirees and dependents equal to 80 percent of the premium or periodic charge for the category of coverage elected by the qualified retiree under the State managed care plan or a health maintenance organization participating in the program providing the lowest premium or periodic charge. The State also provides funding for retiree health benefits to survivors of local police officers and firefighters who die in the line of duty under Chapter 271, P.L. 1989. The amounts contributed on behalf of the Borough by the State under this legislation is considered to be a special funding situation as defined by GASB Statement No. 75 and the State is treated as a nonemployer contributing entity. Accordingly, the Borough's proportionate share percentage of the net pension liability, deferred outflows and inflows determined under GASB Statement No. 75 is zero percent and the State's proportionate share is 100% of OPEB under this legislation.

At December 31, 2019, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$5,931,251. For the years ended December 31, 2019 the plan has determined the State's proportionate share of the OPEB expense attributable to the Borough for the OPEB special funding situation is \$78,620. At December 31, 2019, (measurement date June 30, 2019), the State's share of the OPEB liability attributable to the Borough was .10733 percent, which was a decrease of .00879 from its proportionate share measured as of December 31, 2018 (measurement date June 30, 2018) of .11612 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

GASB Statement number 75 OPEB funded information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

OPEB Plan Fiduciary Net Position

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

**BOROUGH OF CRESSKILL
 NOTES TO FINANCIAL STATEMENTS
 YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 15 RISK MANAGEMENT

The Borough is exposed to various risks of loss related to general liability, automobile coverage, theft of, damage to and destruction of assets; errors and omissions; injuries to employees; termination of employees and natural disasters. The Borough has obtained commercial insurance coverage to guard against these events to minimize the exposure to the Borough should they occur.

The Borough of Cresskill is a member of the Bergen County Municipal Joint Insurance Fund (BJIF) and Municipal Excess Liability Joint Insurance Fund (MEL). The joint insurance funds are both an insured and self-administered group of municipalities established for the purpose of insuring against property damage, general liability, motor vehicles and equipment liability and worker's compensation. The Funds are risk-sharing public entity pools. The BJIF and MEL coverage amounts are on file with the Borough.

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to 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 the municipality was a member.

The funds provide its members with risk management services, including the defense of and settlement of claims, and established reasonable and necessary loss reduction and prevention procedures to be followed by the members. Complete financial statements of the funds can be obtained by contacting the respective fund's Treasurer.

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

The Borough has elected to fund its New Jersey Unemployment Compensation Insurance under the "Benefit Reimbursement Method". Under this plan the Borough 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 Borough is billed quarterly for amounts due to the State. The following is a summary of Borough contributions, employee contributions, reimbursements to the State for benefits paid and the ending balance of the Borough's unemployment compensation trust fund for the current and previous two years:

<u>Year Ended December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2020	\$ 80,000	\$ 10,837	\$ 12,529	\$ 92,853
2019	40,027	11,210	55,482	14,545
2018	42,057	9,735	40,305	18,790

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 16 CONTINGENT LIABILITIES

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

Pending Tax Appeals - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2020 and 2019. Amounts claimed have not yet been determined. The Borough is vigorously defending its assessments in each case. Under the accounting principles prescribed by the Division of Local Government Services, Department of community Affairs, State of New Jersey, the Borough does not recognize a liability, if any, until these cases have been adjudicated. The Borough expects such amounts, if any, could be material. As of December 31, 2020 and 2019, the Borough reserved \$394,884 and \$601,144, respectively in the Current Fund for tax appeals pending in the New Jersey Tax Court. Funding of any ultimate liability would be provided for in succeeding years' budget or from fund balance.

Federal and State Awards - The Borough 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 Borough may be required to reimburse the grantor government. As of December 31, 2020 and 2019 significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

NOTE 17 FEDERAL ARBITRAGE REGULATIONS

The Borough 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 December 31, 2020 and 2019, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

NOTE 18 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED

The Borough of Cresskill Length of Service Award Program (the Plan) was created by a Borough ordinance adopted on August 9, 2000 pursuant to 457 (e)(11)(13) of the Internal Service Code of 1986, as amended, except for provisions added by reason of the Length of Service Award Program as enacted into federal law in 1997. The voters of the Borough of Cresskill approved the adoption of the Plan at the general election held on November 7, 2000.

The first year of eligibility for entrance into the Plan was calendar year 2001. The tax deferred income benefits for emergency services volunteers, consisting of the Volunteer Fire Department and the First Aid Organization, come from contributions made solely by the Borough on behalf of those volunteers who meet the criteria of a plan created by the governing body.

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 18 LENGTH OF SERVICE AWARD PROGRAM (LOSAP)-UNAUDITED (Continued)

If an active member meets the year of active service requirement, a LOSAP must provide a benefit between the minimum contribution of \$100 and a maximum contribution of \$1,150 per year. While the maximum amount is established by statute, it is subject to periodic increases that are related to the consumer price index (N.J.S.A. 40A:14-185(f)). The Division of Local Government Services issues the permitted maximum increase annually.

The Borough of Cresskill has contributed \$1,718 and \$1,705 for 2020 and 2019, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Borough contributions were \$8,590 and \$6,820 for 2020 and 2019, respectively.

In accordance with the amendments to Section 457 of the Internal Revenue Code and the State Deferred Revenue Regulations, the Borough has placed the amounts deferred, including earnings, in a trust for the exclusive benefit of the plan participants and their beneficiaries.

Lincoln Financial Group is the administrator of the plan. The Borough's practical involvement in administering the plan is essentially limited to verifying the eligibility of each participant and remitting the funds to the plan administrator.

Vesting and Benefits

A volunteer is eligible to receive a distribution of funds upon completing 5 (five) cumulative years as an active member of the volunteer organization. Certain restrictions and tax implications may result in the event of a withdrawal of funds from the Plan.

If a volunteer member does not vest and terminates their association with the emergency service organization, the funds are returned to the sponsoring agency's surplus.

Reporting Requirements

The New Jersey Administrative Code NJAC 5:30-14.49 requires that the Borough perform a separate review report of the plan in accordance with the American Institute of Certified Public Accountants (AICPA) Statements on Standards for Accounting and Auditing Review Services. Since a review does not constitute an audit, the financial statements pertaining to the Plan are presented as unaudited in this report as part of the Borough's Trust Fund.

NOTE 19 TAX ABATEMENTS

For the years ended December 31, 2020 and 2019, the Borough provided property tax abatements through certain programs authorized under State statutes. These programs include the New Jersey Housing and Mortgage Financing Act (NJHMFA).

- The New Jersey Housing and Mortgage Financing Act (NJSA 55:14K et. seq.) allows for property tax abatements for residential rental housing projects financed by the New Jersey Housing and Mortgage Finance Agency. These property tax abatements last for the term of the original mortgage financing so long as the residential rental housing project remains subject to the NJHMFA Law and regulations. The process begins when the municipality passes by ordinance or resolution, as appropriate, that such residential rental housing project shall be exempt from property tax provided that an agreement is entered into with the housing sponsor for payments in lieu of taxes (PILOTs) to the municipality. The agreement can require the housing sponsor to a PILOT payment to the municipality in an amount up to 20% of the annual gross revenue from each housing project. For the years ended December 31, 2020 and 2019 the Borough abated property taxes totaling \$829,082 and \$820,561, respectively, under the NJHMFA program. The Borough received \$172,036 and \$180,349 in PILOT payments under this program for the years ended December 31, 2020, respectively.

**BOROUGH OF CRESSKILL
NOTES TO FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2020 AND 2019**

NOTE 20 SUBSEQUENT EVENTS

Debt Authorized

On April 7, 2021, the Borough adopted a bond ordinance authorizing the issuance \$1,349,000 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On June 16, 2021, the Borough adopted a bond ordinance authorizing the issuance \$204,250 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On July 14, 2021, the Borough adopted a bond ordinance authorizing the issuance \$1,334,750 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

NOTE 21 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, which was first discovered in China and has since spread to other countries, including the United States (and to the Borough) (the “COVID-19 Pandemic”). On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey’s economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor’s pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place. Recently, the United States Congress has passed relief and stimulus legislation including the American Rescue Plan Act signed into law by President Biden on March 12, 2021, comprising of \$1.9 trillion in funding to address the COVID-19 Pandemic. This legislation is intended to address the financial impact of the pandemic on the U.S. economy and alleviate the health effects of the COVID-19 pandemic. It is too early to predict if the legislation will have its intended affect.

In compliance with the Governor’s executive orders, the Borough has instituted necessary precautions and procedures, so as to allow the Borough to continue to provide services during this time. The Borough is functioning administratively, and its departments continue to operate both remotely and on-site, where safe and practicable. The Borough will continue to collect property taxes and other municipal revenues. Because of the evolving nature of the outbreak and federal, state and local responses thereto, the Borough cannot predict how the outbreak will impact the financial condition or operations of the Borough, or if there will be any impact on the assessed values of property within the Borough or deferral of tax payments to municipalities. The Borough cannot predict costs associated with this or any other potential infectious disease outbreak, including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. At this time, it is not possible to predict any future financial impacts as a result of this pandemic on the Borough’s operations; however, such amounts, if any, could be material.

