

**BOROUGH OF CRESSKILL**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2018**

# **BOROUGH OF CRESSKILL**

## **TABLE OF CONTENTS**

| <b><u>Exhibits</u></b>   |   | <b><u>Page</u></b> |
|--|---|--------------------|
| <b><u>Part I – Report on Audit of Financial Statements and Supplementary Schedules</u></b> |   |                    |
|  | <b>Independent Auditor's Report</b>   | <b>1-3</b>         |
|  | <b>Financial Statements</b>   |                    |
| A  | Comparative Balance Sheets – Regulatory Basis - Current Fund  | 4                  |
| A-1  | Comparative Statements of Operations and Changes in Fund Balance -<br>Regulatory Basis - Current Fund                         | 5                  |
| A-2  | Statement of Revenues – Regulatory Basis – Current Fund   | 6-8                |
| A-3  | Statement of Expenditures – Regulatory Basis – Current Fund   | 9-15               |
| B  | Comparative Balance Sheets – Regulatory Basis - Trust Funds   | 16-17              |
| B-1  | Statement of Revenues – Regulatory Basis – Open Space Preservation Trust Fund   | 18                 |
| B-2  | Statement of Appropriations – Regulatory Basis – Open Space Preservation<br>Trust Fund  | 18                 |
| B-3  | Statement of Revenues – Regulatory Basis – Assessment Trust Fund  | 19                 |
| C  | Comparative Balance Sheets – Regulatory Basis - General Capital Fund  | 20                 |
| C-1  | Comparative Statements of Changes in Fund Balance – Regulatory Basis –<br>General Capital Fund                                | 21                 |
| D  | Comparative Balance Sheets – Regulatory Basis - Swimming Pool Utility Fund  | 22                 |
| D-1  | Comparative Statements of Operations and Changes in Fund Balance -<br>Regulatory Basis - Swimming Pool Utility Operating Fund | 23                 |
| D-2  | Statement of Revenues – Regulatory Basis - Swimming Pool Utility Operating Fund   | 24                 |
| D-3  | Statement of Expenditures – Regulatory Basis –<br>Swimming Pool Utility Operating Fund  | 25                 |
| D-4  | Comparative Statements of Changes in Fund Balance – Regulatory Basis –<br>Swimming Pool Utility Capital Fund                  | 26                 |
| E  | Comparative Balance Sheet – Regulatory Basis –<br>General Fixed Assets Account Group  | 27                 |
|  | Notes to Financial Statements   | 28-66              |
|  | <b>Supplementary Schedules</b>  |                    |
|  | <b><u>Current Fund</u></b>  |                    |
| A-4  | Statement of Current Cash - Collector-Treasurer   | 67                 |
| A-5  | Statement of Change Fund  | 68                 |
| A-6  | Statement of Petty Cash   | 68                 |
| A-7  | Statement of Grants Receivable  | 68                 |
| A-8  | Statement of Due To State of New Jersey Senior Citizens'<br>and Veterans' Deductions  | 69                 |
| A-9  | Statement of Taxes Receivable and Analysis of Property Tax Levy   | 70                 |
| A-10   | Statement of Tax Title Liens  | 71                 |
| A-11   | Statement of Property Acquired for Taxes (At Assessed Valuation)  | 71                 |

**BOROUGH OF CRESSKILL**

**TABLE OF CONTENTS**  
**(Continued)**

| <b><u>Exhibits</u></b>                     |  | <b><u>Page</u></b> |
|--|--|--------------------|
| <b>Supplementary Schedules (Continued)</b> |  |                    |
| <b><u>Current Fund (Continued)</u></b>     |  |                    |
| A-12                                       | Statement of Revenue Accounts Receivable   | 72                 |
| A-13                                       | Statement of 2017 Appropriation Reserves   | 73-74              |
| A-14                                       | Statement of Encumbrances Payable  | 75                 |
| A-15                                       | Statement of Accounts Payable  | 75                 |
| A-16                                       | Statement of Other Fees Payable  | 75                 |
| A-17                                       | Statement of Prepaid Taxes   | 76                 |
| A-18                                       | Statement of Tax Overpayments  | 76                 |
| A-19                                       | Statement of County Taxes Payable  | 77                 |
| A-20                                       | Statement of Due County for Added Taxes  | 77                 |
| A-21                                       | Statement of Local District School Taxes Payable   | 78                 |
| A-22                                       | Statement of Miscellaneous Reserves  | 79                 |
| A-23                                       | Statement of Appropriated Reserves   | 79                 |
| A-24                                       | Statement of Reserves for Tax Appeals Pending  | 80                 |
| A-25                                       | Statement of Reserves for Tax Title Lien Redemption  | 80                 |
| A-26                                       | Statement of Reserve for Grants – Unappropriated   | 80                 |
| <b><u>Trust Fund</u></b>                   |  |                    |
| B-4  | Statement of Trust Fund Cash and Investments– Collector and Treasurer                                      | 81                 |
| B-5  | Analysis of Assessment Cash  | 82                 |
| B-6  | Statement of Assessments Receivable – Assessment Trust Fund  | 83                 |
| B-7  | Statement of Reserve for Assessments and Liens – Assessment Trust Fund                                     | 83                 |
| B-8  | Statement of Due to Current Fund – Assessment Trust Fund   | 84                 |
| B-9  | Statement of Reserve for Animal Control Expenditures – Animal Control Fund                                 | 84                 |
| B-10                                       | Statement of Due To State of New Jersey -<br>Animal Control Fund   | 85                 |
| B-11                                       | Statement of Due to Current Fund – Animal Control Fund   | 85                 |
| B-12                                       | Statement of Reserve for Unemployment Insurance Claims – Unemployment<br>Compensation Insurance Trust Fund | 85                 |
| B-13                                       | Statement of Due To State of New Jersey<br>Unemployment Compensation Insurance Trust Fund                  | 86                 |
| B-14                                       | Statement of Due to Current Fund – Unemployment Compensation<br>Insurance Trust Fund                       | 86                 |
| B-15                                       | Statement of Police Outside Services Receivable – Other Trust Fund   | 87                 |
| B-16                                       | Statement of Due to Current Fund – Other Trust Fund  | 87                 |
| B-17                                       | Statement of Reserve for Escrow Deposits – Other Trust Fund  | 88                 |
| B-18                                       | Statement of Reserve for Street Opening Deposits –<br>Other Trust Fund                                     | 88                 |
| B-19                                       | Statement of Reserve for Affordable Housing Trust – Other Trust Fund                                       | 89                 |
| B-20                                       | Statement of Reserve for Payroll Salaries and Withholdings – Other Trust Fund                              | 89                 |
| B-21                                       | Statement of Reserve for Miscellaneous Reserves and Deposits – Other Trust Fund                            | 90                 |
| B-22                                       | Statement of Reserve for Police Outside Services – Other Trust Fund  | 90                 |
| B-23                                       | Statement of Reserve for Open Space Preservation Trust Fund – Open Space<br>Preservation Trust Fund        | 91                 |

## **BOROUGH OF CRESSKILL**

### **TABLE OF CONTENTS (Continued)**

| <b><u>Exhibits</u></b> |  | <b><u>Page</u></b> |
|------------------------|--|--------------------|
|                        | <b>Supplementary Schedules (Continued)</b>   |                    |
|                        | <b><u>General Capital Fund</u></b>   |                    |
| C-2                    | Statement of Cash - General Capital Fund   | 92                 |
| C-3                    | Analysis of General Capital Cash   | 93                 |
| C-4                    | Statement of Deferred Charges to Future Taxation - Funded                                    | 94                 |
| C-5                    | Statement of Deferred Charges to Future Taxation - Unfunded                                  | 95                 |
| C-6                    | Statement of Grants Receivable   | 96                 |
| C-7                    | Statement of Capital Improvement Fund  | 97                 |
| C-8                    | Statement of Encumbrances Payable  | 97                 |
| C-9                    | Statement of Improvement Authorizations  | 98                 |
| C-10                   | Statement of Bond Anticipation Notes   | 99                 |
| C-11                   | Statement of Serial Bonds  | 100                |
| C-12                   | Statement of Due to Current Fund   | 101                |
| C-13                   | Statement of Reserve for Defibrillator   | 101                |
| C-14                   | Statement of Reserve for Payment of Bonds  | 102                |
| C-15                   | Statement of Reserve for Improvements to Firehouse   | 102                |
| C-16                   | Statement of Due From Cresskill Board of Education - Lease                                   | 102                |
| C-17                   | Statement of Bonds and Notes Authorized But Not Issued                                       | 103                |
|                        | <b><u>Swimming Pool Utility Fund</u></b>   |                    |
| D-5                    | Statement of Swimming Pool Utility Cash - Collector-Treasurer                                | 104                |
| D-6                    | Analysis of Swimming Pool Utility Capital Cash-Swimming Pool Utility Capital Fund            | 105                |
| D-7                    | Statement of Fixed Capital – Swimming Pool Utility Capital Fund                              | 105                |
| D-8                    | Statement of Due to Swim Pool Utility Operating Fund – Swimming Pool Capital Fund            | 106                |
| D-9                    | Statement of Due to Municipal Open Trust Fund – Swimming Pool Capital Fund                   | 106                |
| D-10                   | Statement of Fixed Capital Authorized and Uncompleted-<br>Swimming Pool Utility Capital Fund | 107                |
| D-11                   | Statement of Improvement Authorizations-Swimming Pool Utility Capital Fund                   | 107                |
| D-12                   | Statement of Reserve for Amortization-Swimming Pool Utility Capital Fund                     | 108                |
| D-13                   | Statement of Capital Improvement Fund-Swimming Pool Utility Capital Fund                     | 108                |
| D-14                   | Statement of Deferred Reserve for Amortization-Swimming Pool Utility Capital Fund            | 108                |
| D-15                   | Statement of Bonds and Notes Authorized But Not Issued<br>Swimming Pool Utility Capital Fund | 109                |
| D-16                   | Statement of 2017 Appropriation Reserves-Swimming Pool Utility Operating Fund                | 110                |
| D-17                   | Statement of Reserve for Swim and Dive Team – Swimming Pool Utility<br>Operating Fund        | 111                |
| D-18                   | Statement of Snack Bar Security Deposit – Swimming Pool Utility<br>Operating Fund            | 111                |
| D-19                   | Statement of Encumbrances Payable – Swimming Pool Utility Operating Fund                     | 112                |



## **BOROUGH OF CRESSKILL**

### **TABLE OF CONTENTS (Continued)**

#### **Exhibits**

#### **Page**

#### **Part II – Government Auditing Standards**

|   |         |
|---|---------|
| Report on Internal Control Over Financial Reporting and on Compliance and<br>Other Matters Based on an Audit of Financial Statements Performed in Accordance<br>With Government Auditing Standards – Independent Auditor's Report | 113-114 |
| Schedule of Expenditures of Federal Awards, Schedule A  | 115     |
| Schedule of Expenditures of State Financial Assistance, Schedule B  | 116     |
| Notes to the Schedules of Expenditures of Federal Awards and<br>State Financial Assistance  | 117     |
| Schedule of Findings and Responses  | 118-120 |
| Schedule of Prior Year Audit Findings   | 121     |

#### **Part III – Supplementary Data and Letter of Comments and Recommendations**

|   |         |
|---|---------|
| Comparative Statement of Operations and Changes in Fund Balance -<br>Current Fund                         | 122     |
| Comparative Statement of Operations and Changes in Fund Balance -<br>Swimming Pool Utility Operating Fund | 123     |
| Comparative Schedule of Tax Rate Information  | 124     |
| Comparison of Tax Levies and Collection Currently   | 124     |
| Delinquent Taxes and Tax Title Liens  | 125     |
| Property Acquired by Tax Title Lien Liquidation   | 125     |
| Comparative Schedule of Fund Balances   | 125     |
| Officials in Office and Surety Bonds  | 126     |
| General Comments  | 127-128 |
| Recommendations   | 129     |

**BOROUGH OF CRESSKILL**  
**BERGEN COUNTY, NEW JERSEY**

---

**PART I**  
**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2018**



# LERCH, VINCI & HIGGINS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, 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, 2018 and 2017, 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, 2018, 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, 2018 and 2017, 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 17 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, 2018 and 2017. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 16 percent and 15 percent of the assets and liabilities, respectively, of the Borough’s Trust Funds as of December 31, 2018 and 2017.

In addition, the notes to the Borough of Cresskill’s financial statements do not disclose the other post-employment benefit obligations related to post-retirement medical benefits provided to its eligible retirees and their dependents under a special funding situation as required by Government Accounting Standards Board Statement No. 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions and the Division of Local Government Services, Department of Community Affairs, State of New Jersey. In our opinion, disclosure of that information is required to conform with the regulatory basis of accounting prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey.

***Qualified Opinion on Regulatory Basis of Accounting***

In our opinion, except for the omission of the note disclosure regarding the other postemployment health benefit obligations as well as 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, 2018 and 2017, 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, 2018 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.

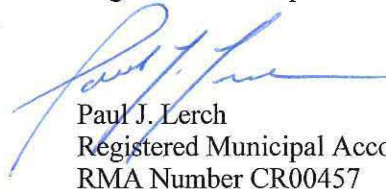
The supplementary data and letter of comments and recommendations section has not been subject to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

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

In accordance with Government Auditing Standards, we have also issued our report dated May 21, 2019 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 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  
May 21, 2019

**BOROUGH OF CRESSKILL**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2018 AND 2017**

|  | <u>Reference</u> | <u>2018</u>          | <u>2017</u>          |
|--|------------------|----------------------|----------------------|
| <b>ASSETS</b>                                    |                  |                      |                      |
| Cash   | A-4              | \$ 11,366,911        | \$ 16,914,974        |
| Change Fund                                      | A-5              | 150                  | 150                  |
| Grant Receivable                                 | A-7              | <u>10,961</u>        | <u>6,704</u>         |
|  |                  | <u>11,378,022</u>    | <u>16,921,828</u>    |
| Receivables and Other Assets With Full Reserves  |                  |                      |                      |
| Delinquent Property Taxes                        | A-9              | 783,516              | 723,270              |
| Tax Title Liens                                  | A-10             | 97,927               | 90,605               |
| Property Acquired for Taxes - Assessed Valuation | A-11             | 38,600               | 38,600               |
| Revenue Accounts Receivable                      | A-12             | 13,531               | 23,981               |
| Due from General Capital Fund                    | C-12             | 962                  | 1,239                |
| Due from Animal Control Fund                     | B-11             | 7                    | 8                    |
| Due from Assessment Trust Fund                   | B-8              | 2                    | 2                    |
| Due from Unemployment Trust Fund                 | B-14             | 10                   | 8                    |
| Due from Other Trust Fund                        | B-16             | <u>1,312</u>         | <u>12,221</u>        |
|  |                  | <u>935,867</u>       | <u>889,934</u>       |
| Total Assets                                     |                  | <u>\$ 12,313,889</u> | <u>\$ 17,811,762</u> |
| <b>LIABILITIES, RESERVES AND FUND BALANCE</b>    |                  |                      |                      |
| Appropriation Reserves                           | A-3,A-13         | \$ 945,801           | \$ 1,023,589         |
| Encumbrances Payable                             | A-14             | 278,886              | 228,321              |
| Accounts Payable                                 | A-15             | 6,614                | 1,614                |
| Other Fees Payable                               | A-16             | 3,667                | 4,508                |
| Miscellaneous Reserves                           | A-22             | 412,662              | 288,744              |
| Appropriated Reserves                            | A-23             | 118,295              | 97,906               |
| Unappropriated Reserves                          | A-26             | -                    | 11,311               |
| Due to State of NJ - Senior & Veterans           | A-8              | 8,479                | 8,229                |
| Prepaid Taxes                                    | A-17             | 446,158              | 6,669,826            |
| Tax Overpayments                                 | A-18             | 33,741               | 38,003               |
| Local District School Taxes Payable              | A-21             | 5,933,383            | 5,537,907            |
| County Taxes Payable                             | A-20             | 10,738               |                      |
| Reserve for Tax Appeals Pending                  | A-24             | <u>526,144</u>       | <u>434,910</u>       |
|  |                  | 8,724,568            | 14,344,868           |
| Reserve for Receivables and Other Assets         | A                | 935,867              | 889,934              |
| Fund Balance                                     | A-1              | <u>2,653,454</u>     | <u>2,576,960</u>     |
| Total Liabilities, Reserves and Fund Balance     |                  | <u>\$ 12,313,889</u> | <u>\$ 17,811,762</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, 2018 AND 2017**

|   | <u>Reference</u> | <u>2018</u>         | <u>2017</u>         |
|---|------------------|---------------------|---------------------|
| <b>REVENUE AND OTHER INCOME REALIZED</b>          |                  |                     |                     |
| Fund Balance Utilized                             | A-2              | \$ 1,950,000        | \$ 1,850,000        |
| Miscellaneous Revenue Anticipated                 | A-2              | 2,211,797           | 2,182,248           |
| Receipts from Delinquent Taxes                    | A-2              | 723,861             | 696,670             |
| Receipts from Current Taxes                       | A-2              | 49,613,385          | 48,070,732          |
| Non-Budget Revenue                                | A-2              | 349,461             | 304,904             |
| Other Credits to Income                           |                  |                     |                     |
| Unexpended Balance of Appropriation Reserves      | A-13             | 594,323             | 452,127             |
| Prior Year Interfunds Returned                    | A                | 13,478              | 1,212               |
| Cancellation of Appropriated Reserves             | A-23             | 125                 | 1,078               |
| Cancellation of Accounts Payable                  | A-1              | -                   | 3,200               |
| Cancellation of Tax Overpayments                  | A-18             | 10                  | -                   |
|   |                  | <u>55,456,440</u>   | <u>53,562,171</u>   |
| <b>EXPENDITURES</b>                               |                  |                     |                     |
| Budget Appropriations                             |                  |                     |                     |
| Operations  |                  |                     |                     |
| Salaries and Wages                                | A-3              | 8,628,100           | 8,382,400           |
| Other Expenses                                    | A-3              | 6,614,531           | 6,344,803           |
| Capital Improvements                              | A-3              | 100,000             | 175,000             |
| Municipal Debt Service                            | A-3              | 1,489,526           | 1,386,822           |
| Deferred Charges and Statutory Expenditures       | A-3              | 1,787,366           | 1,657,888           |
| County Taxes                                      | A-19             | 5,155,238           | 5,322,069           |
| Due County for Added Taxes                        | A-20             | 231,302             | 252,430             |
| Municipal Open Space Tax                          | B-23             | 211,249             | 180,210             |
| Local District School Taxes                       | A-21             | 29,200,584          | 27,850,539          |
| Refund Prior Year Revenue                         | A-4              | 9,166               | 3,068               |
| Prior Year Senior Citizen's Deductions Disallowed | A-8              | 591                 | 250                 |
| Cancellation of Grants Receivable                 | A-1              | -                   | 3,933               |
| Current Year Interfunds Established               | A                | 2,293               | 13,478              |
|   |                  | <u>53,429,946</u>   | <u>51,572,890</u>   |
| Excess in Revenue                                 |                  | 2,026,494           | 1,989,281           |
| Fund Balance, January 1                           | A,A-1            | <u>2,576,960</u>    | <u>2,437,679</u>    |
|   |                  | 4,603,454           | 4,426,960           |
| Decreased by:                                     |                  |                     |                     |
| Utilization as Anticipated Revenue                | A-2              | <u>1,950,000</u>    | <u>1,850,000</u>    |
| Fund Balance, December 31                         | A                | <u>\$ 2,653,454</u> | <u>\$ 2,576,960</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, 2018**

|   | <u>Reference</u> | <u>Budget</u> | Added by:<br><u>N.J.S.40A:4-87</u> | <u>Realized</u>      | Excess or<br>(Deficit) |
|---|------------------|---------------|------------------------------------|----------------------|------------------------|
| FUND BALANCE ANTICIPATED  | A-1              | \$ 1,950,000  | -                                  | \$ 1,950,000         | -                      |
| MISCELLANEOUS REVENUES  |                  |               |                                    |                      |                        |
| Licenses  |                  |               |                                    |                      |                        |
| Alcoholic Beverages   | A-12             | 8,900         |                                    | 9,198                | \$ 298                 |
| Other   | A-2              | 14,000        |                                    | 15,442               | 1,442                  |
| Fees and Permits  |                  |               |                                    |                      |                        |
| Other   | A-2              | 120,000       |                                    | 146,171              | 26,171                 |
| Fines and Costs - Municipal Court   | A-12             | 40,000        |                                    | 34,854               | (5,146)                |
| Interest and Costs on Taxes   | A-12             | 100,000       |                                    | 121,686              | 21,686                 |
| Interest on Investments and Deposits  | A-2              | 30,000        |                                    | 182,277              | 152,277                |
| Energy Receipts Tax   | A-12             | 818,122       |                                    | 818,122              | -                      |
| Uniform Construction Code Fees  | A-12             | 270,000       |                                    | 340,372              | 70,372                 |
| Recycling Tonnage Grant - Unappropriated                                    | A-26             | 11,311        |                                    | 11,311               | -                      |
| Municipal Alliance on Alcoholism and Drug Abuse                             | A-7              | 9,876         |                                    | 9,876                | -                      |
| Clean Communities Program   | A-7              |               | \$ 16,924                          | 16,924               |                        |
| Uniform Fire Safety Act   | A-12             | 4,050         |                                    | 7,847                | 3,797                  |
| Reserve for Payment of Bonds  | A-12,C-14        | 36,625        |                                    | 36,625               |                        |
| Capital Fund Balance  | A-12,C-1         | 3,634         |                                    | 3,634                |                        |
| Assessment Trust Fund Balance   | A-12,B-3         | 3,303         |                                    | 3,303                |                        |
| Payment In Lieu of Taxes-Cresskill Residential                              | A-12             | 120,368       |                                    | 120,368              | -                      |
| Payment In Lieu of Taxes-6 Madison Ave                                      | A-12             | 42,018        |                                    | 63,195               | 21,177                 |
| Ambulance Billing - Third Party   | A-12             | 285,000       | -                                  | 270,592              | (14,408)               |
| Total Miscellaneous Revenues  | A-1              | 1,917,207     | 16,924                             | 2,211,797            | 277,666                |
| RECEIPTS FROM DELINQUENT TAXES  | A-1,A-9          | 590,000       | -                                  | 723,861              | 133,861                |
| AMOUNT TO BE RAISED BY TAXES FOR<br>SUPPORT OF MUNICIPAL BUDGET             |                  |               |                                    |                      |                        |
| Minimum Library Tax   |                  | 761,263       |                                    | 761,263              | -                      |
| Local Tax for Municipal Purposes Including<br>Reserve for Uncollected Taxes |                  | 15,024,130    | -                                  | 15,593,749           | 569,619                |
|   | A-2              | 15,785,393    | -                                  | 16,355,012           | 569,619                |
| Budget Totals   | A-3              | \$ 20,242,600 | \$ 16,924                          | 21,240,670           | \$ 981,146             |
| Non-Budget Revenue  | A-1,A-2          |               |                                    | 349,461              |                        |
|   |                  |               |                                    | <u>\$ 21,590,131</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, 2018**  
**(Continued)**

|  | <u>Reference</u>    | <u>Realized</u>      |
|--|---------------------|----------------------|
| ANALYSIS OF REALIZED REVENUES                          |                     |                      |
| Revenue from Collections                               | A-1, A-9            | \$ 49,613,385        |
| Allocated School, County and Open Space Taxes          | B-23,A-19,A-20,A-21 | <u>34,798,373</u>    |
| Balance for Support of Municipal Budget Appropriations |                     | 14,815,012           |
| Add Appropriation "Reserve for Uncollected Taxes"      | A-3                 | <u>1,540,000</u>     |
| Amount for Support of Municipal Budget Appropriation   | A-2                 | <u>\$ 16,355,012</u> |
| Licenses - Other                                       |                     |                      |
| Borough Clerk  | A-12                | \$ 5,095             |
| Board of Health  | A-12                | <u>10,347</u>        |
|  | A-2                 | <u>\$ 15,442</u>     |
| Fees and Permits                                       |                     |                      |
| Borough Clerk  | A-12                | \$ 26,809            |
| Planning Board   | A-12                | 4,480                |
| Zoning Board   | A-12                | 7,045                |
| Tax Collector  | A-12                | 86,217               |
| Fire Prevention  | A-12                | 19,036               |
| Police Department                                      | A-12                | 1,544                |
| Board of Health  | A-12                | <u>1,040</u>         |
|  | A-2                 | <u>\$ 146,171</u>    |
| Interest on Investments and Deposits                   |                     |                      |
| Revenue Accounts Receivable                            | A-12                | \$ 161,282           |
| Due from Assessment Trust Fund                         | B-8                 | 8                    |
| Due from Animal Control Fund                           | B-11                | 122                  |
| Due from Other Trust Fund                              | B-16                | 3,830                |
| Due from Unemployment Trust Fund                       | B-14                | 179                  |
| Due from General Capital Fund                          | C-12                | <u>16,856</u>        |
|  | A-2                 | <u>\$ 182,277</u>    |

**BOROUGH OF CRESSKILL**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**  
**(Continued)**

|   |          |                   |
|---|----------|-------------------|
| Analysis of Non-Budget Revenue            |          |                   |
| Cell Tower Rent                           |          | \$ 155,575        |
| Admin Fee - Outside Police Duty           |          | 54,449            |
| Miscellaneous                             |          | 40,308            |
| Cable Franchise Fees                      |          | 37,681            |
| Reimbursement - BOE Brookside Properties  |          | 14,268            |
| Insurance Refund                          |          | 12,025            |
| Snowplowing Reimbursements                |          | 10,880            |
| Rental Agreement - Tallman House          |          | 10,000            |
| Rental of Soccer Field                    |          | 8,300             |
| Rental Agreement - Brookside              |          | 3,000             |
| Cat Licenses                              |          | 1,259             |
| Admin Fee - Senior and Veteran's Discount |          | 958               |
| Interest on Assessments                   |          | 517               |
| Sale of Assets                            |          | <u>241</u>        |
|   | A-1,A-2  | <u>\$ 349,461</u> |
| Non Budget Revenue                        |          |                   |
| Due from Other Trust Fund                 | A-4      | \$ 319,382        |
| Due from Assessment Trust                 | B-16     | 25,000            |
| Due from Animal Control                   | B-3, B-8 | 3,820             |
|   | B-11     | <u>1,259</u>      |
| Total Non Budget Revenue                  | A-1      | <u>\$ 349,461</u> |