CURRENT FUND

BOROUGH OF CRESSKILL
STATEMENT OF CURRENT CASH - COLLECTOR - TREASURER

Balance, January 1, 2020		\$ 11,588,334
Increased by Receipts:		
Taxes Receivable	\$ 52,096,983	
Due from the State of NJ - Senior and Veterans Deductions	41,500	
Non-Budget Revenue	326,629	
Revenue Accounts Receivable	2,178,631	
Other Fees Payable	15,263	
Grants Receivable	24,021	
Petty Cash	900	
Prepaid Taxes	354,946	
Miscellaneous Reserves	650,802	
Tax Overpayments	278,591	
Unearned Revenue	3,698	
Reserve for Tax Title Lien Redemption	54,246	
Receipts from Other Trust Fund	48,351	
Receipts from Assessment Trust Fund	266	
Receipts from Animal Control Trust Fund	1,277	
Receipts from Unemployment Trust Fund	201	
Receipts from General Capital Fund	<u>53,020</u>	
		<u>56,129,325</u>
		67,717,659
Decreased by Disbursements:		
2020 Budget Appropriation	18,221,801	
2019 Appropriation Reserves	676,441	
Other Fees Payable	13,701	
County Taxes Payable	5,580,499	
Due County for Added Taxes	13,359	
Local District School Tax Payable	29,976,011	
Payments to Appellants - Tax Appeals	306,260	
Reserve for Tax Title Lien Redemption	54,246	
Miscellaneous Reserves	442,169	
Appropriated Grant Reserves	17,280	
Refund of Prior Year Revenue	8,203	
Tax Overpayments Applied to Current Year	10,806	
Refund Tax Overpayments	205,668	
Payments to Other Trust Fund	25,000	
Payments to Municipal Open Space Trust Fund	216,327	
Petty Cash	<u>900</u>	
		<u>55,768,671</u>
Balance, December 31, 2020		<u>\$ 11,948,988</u>

**BOROUGH OF CRESSKILL
STATEMENT OF CHANGE FUND**

<u>Office</u>	Balance, January 1, 2020	Balance, December 31, 2020
Collector - Treasurer	\$ 150	\$ 150

EXHIBIT A-6

STATEMENT OF PETTY CASH

<u>Office</u>	Received from <u>Treasurer</u>	Returned to <u>Treasurer</u>
Borough Clerk	\$ 900	\$ 900

EXHIBIT A-7

STATEMENT OF GRANTS RECEIVABLE

	Balance, January 1, <u>2020</u>	<u>Accrued</u>	<u>Received</u>	Balance, December 31, <u>2020</u>
Municipal Alliance on Alcohol and Drug Abuse	\$ 15,311	\$ 5,501	\$ 2,809	\$ 18,003
Body Armor Grant		4,181	4,181	
Clean Communities Program	-	17,031	17,031	-
	<u>\$ 15,311</u>	<u>\$ 26,713</u>	<u>\$ 24,021</u>	<u>\$ 18,003</u>

**BOROUGH OF CRESSKILL
STATEMENT OF DUE TO STATE OF NEW JERSEY
SENIOR CITIZENS' AND VETERANS' DEDUCTIONS**

Balance, January 1, 2020		\$ 7,729
Increased by:		
Cash Received		41,500
		49,229
Decreased by:		
Senior Citizens' Deductions Per Tax Billings	\$ 3,000	
Veterans' Deductions Per Tax Billings	37,500	
Senior Citizens'/Veterans Deductions by Tax Collector	500	
2019 Senior Citizens'/Veterans Deductions Allowed by Tax Collector	250	
		41,250
Balance, December 31, 2020		\$ 7,979

**BOROUGH OF CRESSKILL
STATEMENT OF TAXES RECEIVABLE AND ANALYSIS OF PROPERTY TAX LEVY**

Year	Balance, January 1, 2020	2020 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Added/ Omitted Taxes	Collected in Cash		Senior Citizens' and Veterans' Deductions Allowed	Transferred to Tax Title Liens	Cancelled	Balance, December 31, 2020
					2019	2020				
2019	\$ 767,039			\$ 250		\$ 766,781	\$ 250		\$ 258	
2020	<u>-</u>	<u>\$ 52,610,947</u>	<u>-</u>	<u>-</u>	<u>\$ 387,932</u>	<u>51,330,202</u>	<u>41,000</u>	<u>\$ 7,422</u>	<u>163,900</u>	<u>\$ 680,491</u>
	<u>\$ 767,039</u>	<u>\$ 52,610,947</u>	<u>\$ -</u>	<u>\$ 250</u>	<u>\$ 387,932</u>	<u>\$ 52,096,983</u>	<u>\$ 41,250</u>	<u>\$ 7,422</u>	<u>\$ 164,158</u>	<u>\$ 680,491</u>

Tax Yield	
General Purpose Tax	\$ 52,474,890
Added Taxes (54:4-63.1 et seq.)	<u>136,057</u>
	<u>\$ 52,610,947</u>
Tax Levy	
Local District School Tax (Abstract)	\$ 30,227,768
County Taxes	5,580,499
Due County for Added Taxes (54:4-63.1 et seq.)	<u>14,490</u>
	35,822,757
Municipal Open Space Tax	215,768
Municipal Added Taxes (54:4-63.1 et seq.)	559
Library Levy	776,839
Local Tax for Municipal Purposes	15,662,983
Add Additional Tax Levied	<u>132,041</u>
	<u>16,788,190</u>
	<u>\$ 52,610,947</u>

**BOROUGH OF CRESSKILL
STATEMENT OF TAX TITLE LIENS**

Balance, January 1, 2020	\$ 108,016
Increased by:	
Transfer from Taxes Receivable	7,422
	115,438
Decreased by:	
Cancelled by Resolution	2,743
Balance, December 31, 2020	\$ 112,695

STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)

Balance, January 1, 2020	\$ 38,600
Balance, December 31, 2020	\$ 38,600

**BOROUGH OF CRESSKILL
STATEMENT OF REVENUE ACCOUNTS RECEIVABLE**

	Balance, January 1, <u>2020</u>	Accrued in <u>2020</u>	Collected <u>2020</u>	Balance, December 31, <u>2020</u>
Borough Clerk				
Alcoholic Beverage		\$ 8,904	\$ 8,904	
Licenses		1,820	1,820	
Fees and Permits		40,728	40,728	
Board of Health				
Licenses		10,250	10,250	
Fees and Permits		1,638	1,638	
Tax Collector				
Fees and Permits		84,015	84,015	
Police Department				
Fees and Permits		1,251	1,251	
Planning Board				
Fees and Permits		1,840	1,840	
Zoning Board				
Fees and Permits		11,115	11,115	
Fire Prevention				
Fees and Permits		22,074	22,074	
Municipal Court				
Fines and Costs	\$ 2,986	11,727	11,727	\$ 2,986
Interest and Costs on Taxes		133,569	133,569	
Interest on Investments and Deposits		82,717	82,717	
Energy Receipts Tax		818,122	818,122	
Uniform Construction Code Fees		361,948	361,948	
Uniform Fire Safety Act		12,329	12,329	
Reserve for Payment of Bonds		149,122	149,122	
Capital Fund Balance		16,000	16,000	
Assessment Trust Fund Balance		3,225	3,225	
Payment in Lieu of Taxes-				
Cresskill Residential		119,084	119,084	
6 Madison Ave		52,952	52,952	
Ambulance Billing - Third Party	-	237,889	237,889	-
	<u>\$ 2,986</u>	<u>\$ 2,182,319</u>	<u>\$ 2,182,319</u>	<u>\$ 2,986</u>
			Cash Deposits	\$ 2,178,631
			Unearned Revenue Applied	<u>3,688</u>
				<u>\$ 2,182,319</u>

BOROUGH OF CRESSKILL
STATEMENT OF 2019 APPROPRIATION RESERVES

	Balance, December 31, <u>2019</u>	Modified <u>Balance</u>	<u>Expended</u>	<u>Transfer</u>	Balance <u>Lapsed</u>
Salaries and Wages					
Municipal Clerk	\$ 15,333	\$ 15,333	\$ 8,811		\$ 6,522
General Administration	1,999	1,999	-	\$ -	1,999
Financial Administration	10,376	10,376	11,380	(1,500)	496
Revenue Administration	3,319	3,319	2,354		965
Assessment of Taxes	3,221	3,221			3,221
Planning Board	612	612			612
Zoning Board of Adjustment	714	714			714
Police					
Regular	218,825	218,825	150,013		68,812
School Marshalls	5,151	5,151			5,151
Specials	4,060	4,060			4,060
Emergency Medical Service	8,053	8,053		5,000	3,053
Fire Sub-Code	14,943	14,943	22,743	(8,000)	200
Municipal Prosecutor	2,722	2,722			2,722
Streets and Roads Maintenance - Regular	121,660	121,660	103,640		18,020
Streets and Roads Maintenance - Snow Removal	26,610	26,610	25,000		1,610
Buildings and Grounds	3,973	3,973	1,651		2,322
Public Health Services	1,589	1,589	477		1,112
Administration of Public Assistance	1,000	1,000			1,000
Recreation	1,361	1,361	1,187		174
Senior Citizens	537	537	1,493	(1,000)	44
Construction Code Official	10,159	10,159	2,136		8,023
Plumbing Inspector	428	428			428
Electrical Inspector	3,759	3,759			3,759
Fire Inspector	282	282			282
Municipal Court	3,693	3,693	753	-	2,940
	<u>464,379</u>	<u>464,379</u>	<u>331,638</u>	<u>(5,500)</u>	<u>138,241</u>
Other Expenses					
Mayor and Council	5,399	5,399	292		5,107
Municipal Clerk	11,304	11,780	1,358		10,422
Financial Administration	8,230	8,407	1,741	1,500	5,166
Annual Audit	1,104	39,954	42,746	(3,000)	208
Computerized Data	1,849	5,585	5,334		251
Revenue Administration	550	550	299		251
Assessment of Taxes	15,810	18,310	4,141		14,169
Legal Services & Costs	20,761	20,761	14,853		5,908
Engineering Services & Costs	22,978	30,353	10,981		19,372
Historical Committee	3,000	3,000			3,000
Planning Board	11,635	11,635	2,949		8,686
Zoning Board of Adjustment	3,875	3,875	88		3,787
Insurance					
Liability Insurance	9,987	61,832	51,845		9,987
Workman's Compensation	48	63,326	63,278		48
Employee Group Health	21,965	22,165	1,070	4,000	17,095
Fire Other Expenses	8,606	8,606	3,554		5,052
Fire Hydrant Services	1,111	1,111			1,111
Police	10,158	62,276	53,018		9,258

**BOROUGH OF CRESSKILL
STATEMENT OF 2019 APPROPRIATION RESERVES**

	Balance, December 31, <u>2019</u>	Modified <u>Balance</u>	<u>Expended</u>	<u>Transfer</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)					
Emergency Management Services	\$ 13,098	\$ 13,098		\$ 3,000	\$ 10,098
Emergency Medical Services	1,824	10,761	\$ 8,007		2,754
Streets and Roads Maintenance	27,047	38,680	4,568		34,112
Shade Tree Commission	4,715	4,715			4,715
Solid Waste Collection					
Other Expenses - Sanitation	48	48			48
Other Expenses - Recycling	3,973	4,481	508		3,973
Building and Grounds	931	5,930	5,149		781
Vehicle Maintenance	8,314	16,665	7,127		9,538
Public Health Services	4,727	4,757	89		4,668
Administration of Public Assistance	500	500			500
Environmental Commission	2,731	2,731			2,731
Celebration of Public Events	3,488	3,488			3,488
Recreation	14,213	14,654	467		14,187
Senior Citizens	2,834	3,296	532		2,764
Maintenance of Parks	376	1,336	1,135		201
Construction Code Official	13,858	17,358	3,640		13,718
Hepatitis "B" Inoculations	2,892	2,892			2,892
Fire Inspector	1,299	1,299			1,299
Electricity	20,534	20,534			20,534
Street Lighting	3,628	3,628			3,628
Telephone	358	358			358
Natural Gas	6,487	6,487	3,180		3,307
Gasoline	22,485	26,363	12,310		14,053
Water	3,489	3,489			3,489
Sewer System	1,012	1,012	60		952
Defined Contribution Retirement Program	1,618	1,618			1,618
Social Security System (O.A.S.I.)	2,813	2,813			2,813
Public Employees' Retirement System	24,374	24,374			24,374
Landfill/Solid Waste Disposal Costs					
Recycling Tax	-	1,662			1,662
Garbage and Trash Removal Dumping Fees	14,776	49,934	36,945		12,989
Fire - LOSAP	-	10,000	6,820		3,180
Capital Improvement Fund					
Crosswalk Traffic Signal - Grant Ave	1,840	1,840			1,840
Municipal Court	2,192	2,192	316		1,876
Interlocal Municipal Service - Police Dispatch 911	-	5,000	5,000		-
Interlocal Public Health Svcs - County of Bergen	504	504			504
Municipal Alliance - State Share	4,511	7,320	2,809	4,511	-
State Recycling Grant	9,656	9,656		9,656	-
Clean Communities	12,889	12,889		12,889	-
Body Armor Fund Grant Reserve	969	969	969	-	-
	<u>399,373</u>	<u>718,256</u>	<u>357,178</u>	<u>32,556</u>	<u>328,522</u>
	<u>\$ 863,752</u>	<u>\$ 1,182,635</u>	<u>688,816</u>	<u>\$ 27,056</u>	<u>466,763</u>
Appropriation Reserves		\$ 863,752			
Encumbrances Payable		<u>318,883</u>			
		<u>\$ 1,182,635</u>			
Cash Disbursements			\$ 676,441		
Accounts Payable			<u>12,375</u>		
			<u>\$ 688,816</u>		
Transfer to Appropriated Grant Reserves				<u>\$ 27,056</u>	

**BOROUGH OF CRESSKILL
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2020	\$ 318,883
Increased by:	
Charges to 2020 Budget Appropriations	294,446
	613,329
Decreased by:	
Restored to 2019 Appropriation Reserves	318,883
 Balance, December 31, 2020	 \$ 294,446

EXHIBIT A-15

STATEMENT OF ACCOUNTS PAYABLE

Balance, January 1, 2020	\$ 11,614
Increased by:	
Transfer From 2019 Appropriation Reserves	12,375
	23,989
Decreased by:	
Cancelled	1,614
 Balance, December 31, 2020	 \$ 22,375

EXHIBIT A-16

STATEMENT OF OTHER FEES PAYABLE

	Balance, January 1, <u>2020</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance, December 31, <u>2020</u>
DCA Fees	\$ 2,236	\$ 14,963	\$ 13,376	\$ 3,823
Marriage License Fees	25	300	325	-
	\$ 2,261	\$ 15,263	\$ 13,701	\$ 3,823

**BOROUGH OF CRESSKILL
STATEMENT OF PREPAID TAXES**

Balance, January 1, 2020		\$	387,932
Increased by:			
Collection of 2021 Taxes	\$	354,946	
Transfer of Overpayment - 2020 Taxes		<u>11,248</u>	
			<u>366,194</u>
			754,126
Decreased by:			
Applied to 2020 Taxes			<u>387,932</u>
Balance, December 31, 2020		\$	<u>366,194</u>

STATEMENT OF TAX OVERPAYMENTS

Balance, January 1, 2020		\$	23,740
Increased by:			
Cash Receipts			<u>278,591</u>
			302,331
Decreased by:			
Applied to 2020 Taxes Receivable	\$	10,806	
Applied to 2021 Taxes Receivable		11,248	
Cancellations		5,894	
Cash Disbursements		<u>205,668</u>	
			<u>233,616</u>
Balance, December 31, 2020		\$	<u>68,715</u>

**BOROUGH OF CRESSKILL
STATEMENT OF COUNTY TAXES PAYABLE**

Increased by:		
2020 Tax Levy		\$ <u>5,580,499</u>
Decreased by:		
Payments		\$ <u><u>5,580,499</u></u>

EXHIBIT A-20

STATEMENT OF DUE COUNTY FOR ADDED TAXES

Balance, January 1, 2020		\$ 13,359
Increased by:		
County Open Space Preservation - Added Taxes	\$ 560	
County Share of 2020 Levy - Added Taxes	<u>13,930</u>	
(RS 54:4-63.1 et seq)		<u>14,490</u>
		27,849
Decreased by:		
Payments		<u>13,359</u>
Balance, December 31, 2020		\$ <u><u>14,490</u></u>

BOROUGH OF CRESSKILL
STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE

Balance, January 1, 2020		\$ 12,587,864
School Tax Payable	\$ 6,180,204	
School Tax Deferred	<u>6,407,660</u>	
Increased by:		
Levy School Year July 1, 2020 to June 30, 2021		<u>30,227,768</u>
		42,815,632
Decreased by:		
Payments		<u>29,976,011</u>
Balance, December 31, 2020		
School Tax Payable	6,031,961	
School Tax Deferred	<u>6,807,660</u>	
		<u>\$ 12,839,621</u>
<u>2020 Liability for Local District School Tax</u>		
Tax Paid		\$ 29,976,011
School Tax Payable-December 31, 2020		<u>6,031,961</u>
		36,007,972
Less: Tax Payable December 31, 2019		<u>6,180,204</u>
Amount Charged to 2020 Operations		<u>\$ 29,827,768</u>

**BOROUGH OF CRESSKILL
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, January 1, <u>2020</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2020</u>
Recycling Expenditures	\$ 19,442	\$ 2,447	\$ 13,768	\$ 8,121
Police Color Guard	9,951	1,525	3,601	7,875
Senior Center Activities	15,925	150		16,075
Tax Sale Premiums	208,100	305,200	45,900	467,400
Tree Replacement	900			900
Recreation Activities	76,135	341,479	378,900	38,714
	<u>\$ 330,453</u>	<u>\$ 650,801</u>	<u>\$ 442,169</u>	<u>\$ 539,085</u>

STATEMENT OF APPROPRIATED RESERVES

	Balance, January 1, <u>2020</u>	Transfer from Appropriation <u>Reserves</u>	<u>Disbursements</u>	Balance, December 31, <u>2020</u>
Municipal Alliance Grant	\$ 9,498	\$ 4,511		\$ 14,009
Drunk Driving	4,928			4,928
Alcohol Rehabilitation	1,974			1,974
Clean Communities	32,541	12,889		45,430
Recycling Tonnage Grant	88,569	9,656	\$ 17,280	80,945
	<u>\$ 137,510</u>	<u>\$ 27,056</u>	<u>\$ 17,280</u>	<u>\$ 147,286</u>

**BOROUGH OF CRESSKILL
STATEMENT OF RESERVES FOR TAX APPEALS PENDING**

Balance, January 1, 2020	\$	601,144
Increased by:		
Transfer from 2020 Appropriations		100,000
		701,144
Decreased by:		
Cash Paid to Appellants		306,260
Balance, December 31, 2020	\$	394,884

STATEMENT OF RESERVES FOR TAX TITLE LIEN REDEMPTION

Increased by:		
Cash Receipts	\$	54,246
Decreased by:		
Cash Disbursements	\$	54,246

STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED

	Balance, January 1, 2020	Received	Realized as Budgeted Revenue	Balance, December 31, 2020
Recycling Tonnage Grant	\$ 9,656	\$ -	\$ 9,656	\$ -

STATEMENT OF UNEARNED REVENUE

Balance, January 1, 2020	\$	3,688
Increased by:		
Cash Receipt for 2021 Item of Revenue		3,698
		7,386
Decreased by:		
Revenue Realized		3,688
Balance, December 31, 2020	\$	3,698