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                | <u>Appropriated</u> |                                      | <u>Expended</u>            |                 |                  |
|--------------------------------|---------------------|--------------------------------------|----------------------------|-----------------|------------------|
|                                | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u> | <u>Cancelled</u> |
| OPERATIONS - WITHIN "CAPS"     |                     |                                      |                            |                 |                  |
| GENERAL GOVERNMENT             |                     |                                      |                            |                 |                  |
| General Administration         |                     |                                      |                            |                 |                  |
| Salaries and Wages             | \$ 55,000           | \$ 30,000                            | \$ 1                       | \$ 19,999       | \$ 10,000        |
| Mayor and Council              |                     |                                      |                            |                 |                  |
| Other Expenses                 | 20,000              | 20,000                               | 12,592                     | 7,408           |                  |
| Municipal Clerk                |                     |                                      |                            |                 |                  |
| Salaries and Wages             | 300,000             | 290,000                              | 277,024                    | 12,976          |                  |
| Other Expenses                 | 49,000              | 54,000                               | 52,089                     | 1,911           |                  |
| Financial Administration       |                     |                                      |                            |                 |                  |
| Salaries and Wages             | 247,000             | 254,000                              | 242,078                    | 11,922          |                  |
| Other Expenses                 | 100,000             | 99,000                               | 91,246                     | 7,754           |                  |
| Audit Services                 |                     |                                      |                            |                 |                  |
| Other Expenses                 | 47,300              | 47,300                               | 44,404                     | 2,896           |                  |
| Computerized Data              |                     |                                      |                            |                 |                  |
| Salaries and Wages             | 10,000              | 10,000                               | 10,000                     | -               |                  |
| Other Expenses                 | 55,000              | 52,000                               | 38,694                     | 13,306          |                  |
| Revenue Administration         |                     |                                      |                            |                 |                  |
| Salaries and Wages             | 95,000              | 78,000                               | 76,121                     | 1,879           |                  |
| Other Expenses                 | 12,000              | 12,000                               | 6,426                      | 5,574           |                  |
| Tax Assessment Administration  |                     |                                      |                            |                 |                  |
| Salaries and Wages             | 38,000              | 38,000                               | 36,695                     | 1,305           |                  |
| Other Expenses                 | 88,000              | 88,000                               | 64,527                     | 23,473          |                  |
| Legal Services and Costs       |                     |                                      |                            |                 |                  |
| Other Expenses                 | 150,000             | 160,000                              | 159,988                    | 12              |                  |
| Engineering Services and Costs |                     |                                      |                            |                 |                  |
| Other Expenses                 | 60,000              | 71,000                               | 68,748                     | 2,252           |                  |
| Historical Committee           |                     |                                      |                            |                 |                  |
| Other Expenses                 | 3,000               | 3,000                                | -                          | 3,000           |                  |
| LAND USE ADMINISTRATION        |                     |                                      |                            |                 |                  |
| Planning Board                 |                     |                                      |                            |                 |                  |
| Salaries and Wages             | 15,000              | 15,000                               | 14,106                     | 894             |                  |
| Other Expenses                 | 25,000              | 40,000                               | 35,812                     | 4,188           |                  |
| Zoning Board of Adjustment     |                     |                                      |                            |                 |                  |
| Salaries and Wages             | 4,300               | 4,900                                | 4,859                      | 41              |                  |
| Other Expenses                 | 6,800               | 6,200                                | 3,453                      | 2,747           |                  |
| INSURANCE                      |                     |                                      |                            |                 |                  |
| Unemployment Insurance         | 42,057              | 42,057                               | 42,057                     |                 |                  |
| General Liability              | 241,400             | 241,400                              | 219,326                    | 22,074          |                  |
| Workman's Compensation         | 248,600             | 248,600                              | 248,594                    | 6               |                  |
| Employee Group Health          | 1,170,000           | 1,170,000                            | 1,139,295                  | 30,705          |                  |
| MUNICIPAL COURT FUNCTION       |                     |                                      |                            |                 |                  |
| Municipal Court                |                     |                                      |                            |                 |                  |
| Salaries and Wages             | 60,000              | 60,000                               | 51,262                     | 3,738           | 5,000            |
| Other Expenses                 | 6,300               | 6,300                                | 5,610                      | 690             |                  |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|  | <u>Appropriated</u> |                                      | <u>Expended</u>            |                 |                  |
|--|---------------------|--------------------------------------|----------------------------|-----------------|------------------|
|  | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u> | <u>Cancelled</u> |
| OPERATIONS - WITHIN "CAPS" (Cont'd)      |                     |                                      |                            |                 |                  |
| PUBLIC SAFETY FUNCTIONS                  |                     |                                      |                            |                 |                  |
| Police                                   |                     |                                      |                            |                 |                  |
| Salaries and Wages - Regular             | \$ 3,900,000        | \$ 3,892,000                         | \$ 3,662,469               | \$ 229,531      |                  |
| Salaries and Wages - School Marshals     | 290,000             | 298,000                              | 297,953                    | 47              |                  |
| Salaries and Wages - Specials            | 10,000              | 10,000                               | 5,207                      | 4,793           |                  |
| Other Expenses                           | 225,300             | 225,300                              | 208,872                    | 16,428          |                  |
| Emergency Management Services            |                     |                                      |                            |                 |                  |
| Salaries and Wages                       | 10,000              | 10,000                               | 8,000                      | 2,000           |                  |
| Other Expenses                           | 18,500              | 18,500                               | 5,615                      | 12,885          |                  |
| Emergency Medical Service                |                     |                                      |                            |                 |                  |
| Salaries and Wages - Ambulance           | 365,000             | 365,000                              | 330,428                    | 9,572           | \$ 25,000        |
| Other Expenses - Contribution            | 65,000              | 65,000                               | 56,307                     | 8,693           |                  |
| Fire                                     |                     |                                      |                            |                 |                  |
| Fire Sub Code Salaries and Wages         | 515,000             | 545,000                              | 533,269                    | 11,731          |                  |
| Other Expenses                           | 109,900             | 94,900                               | 79,342                     | 10,558          | 5,000            |
| Fire Hydrant Service                     | 150,000             | 140,000                              | 137,823                    | 2,177           |                  |
| Municipal Prosecutor                     |                     |                                      |                            |                 |                  |
| Contractual                              | 15,300              | 15,300                               | 13,023                     | 2,277           |                  |
| PUBLIC WORKS FUNCTIONS                   |                     |                                      |                            |                 |                  |
| Streets and Roads Maintenance            |                     |                                      |                            |                 |                  |
| Salaries and Wages - Regular             | 2,220,000           | 2,219,000                            | 2,051,900                  | 142,100         | 25,000           |
| Salaries and Wages - Snow Removal        | 77,000              | 78,000                               | 77,570                     | 430             |                  |
| Other Expenses                           | 140,500             | 130,500                              | 80,841                     | 39,659          | 10,000           |
| Other Public Works Functions             |                     |                                      |                            |                 |                  |
| Shade Tree Commission                    |                     |                                      |                            |                 |                  |
| Other Expenses                           | 7,200               | 7,200                                | 1,783                      | 5,417           |                  |
| Solid Waste Collection                   |                     |                                      |                            |                 |                  |
| Salaries and Wages - Recycling           | 9,400               | 9,400                                | 9,400                      |                 |                  |
| Other Expenses - Sanitation              | 383,000             | 383,000                              | 358,785                    | 24,215          |                  |
| Other Expenses-Recycling                 | 238,000             | 238,000                              | 231,871                    | 6,129           |                  |
| Buildings and Grounds                    |                     |                                      |                            |                 |                  |
| Salaries and Wages                       | 42,000              | 42,000                               | 38,076                     | 3,924           |                  |
| Other Expenses                           | 108,000             | 108,000                              | 92,902                     | 15,098          |                  |
| Vehicle Maintenance                      |                     |                                      |                            |                 |                  |
| Other Expenses                           | 100,000             | 110,000                              | 107,691                    | 2,309           |                  |
| HEALTH AND HUMAN SERVICES                |                     |                                      |                            |                 |                  |
| Public Health Services                   |                     |                                      |                            |                 |                  |
| Salaries and Wages                       | 44,000              | 44,000                               | 41,596                     | 2,404           |                  |
| Other Expenses                           | 7,400               | 7,400                                | 7,182                      | 218             |                  |
| Environmental Commission                 |                     |                                      |                            |                 |                  |
| (NJS 40:56-1 seq.)                       |                     |                                      |                            |                 |                  |
| Other Expenses                           | 5,000               | 5,000                                | 1,986                      | 3,014           |                  |
| Animal Control Services                  |                     |                                      |                            |                 |                  |
| Other Expenses                           | 5,000               | 5,000                                | 5,000                      |                 |                  |
| Welfare/Administration of Public Service |                     |                                      |                            |                 |                  |
| Salaries and Wages                       | 11,000              | 11,000                               | 10,200                     | 800             |                  |
| Other Expenses                           | 500                 | 500                                  | 40                         | 460             |                  |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|  | <u>Appropriated</u> |                                      | <u>Expended</u>            |                 |                  |
|--|---------------------|--------------------------------------|----------------------------|-----------------|------------------|
|  | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u> | <u>Cancelled</u> |
| OPERATIONS - WITHIN "CAPS" (Continued)   |                     |                                      |                            |                 |                  |
| PARK AND RECREATION FUNCTIONS  |                     |                                      |                            |                 |                  |
| Recreation Services and Programs   |                     |                                      |                            |                 |                  |
| Salaries and Wages   | \$ 150,000          | \$ 160,000                           | \$ 157,636                 | \$ 2,364        |                  |
| Other Expenses   | 46,700              | 46,700                               | 38,602                     | 8,098           |                  |
| Senior Citizens  |                     |                                      |                            |                 |                  |
| Salaries and Wages   | 67,000              | 69,500                               | 67,584                     | 1,916           |                  |
| Other Expenses   | 30,100              | 31,600                               | 31,172                     | 428             |                  |
| Maintenance of Parks   |                     |                                      |                            |                 |                  |
| Other Expenses   | 31,750              | 31,750                               | 14,507                     | 17,243          |                  |
| OTHER COMMON OPERATING<br>FUNCTIONS  |                     |                                      |                            |                 |                  |
| Celebration of Public Events   |                     |                                      |                            |                 |                  |
| Other Expenses   | 16,000              | 16,000                               | 4,130                      | 11,870          |                  |
| HEALTH AND HUMAN SERVICES FUNCTIONS  |                     |                                      |                            |                 |                  |
| Hepatitis "B" Inoculations -   |                     |                                      |                            |                 |                  |
| Other Expenses - PEOSHA  | 3,000               | 3,000                                | -                          | 3,000           |                  |
| UNIFORM CONSTRUCTION CODE<br>APPROPRIATIONS OFFSET BY DEDICATED<br>REVENUES (N.J.A.C. 5:23-4-17) |                     |                                      |                            |                 |                  |
| CODE ENFORCEMENT AND ADMINISTRATION  |                     |                                      |                            |                 |                  |
| Construction Code Official   |                     |                                      |                            |                 |                  |
| Salaries and Wages   | 126,000             | 126,000                              | 114,759                    | 11,241          |                  |
| Other Expenses   | 53,000              | 53,000                               | 35,651                     | 7,349           | \$ 10,000        |
| Sub-Code Officials   |                     |                                      |                            |                 |                  |
| Plumbing Inspector   |                     |                                      |                            |                 |                  |
| Salaries and Wages   | 14,000              | 14,000                               | 12,940                     | 1,060           |                  |
| Electrical Inspector   |                     |                                      |                            |                 |                  |
| Salaries and Wages   | 16,000              | 16,000                               | 12,249                     | 3,751           |                  |
| Fire Inspector   |                     |                                      |                            |                 |                  |
| Salaries and Wages   | 9,000               | 9,000                                | 8,560                      | 440             |                  |
| Other Expenses   | 4,500               | 4,500                                | 2,502                      | 1,998           |                  |
| UTILITY EXPENSES AND BULK<br>PURCHASES   |                     |                                      |                            |                 |                  |
| Electricity  | 130,000             | 130,000                              | 120,691                    | 9,309           |                  |
| Street Lighting  | 112,000             | 112,000                              | 84,011                     | 17,989          | 10,000           |
| Telephone  | 78,000              | 78,000                               | 74,512                     | 3,488           |                  |
| Natural Gas  | 40,000              | 40,000                               | 38,799                     | 1,201           |                  |
| Gasoline   | 90,000              | 90,000                               | 73,274                     | 16,726          |                  |
| Water  | 33,000              | 27,000                               | 21,056                     | 5,944           |                  |
| Sewer System - Other Expenses  | 36,000              | 36,000                               | 20,090                     | 15,910          |                  |