TRUST FUNDS

BOROUGH OF CRESSKILL
STATEMENT OF TRUST FUND CASH - COLLECTOR AND TREASURER

	<u>Assessment Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>Municipal Open Space Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>
Balance, January 1, 2020	\$ 3,226	\$ 7,493	\$ 2,360,758	\$ 572,540	\$ 14,552
Increased by Receipts:					
Budget Appropriations:					
Unemployment Compensation					\$ 80,000
Animal Control		\$ 2,000			
Open Space Taxes				\$ 216,327	
Assessments Receivable	\$ 3,226				
Interest and Cost on Assessments	258				
Cat License Fees Collected		1,224			
Dog License Fees Collected		9,294			
State Registration Fees Collected		947			
Receipts from Swim Pool Capital Fund				12,000	
Receipts from Current Fund			\$ 25,000		
Miscellaneous Reserves and Deposits			250,362		
Payroll Salaries and Withholdings			11,698,263		10,837
Housing Trust Fees Collected			591,233		
Escrow Deposits			133,199		
Interest on Investments and Deposits	8	50	14,139	3,280	227
Street Opening Deposits			400		
Police Outside Services	-	-	325,144	-	-
	<u>3,492</u>	<u>13,515</u>	<u>13,037,740</u>	<u>231,607</u>	<u>91,064</u>
	6,718	21,008	15,398,498	804,147	105,616
Decreased by Disbursements:					
Payments to Current Fund	3,491	1,277	48,351		201
Expenditures Under R.S 4:19-15.11		16,657		22,026	
Due to State of NJ - Dog License Fees		947			
Street Opening Refunds			200		
Payroll Salaries and Withholdings			11,680,985		
Escrow Deposits			65,108		
Miscellaneous Reserves and Deposits			222,504		
Housing Trust Expenditures			74,603		
Unemployment Ins. Benefits					12,529
Police Outside Services	-	-	325,284	-	-
	<u>3,491</u>	<u>18,881</u>	<u>12,417,035</u>	<u>22,026</u>	<u>12,730</u>
Balance, December 31, 2020	<u>\$ 3,227</u>	<u>\$ 2,127</u>	<u>\$ 2,981,463</u>	<u>\$ 782,121</u>	<u>\$ 92,886</u>

**BOROUGH OF CRESSKILL
ANALYSIS OF ASSESSMENT CASH**

	Balance, December 31, <u>2020</u>
Due to Current Fund	\$ 1
Assessment Trust Surplus	<u>3,226</u>
	<u>\$ 3,227</u>

**BOROUGH OF CRESSKILL
STATEMENT OF ASSESSMENTS RECEIVABLE
ASSESSMENT TRUST FUND**

Ord. No.	Improvement Description	Date of Confirmation	Annual Installments	Due Dates	Balance, January 1, 2020	Collected	Balance, December 31, 2020	Analysis of Balance		
								Assessment Bonds	Assessment Notes	Reserve
08-13	Improvements to Devonshire and Kenilworth St.	12/1/2012	10	12/1/12-2021	\$ 6,451	\$ 3,226	\$ 3,225	-	-	\$ 3,225
					<u>\$ 6,451</u>	<u>\$ 3,226</u>	<u>\$ 3,225</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,225</u>

**STATEMENT OF RESERVE FOR ASSESSMENTS AND LIENS
ASSESSMENT TRUST FUND**

Ordinance Number	Improvement Description	Balance, January 1, 2020	Collections To Surplus	Balance, December 31, 2020
	<u>Assessments Receivable</u>			
08-13	Improvements to Devonshire and Kenilworth St.	\$ 6,451	\$ 3,226	\$ 3,225
		<u>\$ 6,451</u>	<u>\$ 3,226</u>	<u>\$ 3,225</u>

**BOROUGH OF CRESSKILL
STATEMENT OF DUE TO CURRENT FUND
ASSESSMENT TRUST FUND**

Balance, January 1, 2020		\$	1
Increased by:			
Interest and Cost on Assessment	\$ 258		
Interest on Deposits	<u>8</u>		
			<u>266</u>
			267
Decreased by:			
Payments Made to Current Fund			<u>266</u>
Balance, December 31, 2020		\$	<u><u>1</u></u>

**STATEMENT OF RESERVE FOR ANIMAL CONTROL EXPENDITURES
ANIMAL CONTROL FUND**

Balance, January 1, 2020		\$	7,489
Increased by:			
Dog License Fees Collected	\$ 8,723		
Late and Miscellaneous Fees Collected	571		
Cat License Fees Collected	1,224		
Budget Appropriation	<u>2,000</u>		
			<u>12,518</u>
			20,007
Decreased by:			
Expenditures Under RS 4:19-15.11	16,657		
Due to Current Fund	<u>1,224</u>		
			<u>17,881</u>
Balance, December 31, 2020		\$	<u><u>2,126</u></u>

**BOROUGH OF CRESSKILL
STATEMENT OF DUE TO STATE OF NEW JERSEY
ANIMAL CONTROL FUND**

Increased by:		
2020 State Fees Collected		\$ <u>947</u>
Decreased by:		
Payments		\$ <u>947</u>

**STATEMENT OF DUE TO CURRENT FUND
ANIMAL CONTROL FUND**

Balance, January 1, 2020		\$ 4
Increased by:		
Cat Fees Collected	\$ 1,224	
Interest	<u>50</u>	
		<u>1,274</u>
		1,278
Increased by:		
Cash Disbursement		<u>1,277</u>
Balance, December 31, 2020		<u><u>\$ 1</u></u>

**STATEMENT OF RESERVE FOR UNEMPLOYMENT INSURANCE CLAIMS
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND**

Balance, January 1, 2020		\$ 14,545
Increased by:		
Employee Payroll Deductions	\$ 10,837	
2020 Budget Appropriation	<u>80,000</u>	
		<u>90,837</u>
		105,382
Decreased by:		
Due to State of New Jersey		<u>12,529</u>
Balance, December 31, 2020		<u><u>\$ 92,853</u></u>

**BOROUGH OF CRESSKILL
STATEMENT OF DUE TO STATE OF NEW JERSEY
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND**

Increased by:		
2020 Unemployment Claims		\$ <u>12,529</u>
Decreased by:		
Payments		<u>12,529</u>

**STATEMENT OF DUE TO CURRENT FUND
UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND**

Balance, January 1, 2020		\$ 7
Increased by:		
Interest on Investments		<u>227</u>
		234
Decreased by:		
Cash Disbursements		<u>201</u>
Balance, December 31, 2020		<u>\$ 33</u>

**BOROUGH OF CRESSKILL
STATEMENT OF POLICE OUTSIDE SERVICES RECEIVABLE
OTHER TRUST FUND**

Balance, January 1, 2020		\$ 94,953
Increased by:		
Police Outside Services Billings		<u>317,304</u>
		412,257
Decreased by:		
Cash Receipts		<u>325,144</u>
Balance, December 31, 2020		<u>\$ 87,113</u>

**STATEMENT OF DUE TO CURRENT FUND
OTHER TRUST FUND**

Balance, January 1, 2020		\$ 20,291
Increased by:		
Receipts from Current Fund	\$ 25,000	
Interest on Investments and Deposits	<u>3,267</u>	
		<u>28,267</u>
		48,558
Decreased by:		
Payments to Current Fund		<u>48,351</u>
Balance, December 31, 2020		<u>\$ 207</u>

**BOROUGH OF CRESSKILL
STATEMENT OF RESERVE FOR ESCROW DEPOSITS
OTHER TRUST FUND**

Balance, January 1, 2020		\$ 296,656
Increased by:		
Deposits Collected		<u>133,199</u>
		429,855
Decreased by:		
Deposits Refunded		<u>65,108</u>
Balance, December 31, 2020		<u>\$ 364,747</u>

**STATEMENT OF RESERVE FOR STREET OPENING DEPOSITS
OTHER TRUST FUND**

Balance, January 1, 2020		\$ 2,900
Increased by:		
Deposits Collected		<u>400</u>
		3,300
Decreased by:		
Deposits Refunded		<u>200</u>
Balance, December 31, 2020		<u>\$ 3,100</u>

**BOROUGH OF CRESSKILL
STATEMENT OF RESERVE FOR AFFORDABLE HOUSING TRUST
OTHER TRUST FUND**

Balance, January 1, 2020		\$ 1,733,220
Increased by:		
Cash Receipts	\$ 591,233	
Interest Earned	<u>10,872</u>	
		<u>602,105</u>
		2,335,325
Decreased by:		
Cash Disbursements		<u>74,603</u>
Balance, December 31, 2020		<u><u>\$ 2,260,722</u></u>

**STATEMENT OF RESERVE FOR PAYROLL SALARIES AND WITHHOLDINGS
OTHER TRUST FUND**

Balance, January 1, 2020		\$ 67,939
Increased by:		
Cash Receipts		<u>11,698,263</u>
		11,766,202
Decreased by:		
Cash Disbursements		<u>11,680,985</u>
Balance, December 31, 2020		<u><u>\$ 85,217</u></u>

**BOROUGH OF CRESSKILL
STATEMENT OF MISCELLANEOUS RESERVES AND DEPOSITS
OTHER TRUST FUND**

	Balance, January 1, <u>2020</u>	<u>Receipts</u>	<u>Decreased by</u>	Balance, December 31, <u>2020</u>
Community Center	\$ (13,016)	\$ 118,862	\$ 104,605	\$ 1,241
POAA	610	2		612
Snow Removal	143,375	118,843	104,778	157,440
Flexible Spending	3,119	5,670	6,271	2,518
Estate of Alan Berlin	75,558			75,558
Recreation - Umpire	660	6,985	6,850	795
Fire Prevention Penalties	1,109			1,109
911 Memorial Fund	650			650
Rent Security Deposits	1,125	-	-	1,125
	<u>\$ 213,190</u>	<u>\$ 250,362</u>	<u>\$ 222,504</u>	<u>\$ 241,048</u>
		Cash Disbursements	<u>\$ 222,504</u>	

**STATEMENT OF RESERVE FOR POLICE OUTSIDE SERVICES
OTHER TRUST FUND**

Balance, January 1, 2020	\$ 121,515
Increased by:	
Police Outside Services Billings	<u>317,304</u>
	438,819
Decreased by:	
Cash Disbursements	<u>325,284</u>
Balance, December 31, 2020	<u>\$ 113,535</u>