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|  | <u>Appropriated</u> |                                      | <u>Expended</u>            |                 |                  |
|--|---------------------|--------------------------------------|----------------------------|-----------------|------------------|
|  | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u> | <u>Cancelled</u> |
| OPERATIONS - WITHIN "CAPS" (Continued)   |                     |                                      |                            |                 |                  |
| LANDFILL/SOLID WASTE DISPOSAL  |                     |                                      |                            |                 |                  |
| COSTS  |                     |                                      |                            |                 |                  |
| Dumping Fees   | \$ 255,000          | \$ 250,000                           | \$ 243,453                 | \$ 6,547        | -                |
| Total Operations Within "CAPS"   | 13,561,807          | 13,561,807                           | 12,576,316                 | 885,491         | \$ 100,000       |
| Total Operations Including Contingent<br>Within "CAPS"                         | 13,561,807          | 13,561,807                           | 12,576,316                 | 885,491         | 100,000          |
| Detail:  |                     |                                      |                            |                 |                  |
| Salaries and Wages   | 8,695,000           | 8,693,100                            | 8,146,965                  | 481,135         | 65,000           |
| Other Expenses   | 4,866,807           | 4,868,707                            | 4,429,351                  | 404,356         | 35,000           |
| DEFERRED CHARGES AND<br>STATUTORY EXPENDITURES -<br>MUNICIPAL WITHIN "CAPS"    |                     |                                      |                            |                 |                  |
| Statutory Charges  |                     |                                      |                            |                 |                  |
| Contribution to:   |                     |                                      |                            |                 |                  |
| Defined Contribution Retirement Program  | 27,000              | 27,000                               | 23,125                     | 3,875           |                  |
| Social Security System (O.A.S.I.)  | 375,000             | 375,000                              | 369,640                    | 5,360           |                  |
| Police and Firemen Retirement System   | 956,871             | 956,871                              | 956,870                    | 1               |                  |
| Public Employees' Retirement System  | 428,495             | 428,495                              | 400,565                    | 27,930          | -                |
| Total Deferred Charges and Statutory<br>Expenditures - Municipal Within "CAPS" | 1,787,366           | 1,787,366                            | 1,750,200                  | 37,166          | -                |
| Total General Appropriations for Municipal<br>Purposes - Within "CAPS"         | 15,349,173          | 15,349,173                           | 14,326,516                 | 922,657         | 100,000          |
| OPERATIONS - EXCLUDED FROM "CAPS"  |                     |                                      |                            |                 |                  |
| EDUCATION FUNCTIONS  |                     |                                      |                            |                 |                  |
| Maintenance of Free Public Library   | 761,263             | 761,263                              | 761,263                    |                 |                  |
| SEWERAGE PROCESSING AND DISPOSAL   |                     |                                      |                            |                 |                  |
| Bergen County Utilities Authority-Sewer Fees                                   | 756,981             | 756,981                              | 756,981                    | -               |                  |
| OTHER COMMON OPERATING FUNCTIONS   |                     |                                      |                            |                 |                  |
| Tax Appeals  | 100,000             | 100,000                              | 100,000                    |                 |                  |
| Recycling Tax  | 12,000              | 12,000                               | 9,934                      | 2,066           |                  |

**BOROUGH OF CRESSKILL  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

|   | <u>Budget</u> | <u>Appropriated<br/>Budget After<br/>Modification</u> | <u>Expended<br/>Paid or<br/>Charged</u> | <u>Reserved</u> | <u>Cancelled</u> |
|---|---------------|---|---|-----------------|------------------|
| OPERATIONS - EXCLUDED FROM "CAPS"<br>(Continued)        |               |   |   |                 |                  |
| PUBLIC SAFETY FUNCTION                                  |               |   |   |                 |                  |
| Fire - LOSAP  | \$ 10,000     | \$ 10,000   | \$ 10,000                               | -               | -                |
| Total Other Operations Excluded<br>from "CAPS"          | 1,640,244     | 1,640,244   | 1,638,178                               | \$ 2,066        | -                |
| Interlocal Municipal Service Agreements                 |               |   |   |                 |                  |
| Police Dispatch 911                                     | 5,000         | 5,000   | 5,000                                   |                 |                  |
| Interlocal Recycling - Alpine                           | 65,000        | 65,000  | 65,000                                  |                 |                  |
| Interlocal Public Health Services -<br>County of Bergen | 30,000        | 30,000  | 29,244                                  | 756             | -                |
| Total Interlocal Municipal Service Agreements           | 100,000       | 100,000   | 99,244                                  | 756             | -                |
| PUBLIC AND PRIVATE PROGRAMS<br>OFFSET BY REVENUES       |               |   |   |                 |                  |
| Municipal Drug Alliance Program                         |               |   |   |                 |                  |
| Borough Share   | 2,469         | 2,469   | -                                       | 2,469           |                  |
| State Share   | 9,876         | 9,876   | 7,690                                   | 2,186           |                  |
| Alcohol Education Rehabilitation                        |               |   |   |                 |                  |
| State Recycling Grant                                   | 11,311        | 11,311  | -                                       | 11,311          |                  |
| Clean Communities Grant                                 | -             | 16,924  | 12,568                                  | 4,356           | -                |
| Total Public and Private Programs Offset<br>By Revenues | 23,656        | 40,580  | 20,258                                  | 20,322          | -                |
| Total Operations Excluded from "CAPS"                   | 1,763,900     | 1,780,824   | 1,757,680                               | 23,144          | -                |
| Detail:   |               |   |   |                 |                  |
| Other Expenses  | 1,763,900     | 1,780,824   | 1,757,680                               | 23,144          | -                |

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|   | <u>Appropriated</u> |                                      | <u>Expended</u>            |                 |                  |
|---|---------------------|--------------------------------------|----------------------------|-----------------|------------------|
|   | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u> | <u>Cancelled</u> |
| OPERATIONS - EXCLUDED FROM "CAPS"   |                     |                                      |                            |                 |                  |
| (Continued)   |                     |                                      |                            |                 |                  |
| CAPITAL IMPROVEMENTS -<br>EXCLUDED FROM "CAPS"                              |                     |                                      |                            |                 |                  |
| Capital Improvement Fund  | \$ 100,000          | \$ 100,000                           | \$ 100,000                 | -               | -                |
| Total Capital Improvements  | 100,000             | 100,000                              | 100,000                    | -               | -                |
| MUNICIPAL DEBT SERVICE -<br>EXCLUDED FROM "CAPS"                            |                     |                                      |                            |                 |                  |
| Payment of Bond Principal   | 1,000,000           | 1,000,000                            | 1,000,000                  |                 |                  |
| Payment of Bond Anticipation Note Principal                                 | 127,250             | 127,250                              | 127,250                    |                 |                  |
| Interest on Bonds   | 276,565             | 276,565                              | 276,565                    |                 |                  |
| Interest on Notes   | 85,712              | 85,712                               | 85,711                     | -               | \$ 1             |
| Total Municipal Debt Service Excluded<br>from "CAPS"                        | 1,489,527           | 1,489,527                            | 1,489,526                  | -               | 1                |
| Total General Appropriations for Municipal<br>Purposes Excluded from "CAPS" | 3,353,427           | 3,370,351                            | 3,347,206                  | \$ 23,144       | \$ 1             |
| Subtotal General Appropriations   | 18,702,600          | 18,719,524                           | 17,673,722                 | 945,801         | 100,001          |
| Reserve for Uncollected Taxes   | 1,540,000           | 1,540,000                            | 1,540,000                  | -               | -                |
| Total General Appropriations  | \$ 20,242,600       | \$ 20,259,524                        | \$ 19,213,722              | \$ 945,801      | \$ 100,001       |
|   | 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, 2018**

|                               | <u>Reference</u> | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> |
|-------------------------------|------------------|--------------------------------------|----------------------------|
| Budget as Adopted             | A-2              | \$ 20,242,600                        |                            |
| Added by N.J.S. 40A:4-87      | A-2              | <u>16,924</u>                        |                            |
|                               |                  | <u>\$ 20,259,524</u>                 |                            |
| Cash Disbursed                | A-4              |                                      | \$ 17,294,836              |
| Reserve for Uncollected Taxes | A-2              |                                      | 1,540,000                  |
| Encumbrances Payable          | A-14             |                                      | 278,886                    |
| Reserve for Tax Appeals       | A-24             |                                      | <u>100,000</u>             |
|                               |                  |                                      | <u>\$ 19,213,722</u>       |

**BOROUGH OF CRESSKILL**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2018 AND 2017**

|   | <u>Reference</u> | <u>2018</u>         | <u>2017</u>         |
|---|------------------|---------------------|---------------------|
| <b>ASSETS</b>   |                  |                     |                     |
| <b>ASSESSMENT TRUST FUND</b>                          |                  |                     |                     |
| Cash  | B-4,B-5          | \$ 3,233            | \$ 3,311            |
| Assessments Receivable                                | B-6              | <u>9,677</u>        | <u>12,902</u>       |
|   |                  | <u>12,910</u>       | <u>16,213</u>       |
| <b>ANIMAL CONTROL FUND</b>                            |                  |                     |                     |
| Cash  | B-4              | <u>12,667</u>       | <u>14,072</u>       |
| <b>OTHER TRUST FUND</b>                               |                  |                     |                     |
| Cash  | B-4              | 2,154,741           | 2,005,151           |
| Police Outside Services Receivable                    | B-15             | <u>74,722</u>       | <u>49,600</u>       |
|   |                  | <u>2,229,463</u>    | <u>2,054,751</u>    |
| <b>UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND</b> |                  |                     |                     |
| Cash  | B-4              | <u>18,800</u>       | <u>7,866</u>        |
| <b>OPEN SPACE PRESERVATION TRUST FUND</b>             |                  |                     |                     |
| Cash  | B-4              | 455,943             | 911,309             |
| Due From Swim Pool Utility Capital Fund               | D-9              | <u>28,000</u>       | <u>44,000</u>       |
|   |                  | <u>483,943</u>      | <u>955,309</u>      |
| <b>LENGTH OF SERVICE AWARD PROGRAM</b>                |                  |                     |                     |
| <b>TRUST FUND (UNAUDITED)</b>                         |                  |                     |                     |
| Investments   | B                | 513,252             | 538,306             |
| Contribution Receivable                               | B                | <u>8,310</u>        | <u>9,854</u>        |
|   |                  | <u>521,562</u>      | <u>548,160</u>      |
| Total Assets  |                  | <u>\$ 3,279,345</u> | <u>\$ 3,596,371</u> |

**BOROUGH OF CRESSKILL**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**TRUST FUNDS**  
**AS OF DECEMBER 31, 2018 AND 2017**

|   | <u>Reference</u> | <u>2018</u>         | <u>2017</u>         |
|---|------------------|---------------------|---------------------|
| LIABILITIES, RESERVES AND FUND BALANCE                    |                  |                     |                     |
| ASSESSMENT TRUST FUND                                     |                  |                     |                     |
| Reserve for   |                  |                     |                     |
| Assessment and Liens                                      | B-7              | \$ 9,677            | \$ 12,902           |
| Due to Current Fund                                       | B-8              | 2                   | 2                   |
| Fund Balance  | B-3              | <u>3,231</u>        | <u>3,309</u>        |
|   |                  | <u>12,910</u>       | <u>16,213</u>       |
| ANIMAL CONTROL FUND                                       |                  |                     |                     |
| Due to Current Fund                                       | B-11             | 7                   | 8                   |
| Reserve for Animal Control Expenditures                   | B-9              | <u>12,660</u>       | <u>14,064</u>       |
|   |                  | <u>12,667</u>       | <u>14,072</u>       |
| OTHER TRUST FUND  |                  |                     |                     |
| Due to Current Fund                                       | B-16             | 1,312               | 12,221              |
| Reserve for   |                  |                     |                     |
| Escrow Deposits   | B-17             | 327,703             | 301,100             |
| Street Opening Deposits                                   | B-18             | 3,700               | 3,150               |
| Affordable Housing Trust                                  | B-19             | 1,555,860           | 1,419,847           |
| Payroll Salaries and Withholdings                         | B-20             | 11,056              | 3,401               |
| Miscellaneous Reserves and Deposits                       | B-21             | 229,588             | 241,067             |
| Police Outside Services                                   | B-22             | <u>100,244</u>      | <u>73,965</u>       |
|   |                  | <u>2,229,463</u>    | <u>2,054,751</u>    |
| UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND            |                  |                     |                     |
| Due to Current Fund                                       | B-14             | 10                  | 8                   |
| Due to State of New Jersey                                | B-13             | -                   | 555                 |
| Reserve for Expenditures                                  | B-12             | <u>18,790</u>       | <u>7,303</u>        |
|   |                  | <u>18,800</u>       | <u>7,866</u>        |
| OPEN SPACE PRESERVATION TRUST FUND                        |                  |                     |                     |
| Reserve for Expenditures                                  | B-23             | <u>483,943</u>      | <u>955,309</u>      |
| LENGTH OF SERVICE AWARD PROGRAM<br>TRUST FUND (UNAUDITED) |                  |                     |                     |
| Reserve for LOSAP   | B                | <u>521,562</u>      | <u>548,160</u>      |
| Total Liabilities, Reserves and Fund Balance              |                  | <u>\$ 3,279,345</u> | <u>\$ 3,596,371</u> |

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CRESSKILL  
STATEMENT OF REVENUES - REGULATORY BASIS  
OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                 | <u>Reference</u> | <u>Anticipated<br/>Budget<br/>(Memo)</u> | <u>Realized in<br/>2018</u> | <u>Excess or<br/>(Deficit)</u> |
|---------------------------------|------------------|--|-----------------------------|--------------------------------|
| Amount to be Raised by Taxation | B-23             | \$ 210,828                               | \$ 211,249                  | \$ 421                         |
|                                 | B-2              | <u>\$ 210,828</u>                        | 211,249                     | <u>421</u>                     |
| Non-Budget Revenue              | B-23             |  | <u>11,770</u>               |                                |
|                                 |                  |  | <u>\$ 223,019</u>           |                                |

EXHIBIT B-2

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2018**

|                        | <u>Reference</u> | <u>Appropriated<br/>Budget<br/>(Memo)</u> | <u>Paid or<br/>Charged</u> | <u>Excess or<br/>(Deficit)</u> |
|------------------------|------------------|---|----------------------------|--------------------------------|
| Reserve for Future Use |                  | <u>\$ 210,828</u>                         | <u>\$ 210,828</u>          | <u>\$ -</u>                    |
|                        | 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, 2018 AND 2017**

|  | <u>Reference</u> | <u>2018</u>     | <u>2017</u>     |
|--|------------------|-----------------|-----------------|
| Balance, January 1                             | B                | \$ 3,309        | \$ 9,084        |
| Increased by:                                  |                  |                 |                 |
| Collections of Unpledged Assessment and Liens  | B-7              | <u>3,225</u>    | <u>3,225</u>    |
|  |                  | 6,534           | 12,309          |
| Decreased by:                                  |                  |                 |                 |
| Payment to Current Fund as Anticipated Revenue | A-2              | <u>3,303</u>    | <u>9,000</u>    |
| Balance, December 31                           | B                | <u>\$ 3,231</u> | <u>\$ 3,309</u> |

**BOROUGH OF CRESSKILL  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL CAPITAL FUND  
AS OF DECEMBER 31, 2018 AND 2017**

|   | <u>Reference</u> | <u>2018</u>          | <u>2017</u>          |
|---|------------------|----------------------|----------------------|
| <b>ASSETS</b>                                       |                  |                      |                      |
| Cash  | C-2,C-3          | \$ 1,146,745         | \$ 1,868,095         |
| Grants Receivable                                   | C-6              | 50,000               | 567,500              |
| Due From Cresskill Board of Education               | C-16             | 1,030,000            | 1,030,000            |
| Deferred Charges to Future Taxation                 |                  |                      |                      |
| Funded  | C-4              | 12,507,000           | 6,507,000            |
| Unfunded  | C-5              | <u>3,239,500</u>     | <u>8,834,750</u>     |
| Total Assets  |                  | <u>\$ 17,973,245</u> | <u>\$ 18,807,345</u> |
| <b>LIABILITIES, RESERVES AND FUND BALANCE</b>       |                  |                      |                      |
| Bond Anticipation Notes                             | C-10             |                      | \$ 8,572,000         |
| Serial Bonds  | C-11             | \$ 12,507,000        | 6,507,000            |
| Encumbrances Payable                                | C-8              | 220,243              | 865,288              |
| Due to Current Fund                                 | C-12             | 962                  | 1,239                |
| Reserve for Defibrillator                           | C-13             | 6,502                | 7,499                |
| Reserve for Improvements to Firehouse               | C-15             | 230,765              | 200,000              |
| Reserve for Payment of Bonds                        | C-14             | 26,171               | 36,625               |
| Reserve for Grants Receivable                       | C-6              | -                    | 567,500              |
| Reserve for Cresskill Board of Education Receivable | C-16             | 1,030,000            | 1,030,000            |
| Improvement Authorizations                          |                  |                      |                      |
| Funded  | C-9              | 1,409,341            | 117,674              |
| Unfunded  | C-9              | 2,439,928            | 799,846              |
| Capital Improvement Fund                            | C-7              | 88,540               | 99,040               |
| Fund Balance  | C-1              | <u>13,793</u>        | <u>3,634</u>         |
| Total Liabilities, Reserves and Fund Balance        |                  | <u>\$ 17,973,245</u> | <u>\$ 18,807,345</u> |

There were bonds and notes authorized but not issued on December 31, 2018 and 2017 of \$3,239,500 and \$300,000 respectively (Exhibit C-17).

**BOROUGH OF CRESSKILL**  
**COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE - REGULATORY BASIS**  
**GENERAL CAPITAL FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

|   | <u>Reference</u> | <u>2018</u>      | <u>2017</u>     |
|---|------------------|------------------|-----------------|
| Balance, January 1                          | C                | \$ 3,634         | \$ 114,441      |
| Increased by:                               |                  |                  |                 |
| Expense Reimbursements Sale of BOE Property | C-2              | 13,793           |                 |
| Premium on Notes Issued                     | C-1              | <u>-</u>         | <u>3,633</u>    |
|   |                  | 17,427           | 118,074         |
| Decreased by:                               |                  |                  |                 |
| Anticipated as Current Fund Revenue         | A-2, C-2         | <u>3,634</u>     | <u>114,440</u>  |
|   |                  | <u>3,634</u>     | <u>114,440</u>  |
| Balance, December 31                        | C                | <u>\$ 13,793</u> | <u>\$ 3,634</u> |

**BOROUGH OF CRESSKILL  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
SWIMMING POOL UTILITY FUND  
AS OF DECEMBER 31, 2018 AND 2017**

|  | <u>Reference</u> | <u>2018</u>       | <u>2017</u>       |
|--|------------------|-------------------|-------------------|
| <b><u>OPERATING FUND</u></b>                 |                  |                   |                   |
| ASSETS                                       |                  |                   |                   |
| Cash   | D-5              | \$ 139,372        | \$ 165,473        |
| Due from Swim Pool Utility Capital Fund      | D-8              | <u>106</u>        | <u>9</u>          |
| Total Assets                                 |                  | <u>\$ 139,478</u> | <u>\$ 165,482</u> |
| LIABILITIES, RESERVES AND FUND BALANCE       |                  |                   |                   |
| Appropriation Reserves                       | D-3,D-16         | \$ 14,946         | \$ 16,336         |
| Encumbrances Payable                         | D-19             | 28,024            | 24,780            |
| Reserve for Swim and Dive Team               | D-17             | 9,066             | 6,258             |
| Reserve for Snack Bar Security Deposit       | D-18             | 250               |                   |
| Fund Balance                                 | D-1              | <u>87,192</u>     | <u>118,108</u>    |
| Total Liabilities, Reserves and Fund Balance |                  | <u>\$ 139,478</u> | <u>\$ 165,482</u> |
| <b><u>CAPITAL FUND</u></b>                   |                  |                   |                   |
| ASSETS                                       |                  |                   |                   |
| Cash   | D-5,D-6          | \$ 17,327         | \$ 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>\$ 942,359</u> | <u>\$ 942,262</u> |
| LIABILITIES, RESERVES AND FUND BALANCE       |                  |                   |                   |
| Improvement Authorizations - Unfunded        | D-11             | \$ 67,818         | \$ 67,818         |
| Reserve for Amortization                     | D-12             | 829,973           | 813,973           |
| Reserve for Deferred Amortization            | D-14             | 4,000             | 4,000             |
| Due to Swim Pool Utility Operating Fund      | D-8              | 106               | 9                 |
| Due to Municipal Open Space Trust Fund       | D-9              | 28,000            | 44,000            |
| 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>\$ 942,359</u> | <u>\$ 942,262</u> |

There were bonds and notes authorized but not issued on December 31, 2018 and 2017 of \$91,059 and \$107,059 (Exhibit D-15).



**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, 2018 AND 2017**

|   | <u>Reference</u> | <u>2018</u>      | <u>2017</u>       |
|---|------------------|------------------|-------------------|
| <b>REVENUES AND OTHER INCOME</b>                    |                  |                  |                   |
| Fund Balance Utilized                               | D-2              | \$ 70,000        | \$ 70,000         |
| Membership Fees                                     | D-2              | 269,360          | 279,605           |
| Snack Bar   | D-2              | 16,747           | 22,282            |
| Non-Budget Revenue                                  | D-2              | 1,111            | 508               |
| Other Credits to Income                             |                  |                  |                   |
| Unexpended Balance of Appropriation Reserves        | D-16             | <u>16,866</u>    | <u>14,590</u>     |
|   |                  | <u>374,084</u>   | <u>386,985</u>    |
| <b>EXPENDITURES</b>                                 |                  |                  |                   |
| Operating   | D-3              | 308,000          | 305,000           |
| Deferred Charges and Statutory Expenditures         | D-3              | <u>27,000</u>    | <u>25,000</u>     |
|   |                  | <u>335,000</u>   | <u>330,000</u>    |
| Excess in Revenue                                   |                  | 39,084           | 56,985            |
| Fund Balance, January 1                             | D                | <u>118,108</u>   | <u>131,123</u>    |
|   |                  | 157,192          | 188,108           |
| Decreased by:                                       |                  |                  |                   |
| Utilization by Swimming Pool Utility Operating Fund | D-1,D-2          | <u>70,000</u>    | <u>70,000</u>     |
| Fund Balance, December 31                           | D                | <u>\$ 87,192</u> | <u>\$ 118,108</u> |

**BOROUGH OF CRESSKILL**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**SWIMMING POOL UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|                                    | <u>Reference</u> | <u>Anticipated<br/>Budget</u> | <u>Realized</u>   | <u>Excess or<br/>(Deficit)</u> |
|------------------------------------|------------------|-------------------------------|-------------------|--------------------------------|
| Operating Fund Balance Anticipated | D-1              | \$ 70,000                     | \$ 70,000         |                                |
| Membership Fees                    | D-1,D-5          | 260,000                       | 269,360           | \$ 9,360                       |
| Snack Bar                          | D-1,D-5          | 20,000                        | 16,747            | (3,253)                        |
|                                    | D-3              | <u>\$ 350,000</u>             | 356,107           | <u>\$ 6,107</u>                |
| Non-Budget Revenue                 | D-1,D-2          |                               | <u>1,111</u>      |                                |
|                                    |                  |                               | <u>\$ 357,218</u> |                                |

Analysis of Realized Revenues

|                         | <u>Reference</u> |                 |
|-------------------------|------------------|-----------------|
| Non-Budget Revenue      |                  |                 |
| Interest on Investments | D-2              | <u>\$ 1,111</u> |
|                         |                  | <u>\$ 1,111</u> |

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SWIMMING POOL UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

|  | <u>Appropriated</u> |                                      | <u>Expended</u>            |                  |                  |
|--|---------------------|--------------------------------------|----------------------------|------------------|------------------|
|  | <u>Budget</u>       | <u>Budget After<br/>Modification</u> | <u>Paid or<br/>Charged</u> | <u>Reserved</u>  | <u>Cancelled</u> |
| OPERATING  |                     |                                      |                            |                  |                  |
| Salaries and Wages                                   | \$ 142,000          | \$ 130,000                           | \$ 114,974                 | \$ 26            | \$ 15,000        |
| Other Expenses                                       | 181,000             | 193,000                              | 180,053                    | 12,947           |                  |
| STATUTORY EXPENDITURES/<br>DEFERRED CHARGES          |                     |                                      |                            |                  |                  |
| Deferred Charges - Unfunded                          |                     |                                      |                            |                  |                  |
| Ord#15-01 Various Improvements                       | 16,000              | 16,000                               | 16,000                     |                  |                  |
| Contribution to<br>Social Security System (O.A.S.I.) | <u>11,000</u>       | <u>11,000</u>                        | <u>9,027</u>               | <u>1,973</u>     | <u>-</u>         |
|  | <u>\$ 350,000</u>   | <u>\$ 350,000</u>                    | <u>\$ 320,054</u>          | <u>\$ 14,946</u> | <u>\$ 15,000</u> |
| <u>Reference</u>                                     | D-2                 | D-2                                  |                            | D                |                  |
|  | <u>Reference</u>    |                                      |                            |                  |                  |
| Cash Disbursed                                       | D-5                 |                                      | \$ 292,030                 |                  |                  |
| Encumbrances Payable                                 | D-19                |                                      | <u>28,024</u>              |                  |                  |
|  |                     |                                      | <u>\$ 320,054</u>          |                  |                  |

**BOROUGH OF CRESSKILL  
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE -  
REGULATORY BASIS  
SWIMMING POOL UTILITY CAPITAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2018 AND 2017**

|                      | <u>Reference</u> | <u>2018</u>     | <u>2017</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, 2018 AND 2017**

|                                     | <u>2018</u>          | <u>2017</u>          |
|-------------------------------------|----------------------|----------------------|
| <b>ASSETS</b>                       |                      |                      |
| Land                                | \$ 5,784,973         | \$ 6,626,072         |
| Buildings and Building Improvements | 5,826,420            | 6,075,410            |
| Machinery and Equipment             | <u>7,046,473</u>     | <u>6,828,089</u>     |
| Total Assets                        | <u>\$ 18,657,866</u> | <u>\$ 19,529,571</u> |
| <b>FUND BALANCE</b>                 |                      |                      |
| Investment in General Fixed Assets  | <u>\$ 18,657,866</u> | <u>\$ 19,529,571</u> |

## **NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 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, 2018 AND 2017**

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

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.