BOROUGH OF CRESSKILL
STATEMENT OF RESERVE FOR MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND

Balance, January 1, 2020		\$ 584,540
Increased by:		
Open Space Tax	\$ 215,768	
Added Open Space Tax	559	
Interest Earnings	<u>3,280</u>	
		<u>219,607</u>
		804,147
Decreased by:		
Cash Disbursements		<u>22,026</u>
Balance, December 31, 2020		<u>\$ 782,121</u>

GENERAL CAPITAL FUND

**BOROUGH OF CRESSKILL
STATEMENT OF CASH - GENERAL CAPITAL FUND**

Balance, January 1, 2020		\$ 3,685,200
Increased by:		
Budget Appropriations:		
Capital Improvement Fund	\$ 165,000	
Deferred Charges Unfunded	25,879	
Grant Receipts	161,250	
Bond Anticipation Note Sale	8,350,000	
Premium on Sale of Bond Anticipation Notes	46,259	
Lease Payment from Cresskill Board of Education	24,712	
Interest on Investments and Deposits	<u>17,614</u>	
		<u>8,790,714</u>
		12,475,914
Decreased by:		
Improvement Authorizations	1,028,389	
Encumbrances Payable	2,086,313	
Bond Anticipation Notes	5,310,000	
Reserve for Defibrillator	1,417	
Reserve for Payment of Bonds Anticipated as Current Fund Revenue	149,122	
Capital Surplus Anticipated as Current Fund Revenue	16,000	
Payments to Current Fund	<u>53,020</u>	
		<u>8,644,261</u>
Balance, December 31, 2020		<u>\$ 3,831,653</u>

**BOROUGH OF CRESSKILL
ANALYSIS OF GENERAL CAPITAL CASH**

	Balance, December 31, <u>2020</u>
Fund Balance	\$ 93,352
Capital Improvement Fund	44,865
Due to Current Fund	901
Reserve for Improvements to Firehouse	230,765
Reserve for Payment of Serial Bonds	37,678
Reserve for BOE Lease Payments	991,296
Encumbrances Payable	391,291
Grants Receivable	(50,000)
Due from BOE Lease Payments	(991,296)

Improvement Authorizations:

Ordinance

<u>Number</u>	<u>Improvement Description</u>	
15-04-1472	Acquisition of Police Equipment	26,758
15-06-1474	2015 Road Improvement Program	165,310
15-11-1497	Acquisition of Various Equipment & Vehicles	75,486
16-08-1487	Various Improvements & Equipment	119,829
17-05-1500	Various Improvements & Equipment	129,174
18-05-1517	Various Improvements & Equipment	225,065
18-18-1530 /		
19-03-1535 /		
19-19-1550	Various Improvements Margie Ave Athletic Field	152,865
18-20-1532	Improvement Parking Facility Allen Street	159,043
19-04-1536	Improvements of Piermont Road, Section 3	11,200
19-07-1539	Various Improvements & Equipment	287,448
19-15-1546	Margie Ave. Road Improvements	224,142
19-18-1549	DPW Fueling Station Improvements	32,777
20-02-1552	Various Road Improvements	871,840
20-10-1560	Various Improvements & Equipment	601,864
		\$ 3,831,653

BOROUGH OF CRESSKILL
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - FUNDED

Balance, January 1, 2020	\$ 11,132,000
Decreased by:	
2020 Budget Appropriation to Pay Bonds	<u>1,375,000</u>
Balance, December 31, 2020	<u>\$ 9,757,000</u>

**BOROUGH OF CRESSKILL
STATEMENT OF DEFERRED CHARGES TO FUTURE TAXATION - UNFUNDED**

Analysis of Balance,
December 31, 2020

Ord. No.	Improvement Description	Balance, January 1, 2020	2020 Authorizations	Grant Receipts	Cancelled by Resolution	Balance, December 31, 2020	Financed by		Unexpended Improvement Authorizations
							Bond Anticipation Notes	Expenditures	
General Improvements									
18-05-1517	Various Improvements & Equipment	\$ 1,121,000				\$ 1,121,000	\$ 1,121,000		
18-18-1530 /									
19-03-1535 /	Various Improvements Merritt Field (Margie Ave.								
19-19-1550	Athletic Field)	1,686,250				1,686,250	\$ 1,686,250		
18-20-1532	Parking Facility - Allen Street	1,311,000				1,311,000	1,311,000		
19-04-1536	Improvement of Piermont Road, Section 3	51,278				51,278	51,278		
19-07-1539	Various Improvements & Equipment	1,230,250				1,230,250	1,230,250		
19-15-1546	Margie Ave. Road Improvements	593,750		\$ 161,250		432,500	432,500		-
19-18-1549	DPW Fueling Station Improvements	213,750			\$ 3,103	210,647	210,647		-
20-02-1552	Various Road Improvements	-	\$ 1,553,250			1,553,250	1,553,250		
20-10-1560	Various Improvements & Equipment	-	753,825			753,825	753,825		-
		<u>\$ 6,207,278</u>	<u>\$ 2,307,075</u>	<u>\$ 161,250</u>	<u>\$ 3,103</u>	<u>\$ 8,350,000</u>	<u>\$ 8,350,000</u>	<u>\$ -</u>	<u>\$ -</u>

Bond Anticipation Notes \$ 8,350,000

Improvement Authorizations - Unfunded	\$ 2,566,244
Less: Unexpended Proceeds	
18-05-1517	225,065
18-18-1530 /	
19-03-1535 /	
19-19-1550	152,865
18-20-1532	159,043
19-04-1536	11,200
19-07-1539	287,448
19-15-1546	224,142
19-18-1549	32,777
20-02-1552	871,840
20-10-1560	601,864
	<u>\$ -</u>

**BOROUGH OF CRESSKILL
STATEMENT OF GRANTS RECEIVABLE**

<u>Ordinance Number</u>	<u>Improvement Description</u>	<u>Balance, January 1, 2020</u>	<u>Grant Awards</u>	<u>Cash Received</u>	<u>Balance, December 31, 2020</u>
Department of Transportation					
19-04-1536	Improvement - Piermont Road (Section 3)	\$ 50,655			\$ 50,655
19-15-1546	Improvement - Margie Ave.	215,000		\$ 161,250	53,750
20-02-1552	Improvement - Engle Street		\$ 202,000		202,000
County of Bergen -					
18-18-1530	Improvement - Margie Ave. Athletic Field	<u>\$ 50,000</u>	<u>-</u>	<u>-</u>	<u>50,000</u>
		<u>\$ 315,655</u>	<u>\$ 202,000</u>	<u>\$ 161,250</u>	<u>\$ 356,405</u>
 <u>Analysis of Balance</u>					
					\$ 306,405
					<u>50,000</u>
					<u>\$ 356,405</u>

**BOROUGH OF CRESSKILL
STATEMENT OF CAPITAL IMPROVEMENT FUND**

Balance, January 1, 2020	\$ 1,290
Increased by:	
2020 Budget Appropriation - Capital Improvement Fund	<u>165,000</u>
	166,290
Decreased by:	
Appropriation to Finance Improvement Authorizations	<u>121,425</u>
Balance, December 31, 2020	<u>\$ 44,865</u>

STATEMENT OF ENCUMBRANCES PAYABLE

Balance, January 1, 2020	\$ 2,211,216
Increased by:	
Charges to Improvement Authorizations	<u>391,291</u>
	2,602,507
Decreased by:	
Payments	2,086,313
Cancelled Encumbrances	<u>124,903</u>
	<u>2,211,216</u>
Balance, December 31, 2020	<u>\$ 391,291</u>

**BOROUGH OF CRESSKILL
STATEMENT OF BOND ANTICIPATION NOTES**

<u>Ordinance</u>	<u>Purpose</u>	<u>Original Issue</u>	<u>Date of Original Issue</u>	<u>Date Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>		<u>Balance, January 1, 2020</u>	<u>Increased</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
18-05-1517	Various Improvements & Equipment	\$ 1,121,000	10/15/2019	10/15/2019 10/15/2020	10/15/2020 10/15/2021	1.75 1.00	%	\$ 1,121,000	\$ 1,121,000	\$ 1,121,000	\$ 1,121,000
18-18-1530 / 19-03-1535 / 19-19-1550	Various Improvements Merritt Field (Margie Ave. Athletic Field)	1,567,500	10/15/2019	10/15/2019 10/15/2020	10/15/2020 10/15/2021	1.75 1.00		1,567,500	1,686,250	1,567,500	1,686,250
18-20-1532	Improvement Parking Facility Allen Street	1,311,000	10/15/2019	10/15/2019 10/15/2020	10/15/2020 10/15/2021	1.75 1.00		1,311,000	1,311,000	1,311,000	1,311,000
19-04-1536	Improvement of Piermont Road, Section 3	80,250	10/15/2019	10/15/2019 10/15/2020	10/15/2020 10/15/2021	1.75 1.00		80,250	51,278	80,250	51,278
19-07-1539	Various Improvements & Equipment	1,230,250	10/15/2019	10/15/2019 10/15/2020	10/15/2020 10/15/2021	1.75 1.00		1,230,250	1,230,250	1,230,250	1,230,250
19-15-1546	Margie Ave. Road Improvements	432,500	10/15/2020	10/15/2020	10/15/2021	1.00			432,500		432,500
19-18-1549	DPW Fueling Station Improvements	210,647	10/15/2020	10/15/2020	10/15/2021	1.00			210,647		210,647
20-02-1552	Various Road Improvements	1,553,250	10/15/2020	10/15/2020	10/15/2021	1.00			1,553,250		1,553,250
20-10-1560	Various Improvements & Equipment	753,825	10/15/2020	10/15/2020	10/15/2021	1.00		-	753,825	-	753,825
								<u>\$ 5,310,000</u>	<u>\$ 8,350,000</u>	<u>\$ 5,310,000</u>	<u>\$ 8,350,000</u>
							Renewals		\$ 5,281,028	\$ 5,281,028	
							Notes Issued for Cash		3,068,972		
							Excess Note Proceeds		-	28,972	
									<u>\$ 8,350,000</u>	<u>\$ 5,310,000</u>	

**BOROUGH OF CRESSKILL
STATEMENT OF SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2020</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2020</u>	<u>Decreased</u>	<u>Balance, December 31, 2020</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds of 2008	4/1/2008	\$ 7,047,000	4/1/21-23 4/1/2024	\$ 500,000 497,000	3%-4%	\$ 2,497,000	\$ 500,000	\$ 1,997,000
General Improvement Bonds of 2013	3/1/2013	4,780,000	3/1/21-2022 3/1/2023	500,000 510,000	1% - 2%	2,010,000	500,000	1,510,000
General Improvement Bonds of 2018	3/1/2018	7,000,000	3/1/21-2023 3/1/2024 3/1/25-2030	375,000 625,000 750,000	2-2.25% 2.25% 3.00%	<u>6,625,000</u>	<u>375,000</u>	<u>6,250,000</u>
						<u>\$ 11,132,000</u>	<u>\$ 1,375,000</u>	<u>\$ 9,757,000</u>
					Paid by Budget Appropriation		<u>\$ 1,375,000</u>	

**BOROUGH OF CRESSKILL
STATEMENT OF DUE TO CURRENT FUND**

Balance, January 1, 2020	\$ 36,307
Increased by:	
Interest on Investments and Deposits	<u>17,614</u>
	53,921
Decreased by:	
Cash Disbursements	<u>53,020</u>
Balance, December 31, 2020	<u><u>\$ 901</u></u>

STATEMENT OF RESERVE FOR DEFIBRILLATOR

Balance, January 1, 2020	\$ 1,417
Decreased by:	
Cash Disbursements	<u>1,417</u>
Balance, December 31, 2020	<u><u>\$ -</u></u>

**BOROUGH OF CRESSKILL
STATEMENT OF RESERVE FOR PAYMENT OF BONDS**

Balance, January 1, 2020		\$ 149,122
Increased by:		
Cancellation of Unexpended Improvement Authorizations	\$ 12,966	
Lease Payment from Cresskill Board of Education	<u>24,712</u>	
		<u>37,678</u>
		186,800
Decreased by:		
Anticipated as Current Fund Revenue		<u>149,122</u>
Balance, December 31, 2020		<u>\$ 37,678</u>

EXHIBIT C-15

STATEMENT OF RESERVE FOR IMPROVEMENTS TO FIREHOUSE

Balance, January 1, 2020		<u>\$ 230,765</u>
Balance, December 31, 2020		<u>\$ 230,765</u>

EXHIBIT C-16

STATEMENT OF DUE FROM CRESSKILL BOARD OF EDUCATION - LEASE

Balance, January 1, 2020		\$ 1,016,008
Decreased by:		
Principal Paydown on Ord. 17-03-1497		<u>24,712</u>
Balance, December 31, 2020		<u>\$ 991,296</u>

**BOROUGH OF CRESSKILL
STATEMENT OF DEFERRED CHARGES
OVEREXPENDITURE OF ORDINANCE**

	Balance, December 31, <u>2019</u>	Increase in 2020	Budget <u>Appropriation</u>	Balance, December 31, <u>2020</u>
Overexpenditure of Ord. 19-04-1536	\$ 25,879	\$ -	\$ 25,879	\$ -

STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED

<u>Ordinance Number</u>	<u>Purpose</u>	Balance, January 1, <u>2020</u>	2020 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>	Grant <u>Receipts</u>	Cancelled by <u>Resolution</u>	Balance, December 31, <u>2020</u>
General Improvements							
18-18-1530 /							
19-03-1535 /	Various Improvements Merritt Field (Margie Ave. Athletic						
19-19-1550	Field)	\$ 118,750		\$ 118,750			-
19-15-1546	Margie Ave. Road Improvements	593,750		432,500	\$ 161,250		-
19-18-1549	DPW Fueling Station Improvements	213,750		210,647	-	\$ 3,103	-
20-02-1552	Various Road Improvements	-	\$ 1,553,250	1,553,250			-
20-10-1560	Various Improvements & Equipment	-	<u>753,825</u>	<u>753,825</u>	-	-	-
		<u>\$ 926,250</u>	<u>\$ 2,307,075</u>	<u>\$ 3,068,972</u>	<u>\$ 161,250</u>	<u>\$ 3,103</u>	<u>\$ -</u>

SWIMMING POOL UTILITY FUND

BOROUGH OF CRESSKILL
STATEMENT OF SWIMMING POOL UTILITY CASH - COLLECTOR-TREASURER

	<u>Operating</u>	<u>Capital</u>
Balance, January 1, 2020	\$ 101,961	\$ 17,230
Increased by Receipts:		
Membership Fees	\$ 143,346	
Snack Bar Revenues	10,654	
Non-Budget Revenue	35	
Interest on Investments and Deposits	459	\$ 89
Receipts from Swim Pool Capital	93	
Budget Appropriation - Deferred Charge	<u>-</u>	<u>12,000</u>
	<u>154,587</u>	<u>12,089</u>
	256,548	29,319
Decreased by Disbursements:		
2020 Budget Appropriations	244,062	
2019 Appropriation Reserves	11,553	
Disbursements to Municipal Open Space		12,000
Disbursements to Swim Pool Operating	<u>-</u>	<u>93</u>
	<u>255,615</u>	<u>12,093</u>
Balance, December 31, 2020	<u>\$ 933</u>	<u>\$ 17,226</u>

**BOROUGH OF CRESSKILL
ANALYSIS OF SWIMMING POOL UTILITY CAPITAL CASH
SWIMMING POOL UTILITY CAPITAL FUND**

		Balance, December 31, <u>2020</u>
Fund Balance		\$ 3,662
Due to Swim Pool Utility Operating Fund		5
Capital Improvement Fund		8,800
Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
15-01	Renovation to Swim Pool	<u>4,759</u>
		<u>\$ 17,226</u>

EXHIBIT D-7

**STATEMENT OF FIXED CAPITAL
SWIMMING POOL UTILITY CAPITAL FUND**

Balance, January 1, 2020	<u>\$ 781,973</u>
Balance, December 31, 2020	<u>\$ 781,973</u>

**BOROUGH OF CRESSKILL
STATEMENT OF DUE TO SWIM POOL UTILITY OPERATING FUND
SWIMMING POOL CAPITAL FUND**

Balance, January 1, 2020	\$	9
Increased by:		
Interest		89
		98
Decreased by:		
Cash Disbursements		93
Balance, December 31, 2020	\$	5

**STATEMENT OF DUE TO MUNICIPAL OPEN TRUST FUND
SWIMMING POOL CAPITAL FUND**

Balance, January 1, 2020	\$	12,000
Decreased by:		
Cash Disbursements		12,000
Balance, December 31, 2020	\$	-

**BOROUGH OF CRESSKILL
STATEMENT OF FIXED CAPITAL AUTHORIZED AND UNCOMPLETED
SWIMMING POOL UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Amount</u>	<u>Balance, January 1, 2020</u>	<u>Balance, December 31, 2020</u>
91-05	Renovation of Municipal Swim Pool	\$ 500,000	\$ 63,059	\$ 63,059
15-01	Renovation to Swim Pool	80,000	<u>80,000</u>	<u>80,000</u>
			<u>\$ 143,059</u>	<u>\$ 143,059</u>

EXHIBIT D-11

**STATEMENT OF IMPROVEMENT AUTHORIZATIONS
SWIMMING POOL UTILITY CAPITAL FUND**

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Amount Appropriated</u>	<u>Balance, January 1, 2020 Unfunded</u>	<u>Balance, December 31, 2020 Funded</u>	<u>Balance, December 31, 2020 Unfunded</u>
91-05	Renovation of Municipal Swim Pool	\$ 500,000	\$ 63,059		\$ 63,059
15-01	Renovation to Swim Pool	80,000	<u>4,759</u>	<u>\$ 4,759</u>	<u>-</u>
			<u>\$ 67,818</u>	<u>\$ 4,759</u>	<u>\$ 63,059</u>

**BOROUGH OF CRESSKILL
STATEMENT OF RESERVE FOR AMORTIZATION
SWIMMING POOL UTILITY CAPITAL FUND**

Balance, January 1, 2020	\$ <u>845,973</u>
Balance, December 31, 2020	\$ <u><u>845,973</u></u>

**STATEMENT OF CAPITAL IMPROVEMENT FUND
SWIMMING POOL UTILITY CAPITAL FUND**

Balance, January 1, 2020	\$ <u>8,800</u>
Balance, December 31, 2020	\$ <u><u>8,800</u></u>

**STATEMENT OF DEFERRED RESERVE FOR AMORTIZATION
SWIMMING POOL UTILITY CAPITAL FUND**

<u>Ord.</u> <u>No.</u>	<u>Purpose</u>	Balance, January 1, <u>2020</u>	Funded <u>Ordinance</u>	Balance, December 31, <u>2020</u>
15-01	Renovation to Swim Pool	\$ <u>4,000</u>	\$ <u>12,000</u>	\$ <u>16,000</u>
		\$ <u><u>4,000</u></u>	\$ <u><u>12,000</u></u>	\$ <u><u>16,000</u></u>