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.

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.



**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

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

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.

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.

Reclassifications - Certain reclassifications may have been made to the December 31, 2017 balances to conform to the December 31, 2018 presentation.

**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, 2018 AND 2017**

**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 11<sup>th</sup> 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** - Swimming pool membership fees are levied annually upon a flat fee charge by membership classifications. Revenues from these sources are recognized on a cash basis. Receivables that are susceptible to accruals are recorded with offsetting reserves on the balance sheet of the Borough's swimming pool utility operating funds. 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, 2018 AND 2017**

**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.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

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

**D. Measurement Focus and Basis of Accounting (Continued)**

**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.

**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 \$2,000 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 swimming pool utility fund is recorded in the capital account at cost and are 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, 2018 AND 2017**

**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 Open Space  
Preservation Trust Fund)  
General Capital Fund  
Swimming 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 2018 and 2017 the Borough Council increased the original budget by \$16,924 and \$33,746. The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2018 and 2017.

**BOROUGH OF CRESSKILL**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 2018 and 2017, the book value of the Borough's deposits were \$15,315,889 and \$21,907,631 and bank and brokerage firm balances of the Borough's deposits amounted to \$15,316,225 and \$21,143,481, 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>2018</u>          | <u>2017</u>          |
| Insured                      | \$ 8,083,247         | \$ 20,409,747        |
| Uninsured and Collateralized | <u>7,232,978</u>     | <u>733,734</u>       |
|                              | <u>\$ 15,316,225</u> | <u>\$ 21,143,481</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, 2018 and 2017, the Borough's bank balances of \$7,232,978 and \$733,734 were exposed to custodial credit risk as follows:

| <u>Depository Account</u>   | <u>2018</u>         | <u>2017</u>       |
|---|---------------------|-------------------|
| Uninsured and Collateralized  |                     |                   |
| Collateral held by pledging financial institution's trust<br>department not in the Borough's name | <u>\$ 7,232,978</u> | <u>\$ 733,734</u> |

**BOROUGH OF CRESSKILL**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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, 2018 and 2017, the Borough had the following investments:

|  | <u>Fair<br/>Value</u> |                   |
|--|-----------------------|-------------------|
|  | <u>2018</u>           | <u>2017</u>       |
| Lincoln Financial Group (LOSAP)<br>Investment Fund (Unaudited) | \$ <u>513,252</u>     | \$ <u>538,306</u> |

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, 2018 and 2017, \$513,252 and \$538,306 of the Borough's investments was exposed to custodial credit risk as follows:

|  | <u>Fair<br/>Value</u> |                   |
|--|-----------------------|-------------------|
|  | <u>2018</u>           | <u>2017</u>       |
| Uninsured and Collateralized<br>Collateral held by pledging financial<br>institution's trust department but not in<br>the Borough's name (LOSAP) (unaudited) | \$ <u>513,252</u>     | \$ <u>538,306</u> |

**BOROUGH OF CRESSKILL**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 3 CASH DEPOSITS AND INVESTMENTS (Continued)**

**B. Investments (Continued)**

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.

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, 2018 and 2017, the Borough's investment in Lincoln National Corporation was rated Baa2 by Moody's Investor Service.

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 by Lincoln Financial Group.

Interest earned in the General Capital Fund, Assessment Trust Fund, Animal Control 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 Swimming Pool Utility Capital Fund is assigned to the Swimming Pool Utility Operating Fund in accordance with the regulatory basis of accounting.

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2018 and 2017 consisted of the following:

|                 | <u><b>2018</b></u>       | <u><b>2017</b></u>       |
|-----------------|--------------------------|--------------------------|
| <u>Current</u>  |                          |                          |
| Property Taxes  | \$ 783,516               | \$ 723,270               |
| Tax Title Liens | <u>97,927</u>            | <u>90,605</u>            |
|                 | <u><b>\$ 881,443</b></u> | <u><b>\$ 813,875</b></u> |

In 2018 and 2017, the Borough collected \$723,861 and \$696,670 from delinquent taxes, which represented 92% and 89%, respectively of the prior year delinquent taxes receivable balance.



**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**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>2018</u>                    |                              | <u>2017</u>                    |                              |
|-------------------------------|--------------------------------|------------------------------|--------------------------------|------------------------------|
|                               | Due from<br><u>Other Funds</u> | Due to<br><u>Other Funds</u> | Due from<br><u>Other Funds</u> | Due to<br><u>Other Funds</u> |
| Current Fund                  | \$ 2,293                       |                              | \$ 13,478                      |                              |
| Trust Funds:                  |                                |                              |                                |                              |
| Animal Control Fund           |                                | \$ 7                         |                                | \$ 8                         |
| Assessment Trust              |                                | 2                            |                                | 2                            |
| Other Trust                   |                                | 1,312                        |                                | 12,221                       |
| Unemployment                  |                                | 10                           |                                | 8                            |
| Open Space Preservation Trust | 28,000                         |                              | 44,000                         |                              |
| General Capital Fund          |                                | 962                          |                                | 1,239                        |
| Swim Pool Utility Fund        |                                |                              |                                |                              |
| Operating Fund                | 106                            |                              | 9                              |                              |
| Capital Fund                  | <u>-</u>                       | <u>28,106</u>                | <u>-</u>                       | <u>44,009</u>                |
| Total                         | <u>\$ 30,399</u>               | <u>\$ 30,399</u>             | <u>\$ 57,487</u>               | <u>\$ 57,487</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 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, 2018 and 2017 are as follows:

|                    | <u>Local District School</u> |                     |
|--------------------|------------------------------|---------------------|
|                    | <u>2018</u>                  | <u>2017</u>         |
| Balance of Tax     | \$ 12,341,043                | \$ 11,945,567       |
| Deferred Liability | <u>6,407,660</u>             | <u>6,407,660</u>    |
| Taxes Payable      | <u>\$ 5,933,383</u>          | <u>\$ 5,537,907</u> |

**BOROUGH OF CRESSKILL**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 7 FUND BALANCES APPROPRIATED**

Under the regulatory basis of accounting, fund balances in the Current Fund and Utility Operating Fund(s) 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>2018</u>                     |   | <u>2017</u>                     |   |
|--------------------------------------|---------------------------------|---|---------------------------------|---|
|                                      | Fund<br>Balance<br>December 31, | Utilized<br>in Subsequent<br><u>Year's Budget</u> | Fund<br>Balance<br>December 31, | Utilized<br>in Subsequent<br><u>Year's Budget</u> |
| Current Fund                         |                                 |   |                                 |   |
| Cash Surplus                         | \$ 2,642,493                    | \$ 2,100,000                                      | \$ 2,570,256                    | \$ 1,950,000                                      |
| Non-Cash Surplus                     | <u>10,961</u>                   | <u>-</u>  | <u>6,704</u>                    | <u>-</u>  |
|                                      | <u>\$ 2,653,454</u>             | <u>\$ 2,100,000</u>                               | <u>\$ 2,576,960</u>             | <u>\$ 1,950,000</u>                               |
| Swimming Pool Utility Operating Fund |                                 |   |                                 |   |
| Cash Surplus                         | <u>\$ 87,192</u>                | <u>\$ 70,000</u>                                  | <u>\$ 118,108</u>               | <u>\$ 70,000</u>                                  |

**BOROUGH OF CRESSKILL**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 8 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, 2018 and 2017.

|                                    | Balance<br>January 1,<br><u>2018</u> | <u>Additions</u>    | Retirements/<br><u>Adjustments</u> | Balance,<br>December 31,<br><u>2018</u> |
|------------------------------------|--------------------------------------|---------------------|------------------------------------|---|
| <b><u>2018</u></b>                 |                                      |                     |                                    |   |
| Land                               | \$ 6,626,072                         |                     | \$ 841,099                         | \$ 5,784,973                            |
| Buildings and Building Improvement | 6,075,410                            | \$ 62,317           | 311,307                            | 5,826,420                               |
| Machinery and Equipment            | <u>6,828,089</u>                     | <u>252,884</u>      | <u>34,500</u>                      | <u>7,046,473</u>                        |
|                                    | <u>\$ 19,529,571</u>                 | <u>\$ 315,201</u>   | <u>\$ 1,186,906</u>                | <u>\$ 18,657,866</u>                    |
|                                    |                                      |                     |                                    |   |
|                                    | Balance<br>January 1,<br><u>2017</u> | <u>Additions</u>    | Retirements/<br><u>Adjustments</u> | Balance,<br>December 31,<br><u>2017</u> |
| <b><u>2017</u></b>                 |                                      |                     |                                    |   |
| Land                               | \$ 5,836,072                         | \$ 790,000          |                                    | \$ 6,626,072                            |
| Buildings and Building Improvement | 5,334,163                            | 741,247             |                                    | 6,075,410                               |
| Machinery and Equipment            | <u>7,909,361</u>                     | <u>343,169</u>      | <u>\$ 1,424,441</u>                | <u>6,828,089</u>                        |
|                                    | <u>\$ 19,079,596</u>                 | <u>\$ 1,874,416</u> | <u>\$ 1,424,441</u>                | <u>\$ 19,529,571</u>                    |

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 8 FIXED ASSETS (Continued)**

**B. Swimming Pool Utility Fund Fixed Assets**

The following is a summary of changes in the utility fund fixed assets for the years ended December 31, 2018 and 2017.

| <b>Swim Pool Utility Fund</b>  | <b>Balance<br/>January 1,<br/><u>2018</u></b> | <b><u>Increases</u></b> | <b><u>Decreases</u></b> | <b>Balance,<br/>December 31,<br/><u>2018</u></b> |
|--------------------------------|---|-------------------------|-------------------------|--|
| <b><u>2018</u></b>             |   |                         |                         |  |
| Fixed Capital                  |   |                         |                         |  |
| System and System Improvements | \$ <u>781,973</u>                             | \$ <u>-</u>             | \$ <u>-</u>             | \$ <u>781,973</u>                                |
| <b>Swim Pool Utility Fund</b>  | <b>Balance<br/>January 1,<br/><u>2017</u></b> | <b><u>Increases</u></b> | <b><u>Decreases</u></b> | <b>Balance,<br/>December 31,<br/><u>2017</u></b> |
| <b><u>2017</u></b>             |   |                         |                         |  |
| Fixed Capital                  |   |                         |                         |  |
| System and System Improvements | \$ <u>781,973</u>                             | \$ <u>-</u>             | \$ <u>-</u>             | \$ <u>781,973</u>                                |

**BOROUGH OF CRESSKILL**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 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, 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><b>2018</b></u>   | <u><b>2017</b></u>   |
|--|----------------------|----------------------|
| Issued   |                      |                      |
| General  |                      |                      |
| Bonds and Notes  | \$ 12,507,000        | \$ 15,079,000        |
| Less Funds Temporarily Held to Pay Bonds and Notes       | <u>26,171</u>        | <u>73,875</u>        |
| Net Debt Issued  | 12,480,829           | 15,005,125           |
| Authorized But Not Issued                                |                      |                      |
| General  |                      |                      |
| Bonds and Notes  | 3,239,500            | 300,000              |
| Swimming Pool Utility                                    |                      |                      |
| Bonds and Notes  | <u>91,059</u>        | <u>107,059</u>       |
| Net Bonds and Notes Issued and Authorized But Not Issued | <u>\$ 15,811,388</u> | <u>\$ 15,412,184</u> |

**BOROUGH OF CRESSKILL**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 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 .69% and .69% at December 31, 2018 and 2017, respectively.