**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED
SWIMMING POOL UTILITY CAPITAL FUND**

<u>Ord.</u> <u>No.</u>	<u>Purpose</u>	Balance, January 1, <u>2020</u>	Funded by Budget <u>Appropriation</u>	Balance, December 31, <u>2020</u>
91-05	Renovation of Municipal Swim Pool	\$ 63,059		\$ 63,059
15-01	Renovation to Swim Pool	<u>12,000</u>	<u>\$ 12,000</u>	<u>-</u>
		<u>\$ 75,059</u>	<u>\$ 12,000</u>	<u>\$ 63,059</u>

**BOROUGH OF CRESSKILL
STATEMENT OF 2019 APPROPRIATION RESERVES
SWIMMING POOL UTILITY OPERATING FUND**

	Balance, January 1, <u>2020</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating				
Salaries and Wages	\$ 351	\$ 351	\$ 351	
Other Expenses	969	10,988	10,988	
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>214</u>	<u>214</u>	<u>214</u>	<u>-</u>
	<u>\$ 1,534</u>	<u>\$ 11,553</u>	<u>\$ 11,553</u>	<u>\$ -</u>
Appropriation Reserves		\$ 1,534		
Encumbrances Restored		<u>10,019</u>		
		<u>\$ 11,553</u>		
Cash Disbursements			<u>\$ 11,553</u>	

**BOROUGH OF CRESSKILL
STATEMENT OF RESERVE FOR SWIM AND DIVE TEAM
SWIMMING POOL UTILITY OPERATING FUND**

Balance, January 1, 2020	\$ <u>9,139</u>
Balance, December 31, 2020	\$ <u><u>9,139</u></u>

**STATEMENT OF SNACK BAR SECURITY DEPOSIT
SWIMMING POOL UTILITY OPERATING FUND**

Balance, January 1, 2020	\$ 250
Decreased by:	
Cancelled by Resolution	<u>250</u>
Balance, December 31, 2020	\$ <u><u>-</u></u>

**STATEMENT OF ENCUMBRANCES PAYABLE
SWIMMING POOL UTILITY OPERATING FUND**

Balance, January 1, 2020	\$ 10,019
Increased by:	
Charges to 2020 Budget Appropriations	<u>9,950</u>
	19,969
Decreased by:	
Transfer to Appropriation Reserves	<u>10,019</u>
Balance, December 31, 2020	\$ <u><u>9,950</u></u>

BOROUGH OF CRESSKILL
BERGEN COUNTY, NEW JERSEY

PART II
GOVERNMENT AUDITING STANDARDS



LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS
REGISTERED MUNICIPAL ACCOUNTANTS

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

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

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

INDEPENDENT AUDITOR'S REPORT

Honorable Mayor and Members
of the Borough Council
Borough of Cresskill
Cresskill, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, the financial statements – regulatory basis of the Borough of Cresskill as of and for the year ended December 31, 2020, and the related notes to the financial statements, and have issued our report thereon dated September 23, 2021. Our report on the financial statements – regulatory basis was modified to indicate that the financial statements were not prepared in accordance with accounting principles generally accepted in the United States of America but rather prepared in accordance with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, which is a basis of accounting other than accounting principles generally accepted in the United States, to meet the financial reporting requirements of the State of New Jersey for municipal government entities as described in Note 1. In addition, our report on the financial statements – regulatory basis was modified on the regulatory basis of accounting because of the presentation of the unaudited LOSAP Trust Fund financial statements.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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

We also noted certain matters that are not required to be reported under Government Auditing Standards that we reported to management of the Borough of Cresskill in Part III of this report of audit entitled; "Letter of Comments and Recommendations".

Purpose of this Report

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



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Paul J. Lerch
Registered Municipal Accountant
RMA Number CR00457

Fair Lawn, New Jersey
September 23, 2021

**BOROUGH OF CRESSKILL
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR YEAR ENDED DECEMBER 31, 2020**

<u>Federal Funding Department</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Grant Receipts</u>	Balance, January 1, 2020	<u>Revenues</u>	<u>Expended</u>	<u>Cancelled</u>	Balance, December 31, 2020	Cumulative Expenditures
*										
*										
<u>Law & Public Safety</u>										
Drunk Driving Enforcement	20.601	2014	\$ 2,662		\$ 2,662				\$ 2,662	*
		2017	8,288		2,266				2,266	* \$ 6,022
									-	*
<u>US Dept. of Homeland Security</u>										
Coronavirus Pandemic	97.036	2020	28,392	\$ 28,392	-	\$ 28,392	\$ 28,392		-	* 28,392
					-	-	-		-	*
					-	-	-		-	*
					\$ 4,928	\$ 28,392	\$ 28,392	\$ -	\$ 4,928	*

Note: This schedule was not subject to Single Audit in accordance with U.S. Uniform Guidance.

**NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
AND STATE FINANCIAL ASSISTANCE**

**BOROUGH OF CRESSKILL
 NOTES TO THE SCHEDULES OF EXPENDITURES OF FEDERAL AWARDS
 AND STATE FINANCIAL ASSISTANCE
 YEAR ENDED DECEMBER 31, 2020**

NOTE 1 GENERAL

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

NOTE 2 BASIS OF ACCOUNTING

The accompanying schedules are prepared and presented using the regulatory basis of accounting as prescribed for municipalities by the Division of Local Government Services, Department of Community Affairs, State of New Jersey which differ in certain respects from accounting principles generally accepted in the United States of America (GAAP) applicable to local government units. This basis of accounting is described in Note 1 to the Borough's financial statements.

NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS

Amounts reported in the accompanying schedules agree with amounts reported in the Borough's financial statements. Financial assistance revenues are reported in the Borough's financial statements on a basis of accounting described above as follows:

	<u>Federal</u>	<u>State</u>	<u>Total</u>
Current Fund	\$ 28,392	\$ 36,369	\$ 64,761
General Capital Fund	<u>-</u>	<u>161,250</u>	<u>161,250</u>
	<u>\$ 28,392</u>	<u>\$ 197,619</u>	<u>\$ 226,011</u>

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 Borough's fiscal year and grant program year.

**BOROUGH OF CRESSKILL
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2020**

Part II – Schedule of Financial Statement Findings

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

There are none.

**BOROUGH OF CRESSKILL
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)
FOR THE YEAR ENDED DECEMBER 31, 2020**

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

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

CURRENT YEAR STATE AWARDS

Not Applicable.

CURRENT YEAR FEDERAL AWARDS

Not Applicable.

**BOROUGH OF CRESSKILL
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED DECEMBER 31, 2020**

This section identifies the status of prior-year findings related to the financial statements are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*.

STATUS OF PRIOR YEAR FINDINGS

There were none.

BOROUGH OF CRESSKILL

BERGEN COUNTY

PART III

SUPPORTING DATA

LETTER OF COMMENTS AND RECOMMENDATIONS

YEAR ENDED DECEMBER 31, 2020

**BOROUGH OF CRESSKILL
SUPPORTING DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
CURRENT FUND**

	<u>Year 2020</u>		<u>Year 2019</u>		
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>	
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 2,200,000	3.80 %	\$ 2,100,000	3.52 %	
Miscellaneous - From Other Than Local					
Property Tax Levies	2,567,965	4.44	2,608,815	4.62	
Collection of Delinquent Taxes and Tax Title Liens	766,781	1.33	774,757	1.31	
Collection of Current Tax Levy	51,759,134	89.51	50,616,396	89.48	
Other Credits to Income	<u>531,132</u>	<u>0.92</u>	<u>579,133</u>	<u>1.07</u>	
Total Income	<u>57,825,012</u>	<u>100.00 %</u>	<u>56,679,101</u>	<u>100.00 %</u>	
EXPENDITURES					
Budget Expenditures					
Municipal Purposes	19,692,916	35.58 %	19,142,489	35.10 %	
County and Open Space Taxes	5,811,316	10.50	5,667,494	10.40	
Local School Taxes	29,827,768	53.90	29,653,319	54.39	
Other Expenditures	<u>9,346</u>	<u>0.02</u>	<u>57,383</u>	<u>0.11</u>	
Total Expenditures	<u>55,341,346</u>	<u>100.00 %</u>	<u>54,520,685</u>	<u>100.00 %</u>	
Excess in Revenue	2,483,666		2,158,416		
Fund Balance, January 1	<u>2,711,870</u>		<u>2,653,454</u>		
	5,195,536		4,811,870		
Less Utilization as Anticipated Revenue	<u>2,200,000</u>		<u>2,100,000</u>		
Fund Balance, December 31	<u>\$ 2,995,536</u>		<u>\$ 2,711,870</u>		

**BOROUGH OF CRESSKILL
SUPPORTING DATA**

**COMPARATIVE STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE -
SWIMMING POOL UTILITY OPERATING FUND**

	<u>Year 2020</u>			<u>Year 2019</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 43,000	21.74 %	\$	70,000	16.79 %
Collection of Membership Fees	143,346	72.45		264,599	63.48
Miscellaneous - From Other Than Membership Fees	<u>11,487</u>	<u>5.81</u>		<u>82,237</u>	<u>19.73</u>
Total Income	<u>197,833</u>	<u>100.00 %</u>		<u>416,836</u>	<u>100.00 %</u>
EXPENDITURES					
Budget Expenditures					
Operating	243,000	92.05 %		326,000	92.35 %
Deferred Charges and Statutory Expenditures	<u>21,000</u>	<u>7.95</u>		<u>27,000</u>	<u>7.65</u>
Total Expenditures	<u>264,000</u>	<u>100.00 %</u>		<u>353,000</u>	<u>100.00 %</u>
Excess in Revenue				63,836	
Deficit in Revenue	<u>\$ (66,167)</u>				
Fund Balance, January 1	<u>81,028</u>			<u>87,192</u>	
	81,028			151,028	
Less Utilization as Anticipated Revenue	<u>43,000</u>			<u>70,000</u>	
Fund Balance, December 31	<u>\$ 38,028</u>			<u>\$ 81,028</u>	

**BOROUGH OF CRESSKILL
SUPPORTING DATA**

Comparative Schedule of Tax Rate Information

	<u>2020</u>	<u>2019</u>	<u>2018</u>
<u>Tax Rate</u>	<u>\$2.432</u>	<u>\$2.407</u>	<u>\$2.399</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.726	.716	.713
Municipal Open Space Preservation	.010	.010	.010
County (including Open Space Tax)	.256	.256	.255
Local School	1.401	1.389	1.385
Library	.036	.036	.036

Assessed Valuation

2020	<u>\$2,157,684,600</u>	
2019		<u>\$2,135,686,900</u>
2018		<u>\$2,108,280,700</u>

Comparison of Tax Levies and Collection Currently

A study of this tabulation could indicate a possible trend in future tax levies. A decrease in the percentage of current collection could be an indication of a probable increase in future tax levies.