|                    | <u>Gross Debt</u>    | <u>Deductions</u>    | <u>Net Debt</u>      |
|--------------------|----------------------|----------------------|----------------------|
| <b><u>2018</u></b> |                      |                      |                      |
| General Debt       | \$ 15,746,500        | \$ 26,171            | \$ 15,720,329        |
| School Debt        | 25,456,000           | 25,456,000           |                      |
| Utility Debt       | <u>91,059</u>        | <u>91,059</u>        | <u>-</u>             |
| Total              | <u>\$ 41,293,559</u> | <u>\$ 25,573,230</u> | <u>\$ 15,720,329</u> |
|                    |                      |                      |                      |
|                    | <u>Gross Debt</u>    | <u>Deductions</u>    | <u>Net Debt</u>      |
| <b><u>2017</u></b> |                      |                      |                      |
| General Debt       | \$ 15,379,000        | \$ 73,875            | \$ 15,305,125        |
| School Debt        | 26,581,400           | 26,581,400           |                      |
| Utility Debt       | <u>107,059</u>       | <u>107,059</u>       | <u>-</u>             |
| Total              | <u>\$ 42,067,459</u> | <u>\$ 26,762,334</u> | <u>\$ 15,305,125</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>2018</u>          | <u>2017</u>          |
|---|----------------------|----------------------|
| 3-1/2% of Equalized Valuation Basis (Municipal) | \$ 79,644,777        | \$ 77,303,789        |
| Net Debt  | <u>15,720,329</u>    | <u>15,305,125</u>    |
| Remaining Borrowing Power                       | <u>\$ 63,924,448</u> | <u>\$ 61,998,664</u> |

**BOROUGH OF CRESSKILL**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 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>2018</u>          | <u>2017</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% | \$ 2,997,000         | \$ 3,497,000        |
| \$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% | 2,510,000            | 3,010,000           |
| \$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>7,000,000</u>     | <u>-</u>            |
|   | <u>\$ 12,507,000</u> | <u>\$ 6,507,000</u> |

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2018 is as follows:

| Calendar<br>Year | <u>Principal</u>     | <u>Interest</u>     | <u>Total</u>         |
|------------------|----------------------|---------------------|----------------------|
| 2019             | \$ 1,375,000         | \$ 339,299          | \$ 1,714,299         |
| 2020             | 1,375,000            | 302,814             | 1,677,814            |
| 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            |
| 2024-2028        | 4,122,000            | 511,971             | 4,633,971            |
| 2029-2030        | <u>1,500,000</u>     | <u>45,000</u>       | <u>1,545,000</u>     |
| Total            | <u>\$ 12,507,000</u> | <u>\$ 1,879,381</u> | <u>\$ 14,386,381</u> |

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 MUNICIPAL DEBT (Continued)**

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

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2018 and 2017 were as follows:

|   | Balance,<br>January 1,<br><u>2018</u> | <u>Additions</u>   | <u>Reductions</u>   | Balance,<br>December 31,<br><u>2018</u> | Due<br>Within<br><u>One Year</u> |
|---|---------------------------------------|--------------------|---------------------|---|----------------------------------|
| <b><u>2018</u></b>                            |                                       |                    |                     |   |                                  |
| General Capital Fund<br>Bonds Payable         | \$ <u>6,507,000</u>                   | <u>7,000,000</u>   | \$ <u>1,000,000</u> | \$ <u>12,507,000</u>                    | \$ <u>1,375,000</u>              |
| General Capital Fund Long-Term<br>Liabilities | \$ <u>6,507,000</u>                   | <u>\$7,000,000</u> | \$ <u>1,000,000</u> | \$ <u>12,507,000</u>                    | \$ <u>1,375,000</u>              |
|   | Balance,<br>January 1,<br><u>2017</u> | <u>Additions</u>   | <u>Reductions</u>   | Balance,<br>December 31,<br><u>2017</u> | Due<br>Within<br><u>One Year</u> |
| <b><u>2017</u></b>                            |                                       |                    |                     |   |                                  |
| General Capital Fund<br>Bonds Payable         | \$ <u>7,507,000</u>                   | <u>-</u>           | \$ <u>1,000,000</u> | \$ <u>6,507,000</u>                     | \$ <u>1,000,000</u>              |
| General Capital Fund Long-Term<br>Liabilities | \$ <u>7,507,000</u>                   | \$ <u>-</u>        | \$ <u>1,000,000</u> | \$ <u>6,507,000</u>                     | \$ <u>1,000,000</u>              |



**BOROUGH OF CRESSKILL**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 9 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2018 and 2017 was as follows:

**Bond Anticipation Notes**

| <u>Purpose</u>                             | <u>Rate (%)</u> | <u>Maturity Date</u> | <u>Balance, January 1, 2018</u> | <u>Renewed/ Issued</u> | <u>Retired/ Redeemed</u> | <u>Balance, December 31, 2018</u> |
|--|-----------------|----------------------|---------------------------------|------------------------|--------------------------|-----------------------------------|
| <b><u>2018</u></b>                         |                 |                      |                                 |                        |                          |                                   |
| <b><u>General Capital Fund Purpose</u></b> |                 |                      |                                 |                        |                          |                                   |
| Various Improvements including Road        | 2.00            | 3/2/2018             | \$ 2,110,500                    |                        | \$2,110,500              | -                                 |
| Various Improvements including Road        | 1.09            | 3/2/2018             | 6,461,500                       | -                      | 6,461,500                | -                                 |
| Total Bond Anticipation Notes Payable      |                 |                      | <u>\$ 8,572,000</u>             | <u>\$ -</u>            | <u>\$8,572,000</u>       | <u>\$ -</u>                       |

| <u>Purpose</u>                             | <u>Rate (%)</u> | <u>Maturity Date</u> | <u>Balance, January 1, 2017</u> | <u>Renewed/ Issued</u> | <u>Retired/ Redeemed</u> | <u>Balance, December 31, 2017</u> |
|--|-----------------|----------------------|---------------------------------|------------------------|--------------------------|-----------------------------------|
| <b><u>2017</u></b>                         |                 |                      |                                 |                        |                          |                                   |
| <b><u>General Capital Fund Purpose</u></b> |                 |                      |                                 |                        |                          |                                   |
| Various Improvements including Road        | 2.00            | 3/2/2018             |                                 | \$ 2,110,500           |                          | \$ 2,110,500                      |
| Various Improvements including Road        | 1.09            | 3/2/2018             |                                 | 6,461,500              |                          | 6,461,500                         |
| Various Improvements including Road        | 0.75            | 3/3/2017             | <u>\$ 6,611,500</u>             | <u>-</u>               | <u>\$6,611,500</u>       | <u>-</u>                          |
| Total Bond Anticipation Notes Payable      |                 |                      | <u>\$ 6,611,500</u>             | <u>\$ 8,572,000</u>    | <u>\$6,611,500</u>       | <u>\$ 8,572,000</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 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.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 10 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<br/>Commitment</u> | <u>Estimated<br/>Date of<br/>Completion</u> |
|----------------------------|------------------------------------|---|
| <b><u>2018</u></b>         |                                    |   |
| Recreation Complex         | \$10,865                           | 2019  |
| 2018 Road Improvements     | 31,362                             | 2019  |
| 2017 Road Improvements     | 65,594                             | 2019  |
| 2016 Road Improvements     | 16,490                             | 2019  |
| Merritt Field Improvements | 77,500                             | 2019  |
| <b><u>2017</u></b>         |                                    |   |
| Recreation Complex         | \$10,865                           | 2018  |
| 2017 Road Improvements     | 808,564                            | 2018  |
| 2016 Road Improvements     | 16,490                             | 2018  |

**NOTE 11 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

Under the existing policies and labor agreements of the Borough, employees are not allowed to accumulate (with certain restrictions) 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, 2018 and 2017, the Borough has reserved in the Other Trust Fund \$0 and \$25,981, respectively 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.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 11 OTHER LONG-TERM LIABILITIES (Continued)**

**Changes in Other Long-Term Liabilities (Continued)**

The Borough's changes in other long-term liabilities for the years ended December 31, 2018 and 2017 were as follows:

|                                   | Balance,<br>January 1,<br><u>2018</u> | <u>Additions</u> | <u>Reductions</u>   | Balance,<br>December 31,<br><u>2018</u> | Due<br>Within<br><u>One Year</u> |
|-----------------------------------|---------------------------------------|------------------|---------------------|---|----------------------------------|
| <b><u>2018</u></b>                |                                       |                  |                     |   |                                  |
| Net Pension Liability - PERS      | \$ 10,702,515                         |                  | \$ 1,862,700        | \$ 8,839,815                            |                                  |
| Net Pension Liability - PFRS      | <u>16,691,429</u>                     | <u>-</u>         | <u>2,108,794</u>    | <u>14,582,635</u>                       | <u>-</u>                         |
| Total Other Long-Term Liabilities | <u>\$ 27,393,944</u>                  | <u>\$ -</u>      | <u>\$ 3,971,494</u> | <u>\$ 23,422,450</u>                    | <u>\$ -</u>                      |
|                                   | Balance,<br>January 1,<br><u>2017</u> | <u>Additions</u> | <u>Reductions</u>   | Balance,<br>December 31,<br><u>2017</u> | Due<br>Within<br><u>One Year</u> |
| <b><u>2017</u></b>                |                                       |                  |                     |   |                                  |
| Net Pension Liability - PERS      | \$ 13,609,564                         |                  | \$ 2,907,049        | \$ 10,702,515                           |                                  |
| Net Pension Liability - PFRS      | <u>20,110,363</u>                     | <u>-</u>         | <u>3,418,934</u>    | <u>16,691,429</u>                       | <u>-</u>                         |
| Total Other Long-Term Liabilities | <u>\$ 33,719,927</u>                  | <u>\$ -</u>      | <u>\$ 6,325,983</u> | <u>\$ 27,393,944</u>                    | <u>\$ -</u>                      |

**NOTE 12 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](http://www.state.nj.us/treasury/pensions).

**BOROUGH OF CRESSKILL**  
**NOTES TO FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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:

| <b>Tier</b> | <b>Definition</b>   |
|-------------|---|
| 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](http://www.state.nj.us/treasury/pensions).

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

The following represents the membership tiers for PERS:

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

Service retirement benefits of 1/55<sup>th</sup> of final average salary for each year of service credit is available to tier 1 and 2 members upon reaching age 60 and to tier 3 members upon reaching age 62. Service retirement benefits of 1/60<sup>th</sup> of final average salary for each year of service credit is available to tier 4 members upon 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.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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 PFRS 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 PFRS 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](http://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, 2018 AND 2017**

**NOTE 12 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 DCAP and provides recordkeeping, 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](http://www.state.nj/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for PERS at June 30, 2018 and 2017 is \$43.4 billion and \$48.9 billion, respectively, and the plan fiduciary net position as a percentage of the total pension liability is 40.45% and 36.78%, respectively. The collective net pension liability of the participating employers for PFRS at June 30, 2018 and 2017 is \$19.7 billion and \$21.6 billion, respectively and the plan fiduciary net position as a percentage of total pension liability is 57.91% and 54.52%, respectively.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2017 and 2016 which were rolled forward to June 30, 2018 and 2017, respectively.

**Actuarial Methods and Assumptions**

In the July 1, 2017 and 2016 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 2018 and 2018 based on 10.0% for PFRS, 7.5% (effective July 1, 2018) and 7.34% (effective July 1, 2017) for PERS and 5.50% for DCRP of employee's annual compensation for 2017.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Annual Pension Cost (APC)**

For the years ended December 31, 2018 and 2017 for PFRS and PERS, which are cost sharing mutli-employer defined benefit pension plans, employees' 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 2018, 2017 and 2016 were equal to the required contributions.

During the years ended December 31, 2018, 2017 and 2016, 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><br><u>December 31</u> | <u>PFRS</u> | <u>PERS</u> | <u>DCRP</u> |
|---|-------------|-------------|-------------|
| 2018                                    | \$ 956,870  | \$ 425,920  | \$ 23,125   |
| 2017                                    | 858,356     | 408,228     | 23,488      |
| 2016                                    | 819,887     | 424,559     | 18,892      |

In addition for the years ended December 31, 2018 and 2017 the Borough contributed for long-term disability insurance premiums (LTDI) \$2,575 and \$1,304, 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, 2018 and 2017. Employer allocation percentages have been rounded for presentation purposes.

**Public Employees Retirement System (PERS)**

At December 31, 2018 and 2017, the Borough reported a liability of \$8,839,815 and \$10,702,515, respectively, for its proportionate share of the PERS net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 and 2016, 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, 2018, the Borough's proportionate share was .04490 percent, which was a decrease of .00108 percent from its proportionate share measured as of June 30, 2017 of .04598 percent.