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2020	\$ 52,610,947	\$ 51,759,134	98.38%
2019	51,531,589	50,616,396	98.21%
2018	50,678,677	49,613,385	97.89%

**BOROUGH OF CRESSKILL
SUPPORTING DATA**

Delinquent Taxes and Tax Title Liens

This tabulation includes a comparison, expressed in percentage, of the total of delinquent taxes and tax title liens, in relation to the tax levies of the last three years.

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2020	\$ 680,491	\$ 112,695	\$ 793,186	1.51%
2019	767,039	108,016	875,055	1.70%
2018	783,516	97,927	881,443	1.74%

Property Acquired by Tax Title Lien Liquidation

No properties have been acquired in 2020 by foreclosure or deed, as a result of liquidation of tax title liens.

The value of property acquired by liquidation of tax title liens at December 31, on the basis of the last assessed valuation of such properties, was as follows:

<u>Year</u>	<u>Amount</u>
2020	\$38,600
2019	38,600
2018	38,600

Comparative Schedule of Fund Balances

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2020	\$2,995,536	\$2,500,000
	2019	2,711,870	2,200,000
	2018	2,653,454	2,100,000
Swimming Pool Utility Operating Fund	2020	\$38,028	\$-0-
	2019	81,028	43,000
	2018	87,192	70,000

**BOROUGH OF CRESSKILL
SUPPORTING DATA**

OFFICIALS IN OFFICE AND SURETY BONDS

The following officials were in office during the period under audit:

<u>Name</u>	<u>Title</u>	<u>Term Expiration</u>
Benedict Romeo	Mayor	2023
James Cleary	Council Member	2023
Leslie Kaplan	Council Member	2023
Gregory Mueller	Council Member	2021
Hector Olmo	Council Member	2023
Kathleen Savas	Council Member	2021
Mark Spina	Council Member	2022
Francesca Maragliano	Borough Clerk	
Harold Laufeld	Chief Financial Officer	
	Amount of Bond: \$1,000,000	
	Corporate Surety: Municipal Excess Liability Joint Insurance Fund	
Steven V. Schuster	Magistrate	
Craig Ferdinand	Court Administrator	
Robert Rusch	Construction Code Official	
James Hoffman	Electrical Sub-Code Official	
Michael Sestanovich	Plumbing Sub-Code Official (resigned 3/29/2019)	
Brian Drewes	Plumbing Sub-Code Official (effective 4/4/2019)	
Paul Renaud	Fire Sub-Code Official	
James Anzevino	Tax Assessor	

The Bergen County Municipal Joint Insurance Fund and Hartford Fire Insurance Company provide a blanket position bond in the amount of \$1,000,000.

**BOROUGH OF CRESSKILL
SUPPORTING DATA**

GENERAL COMMENTS

Prior Year Unresolved

The Borough awarded a contract for sports field turf in excess of the Borough's bid threshold of \$44,000 using a National Cooperative Contract. The Borough did not obtain the required documents in accordance with the guidance as outlined in the Local Finance Notice 2012-10 "Using National Cooperative Contracts". It is recommended that the Borough maintain a cost savings analysis, publically advertise the National Cooperative bid and maintain the price verification to the bid pricing award sheets with the purchase order for all purchases made through a National Cooperative.

Current Year Comments

Our audit of unrecorded liabilities revealed that sewer improvements which incurred in the Current Fund 2020 in the amount of \$121,174 were not recorded as encumbrances at year end. The amount is not material to the financial statements therefore no adjustment was made. It is recommended that all contracts be recorded when awarded to ensure that all liabilities are encumbered at year end.

Our audit of purchasing revealed that several items were purchased prior to executing a purchase order. It is recommended that purchase orders be executed prior to the ordering of goods or services.

Contracts And Contracts Required To Be Advertised For NJS 40A:11-4

NJS 40A:11-4 states "Every contract or agreement, for the performance of any work or the furnishing or hiring of any materials or supplies, the cost or the contract price whereof is to be paid with or out of public funds not included within the terms of Section 3 of this act, shall be made or awarded only after public advertising for bids and bidding therefore, except as is provided otherwise in this act or specifically by any other law. No work, materials or supplies shall be undertaken, acquired or furnished for a sum exceeding in the aggregate \$44,000, except by contract or agreement.

The Governing Body of the Municipality has the responsibility of determining whether the expenditures in any category will exceed the bid within the fiscal year. Where a question arises as to whether any contract agreement might result in violation of the statute, the Borough Counsel's opinion should be sought before a commitment is made.

The minutes indicate that resolutions were adopted and advertised, authorizing the awarding of contracts or agreements for "professional services" per N.J.S. 40A:11-5.

The minutes indicated that bids were requested by public advertising for the following items:

2020 Road Improvement

Reconstruction of Margie Ave.

Our examination of expenditures revealed no instances where individual payments exceeded the bid threshold "for the performance of any work, or the furnishing or hiring of any materials or supplies," where bids had not been previously sought by public advertisement or where a resolution had been previously adopted under the provisions of NJS 40A:11-6.

Inasmuch as the system of records did not provide for an accumulation of payments for categories for the performance of any work or the furnishing or hiring of any materials or supplies, the results of such an accumulation could not reasonably be ascertained. Disbursements were reviewed, however, to determine whether any clear-cut violations existed.

**BOROUGH OF CRESSKILL
SUPPORTING DATA**

GENERAL COMMENTS (Continued)

Collection of Interest on Delinquent Taxes and Assessments

The statute provides the method for authorizing interest and the maximum rates to be charged for the non-payment of taxes or assessments on or before the date when they would become delinquent.

The Governing Body on January 2, 2020 adopted the following resolution authorizing interest to be charged on delinquent taxes:

"BE IT RESOLVED, by the Mayor and Council of the Borough of Cresskill, County of Bergen, State of New Jersey, that the penalty upon delinquent taxes and assessments be fixed at the rate of eight (8%) per centum per annum on the first \$1,500 of the delinquency and twelve (12%) per centum per annum on any amount in excess of \$1,500 and that no penalty be imposed if payment upon taxes or assessments becomes due and payable and the Collector is hereby authorized and empowered to waive any penalty for interest, provided said taxes and assessments are paid before the expiration of ten (10) days after each quarterly payment of taxes and assessments become due.

BE IT FURTHER RESOLVED, that this resolution shall be effective immediately and that the penalty rate herein fixed for assessments shall not apply where there is a specific ordinance fixing a penalty rate for a specific assessment."

It appears from an examination of the Collector's record that interest was collected in accordance with the foregoing resolution.

Delinquent Taxes And Tax Title Liens

A tax sale was held on December 3, 2020.

The following comparison is made of the number of tax title liens receivable on December 31, of the last three years:

<u>Year</u>	<u>Number of Liens</u>
2020	5
2019	6
2018	5

It is essential to good management that all means provided by statute be utilized to liquidate tax title liens in order to get such properties back on a tax paying basis.

Suggestion to Management

- Old improvement ordinances that were previously closed out be removed from the internal accounting software.
- The Borough create a formal policy regarding the use of the two store cards which employees use for official business.
- The Borough formalize its policy on the requirements of having a claimant signature prior to the payment of goods or services.
- Fixed assets should be updated annually by either an external reporting company or handled internally.
- The employee personnel manual should be reviewed for compliance with current statutes; specifically the payment of unused sick days at year-end.

APPRECIATION

We desire to express our appreciation to the Borough Clerk, Chief Financial Officer/Treasurer and other Borough staff who assisted us during the course of our audit.

**BOROUGH OF CRESSKILL
SUPPORTING DATA**

RECOMMENDATIONS

It is recommended that:

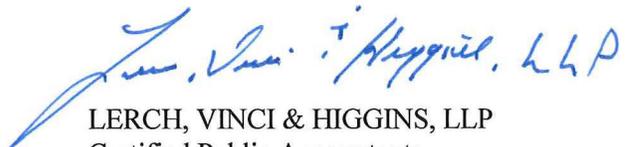
- * 1. The Borough maintain a cost savings analysis, publically advertise the National Cooperative bid and maintain the price verification to the bid pricing award sheets with the purchase order for all purchases made through a National Cooperative.
- 2 All contracts be recorded when awarded to ensure that all liabilities are encumbered at year end.
- 3. Purchase orders be executed prior to the ordering of goods or services.

Status of Prior Years' Audit Findings/Recommendations

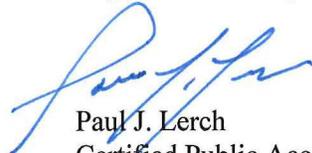
A review was performed on all prior years' recommendations and corrective action was taken on all, except for those recommendations denoted above with an asterisk (*).

The problems and weaknesses noted in our review were not of such magnitude that they would affect our ability to express an opinion on the financial statements taken as a whole.

Should any questions arise as to our comments and recommendations, or should you desire assistance in implementing our recommendations, please do not hesitate to call us.



LERCH, VINCI & HIGGINS, LLP
Certified Public Accountants
Registered Municipal Accountants



Paul J. Lerch
Certified Public Accountant
RMA Number CR00457