**BOROUGH OF CRESSKILL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

For the years ended December 31, 2018 and 2017, the pension system has determined the Borough's pension expense to be \$408,993 and \$744,227, respectively, for PERS based on the actuarial valuations. The Borough's pension expense for the year ended December 31, 2018 is less than the actual contribution reported in the Borough's financial statements of \$425,920. The Borough's pension expense for the year ended December 31, 2017 is more than the actual contribution reported in the Borough's financial statements of \$408,228. At December 31, 2018 and 2017, 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:

|  | 2018  |  | 2017  |  |
|--|---|--|---|--|
|  | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
| Difference Between Expected and Actual Experience  | \$ 168,577                                    | \$ 45,581                                    | \$ 252,007                                    |  |
| Changes of Assumptions   | 1,456,655                                     | 2,826,503                                    | 2,156,188                                     | \$ 2,148,283                                 |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments                             |   | 82,918                                       | 72,877  |  |
| Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions | <u>127,739</u>                                | <u>514,781</u>                               | <u>212,316</u>                                | <u>436,796</u>                               |
| Total  | <u>\$ 1,752,971</u>                           | <u>\$ 3,469,783</u>                          | <u>\$ 2,693,388</u>                           | <u>\$ 2,585,079</u>                          |

At December 31, 2018 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PERS pension will be recognized in pension expense as follows:

| <u>Year<br/>Ending<br/>December 31,</u> | <u>Total</u>          |
|---|-----------------------|
| 2019                                    | \$ (2,061)            |
| 2020                                    | (204,806)             |
| 2021                                    | (738,412)             |
| 2022                                    | (575,906)             |
| 2023                                    | (195,627)             |
| Thereafter                              | <u>-</u>              |
|   | <u>\$ (1,716,812)</u> |



**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Public Employees Retirement System (PERS) (Continued)**

*Actuarial Assumptions*

The Borough's total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

| <u>PERS</u>               | <u>2018</u>  | <u>2017</u>  |
|---------------------------|--------------|--------------|
| Inflation Rate            | 2.25%        | 2.25%        |
| Salary Increases:         |              |              |
| Through 2026              | 1.65-4.15%   | 1.65-4.15%   |
|                           | Based on Age | Based on Age |
| Thereafter                | 2.65%-5.15%  | 2.65-5.15%   |
|                           | Based on Age | Based on Age |
| Investment Rate of Return | 7.00%        | 7.00%        |
| Mortality Rate Table      | RP-2000      | RP-2000      |

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

The actuarial assumptions used in the July 1, 2017 and 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2011 to June 30, 2014, respectively.

**BOROUGH OF CRESSKILL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 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, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, respectively, are summarized in the following table:

| <u>Asset Class</u>              | <u>2018</u>              |   | <u>2017</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      | 5.00%                    | 5.51%   | 5.00%                    | 5.51%   |
| Cash Equivalents                | 5.50%                    | 1.00%   | 5.50%                    | 1.00%   |
| U.S. Treasuries                 | 3.00%                    | 1.87%   | 3.00%                    | 1.87%   |
| Investment Grade Credit         | 10.00%                   | 3.78%   | 10.00%                   | 3.78%   |
| US Equity                       | 30.00%                   | 8.19%   | 30.00%                   | 8.19%   |
| Non-US Developed Markets Equity | 11.50%                   | 9.00%   | 11.50%                   | 9.00%   |
| Emerging Markets Equity         | 6.50%                    | 11.64%  | 6.50%                    | 11.64%  |
| High Yield                      | 2.50%                    | 6.82%   | 2.50%                    | 6.82%   |
| Global Diversified Credit       | 5.00%                    | 7.10%   | 5.00%                    | 7.10%   |
| Credit Oriented Hedge Funds     | 1.00%                    | 6.60%   | 1.00%                    | 6.60%   |
| Debt Related Private Equity     | 2.00%                    | 10.63%  | 2.00%                    | 10.63%  |
| Debt Related Real Estate        | 1.00%                    | 6.61%   | 1.00%                    | 6.61%   |
| Private Real Asset              | 2.50%                    | 11.83%  | 2.50%                    | 11.83%  |
| Equity Related Real Estate      | 6.25%                    | 9.23%   | 6.25%                    | 9.23%   |
| Buyouts/Venture Capital         | 8.25%                    | 13.08%  | 8.25%                    | 13.08%  |

***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> |
|----------------------|-------------------------|----------------------|
| 2018                 | June 30, 2018           | 5.66%                |
| 2017                 | June 30, 2017           | 5.00%                |

**BOROUGH OF CRESSKILL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 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>2018</u>                         | <u>2017</u>                         |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Period of Projected Benefit       |                                     |                                     |
| Payments for which the Following  |                                     |                                     |
| Rates were Applied:               |                                     |                                     |
| Long-Term Expected Rate of Return | Through June 30, 2046               | Through June 30, 2040               |
| Municipal Bond Rate *             | From July 1, 2046<br>and Thereafter | From July 1, 2040<br>and Thereafter |

\* The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, respectively. 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, 2018 and 2017 calculated using the discount rate of 5.66% and 5.00%, 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 4.66% and 4.00%, respectively or 1-percentage-point higher 6.66 and 6.00%, respectively than the current rate:

|  | <b>1%<br/>Decrease<br/>(4.66%)</b> | <b>Current<br/>Discount Rate<br/>(5.66%)</b> | <b>1%<br/>Increase<br/>(6.66%)</b> |
|--|------------------------------------|--|------------------------------------|
| <b><u>2018</u></b>   |                                    |  |                                    |
| Borough's Proportionate Share of<br>the PERS Net Pension Liability | <u>\$ 11,115,049</u>               | <u>\$ 8,839,815</u>                          | <u>\$ 6,931,039</u>                |
|  | <b>1%<br/>Decrease<br/>(4.00%)</b> | <b>Current<br/>Discount Rate<br/>(5.00%)</b> | <b>1%<br/>Increase<br/>(6.00%)</b> |
| <b><u>2017</u></b>   |                                    |  |                                    |
| Borough's Proportionate Share of<br>the PERS Net Pension Liability | <u>\$ 13,277,196</u>               | <u>\$ 10,702,515</u>                         | <u>\$ 8,557,486</u>                |

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2018 and 2017. 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, 2018 AND 2017**

**NOTE 12 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](http://www.state.nj.us/treasury/pensions).

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

At December 31, 2018 and 2017, the Borough reported a liability of \$14,582,635 and \$16,691,429, respectively, for its proportionate share of the PFRS net pension liability. The net pension liability was measured as of June 30, 2018 and 2017, respectively, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of July 1, 2017 and 2016, 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, 2018, the Borough's proportionate share was .10777 percent, which was a decrease of .00035 percent from its proportionate share measured as of June 30, 2017 of .10812 percent.

For the years ended December 31, 2018 and 2017, the pension system has determined the Borough pension expense to be \$1,767,983 and \$2,165,241, respectively, for PFRS based on the actuarial valuations which are more than the actual contributions reported in the Borough's financial statements of \$956,870 and \$858,356, respectively. At December 31, 2018 and 2017, 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:

|  | 2018  |  | 2017  |  |
|--|---|--|---|--|
|  | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> | <u>Deferred<br/>Outflows<br/>of Resources</u> | <u>Deferred<br/>Inflows<br/>of Resources</u> |
| Difference Between Expected and Actual Experience  | \$ 148,359                                    | \$ 60,346                                    | \$ 108,284                                    | \$ 97,965                                    |
| Changes of Assumptions   | 1,251,723                                     | 3,737,278                                    | 2,058,239                                     | 2,733,568                                    |
| Net Difference Between Projected and Actual Earnings on Pension Plan Investments                             |   | 79,780                                       | 318,512                                       |  |
| Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions | <u>1,141,075</u>                              | <u>45,760</u>                                | <u>1,787,702</u>                              | <u>-</u>                                     |
| Total  | <u>\$ 2,541,157</u>                           | <u>\$ 3,923,164</u>                          | <u>\$ 4,272,737</u>                           | <u>\$ 2,831,533</u>                          |

**BOROUGH OF CRESSKILL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 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, 2018 the amounts reported as deferred outflows of resources and deferred inflows of resources related to PFRS pension will be recognized in pension expense as follows:

| Year<br>Ending<br><u>December 31,</u> | <u>Total</u>          |
|---------------------------------------|-----------------------|
| 2019                                  | \$ 722,396            |
| 2020                                  | (117,424)             |
| 2021                                  | (1,021,107)           |
| 2022                                  | (718,457)             |
| 2023                                  | (247,415)             |
| Thereafter                            | <u>-</u>              |
|                                       | <u>\$ (1,382,007)</u> |

***Actuarial Assumptions***

The Borough's total pension liability reported for the year ended December 31, 2018 was based on the June 30, 2018 measurement date as determined by an actuarial valuation as of July 1, 2017, which was rolled forward to June 30, 2018. The total pension liability reported for the year ended December 31, 2017 was based on the June 30, 2017 measurement date as determined by an actuarial valuation as of July 1, 2016, which was rolled forward to June 30, 2017. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement date:

| <u>PFRS</u>               | <u>2018</u>                 | <u>2017</u>                |
|---------------------------|-----------------------------|----------------------------|
| Inflation Rate            | 2.25%                       | 2.25%                      |
| Salary Increases:         |                             |                            |
| Through 2026              | 2.10%-8.98%<br>Based on Age | 2.10-8.98%<br>Based on Age |
| Thereafter                | 3.10%-9.98%<br>Based on Age | 3.10-9.98%<br>Based on Age |
| Investment Rate of Return | 7.00%                       | 7.00%                      |
| Mortality Rate Table      | RP-2000                     | RP-2000                    |

Assumptions for mortality improvements are based on Society of Actuaries Scale AA and one year using Scale BB.

The actuarial assumptions used in the July 1, 2017 and July 1, 2016 valuations were based on the results of an actuarial experience study for the period July 1, 2010 to June 30, 2013.

**BOROUGH OF CRESSKILL**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 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, 2018 and 2017, as reported for the years ended December 31, 2018 and 2017, respectively, are summarized in the following table:

| <u>Asset Class</u>              | <u>2018</u>              |   | <u>2017</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      | 5.00%                    | 5.51%   | 5.00%                    | 5.51%   |
| Cash                            | 5.50%                    | 1.00%   | 5.50%                    | 1.00%   |
| U.S. Treasuries                 | 3.00%                    | 1.87%   | 3.00%                    | 1.87%   |
| Investment Grade Credit         | 10.00%                   | 3.87%   | 10.00%                   | 3.78%   |
| US Equity                       | 30.00%                   | 8.19%   | 30.00%                   | 8.19%   |
| Non-US Developed Markets Equity | 11.50%                   | 9.00%   | 11.50%                   | 9.00%   |
| Emerging Markets Equity         | 6.50%                    | 11.64%  | 6.50%                    | 11.64%  |
| High Yield                      | 2.50%                    | 6.82%   | 2.50%                    | 6.82%   |
| Global Diversified Credit       | 5.00%                    | 7.10%   | 5.00%                    | 7.10%   |
| Credit Oriented Hedge Funds     | 1.00%                    | 6.60%   | 1.00%                    | 6.60%   |
| Debt Related Private Equity     | 2.00%                    | 10.63%  | 2.00%                    | 10.63%  |
| Debt Related Real Estate        | 1.00%                    | 6.61%   | 1.00%                    | 6.61%   |
| Private Real Asset              | 2.50%                    | 11.83%  | 2.50%                    | 11.83%  |
| Equity Related Real Estate      | 6.25%                    | 9.23%   | 6.25%                    | 9.23%   |
| Buyouts/Venture Capital         | 8.25%                    | 13.08%  | 8.25%                    | 13.08%  |

***Discount Rate***

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

| <u>Calendar</u> |                         |                      |
|-----------------|-------------------------|----------------------|
| <u>Year</u>     | <u>Measurement Date</u> | <u>Discount Rate</u> |
| 2018            | June 30, 2018           | 6.51%                |
| 2017            | June 30, 2017           | 6.14%                |

**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 12 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>2018</u>                         | <u>2017</u>                         |
|-----------------------------------|-------------------------------------|-------------------------------------|
| Period of Projected Benefit       |                                     |                                     |
| Payments for which the Following  |                                     |                                     |
| Rates were Applied:               |                                     |                                     |
| Long-Term Expected Rate of Return | Through June 30, 2062               | Through June 30, 2057               |
| Municipal Bond Rate *             | From July 1, 2062<br>and Thereafter | From July 1, 2057<br>and Thereafter |

\* The municipal bond return rate used is 3.87% and 3.58% as of the measurement dates of June 30, 2018 and 2017, respectively. 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, 2018 and 2017 calculated using the discount rate of 6.51% and 6.14%, 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 5.51% and 5.14%, respectively or 1-percentage-point higher 7.51% and 7.14%, respectively than the current rate:

|  | <b>1%<br/>Decrease<br/>(5.51%)</b> | <b>Current<br/>Discount Rate<br/>(6.51%)</b> | <b>1%<br/>Increase<br/>(7.51%)</b> |
|--|------------------------------------|--|------------------------------------|
| <b><u>2018</u></b>   |                                    |  |                                    |
| Borough's Proportionate Share of<br>the PFRS Net Pension Liability | \$ <u>19,517,047</u>               | \$ <u>14,582,635</u>                         | \$ <u>10,512,644</u>               |
|  | <b>1%<br/>Decrease<br/>(5.14%)</b> | <b>Current<br/>Discount Rate<br/>(6.14%)</b> | <b>1%<br/>Increase<br/>(7.14%)</b> |
| <b><u>2017</u></b>   |                                    |  |                                    |
| Borough's Proportionate Share of<br>the PFRS Net Pension Liability | \$ <u>21,992,332</u>               | \$ <u>16,691,429</u>                         | \$ <u>12,336,134</u>               |

The sensitivity analysis was based on the proportionate share of the Borough's net pension liability at December 31, 2018 and 2017. 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, 2018 AND 2017**

**NOTE 12 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, 2018 and 2017, the State's proportionate share of the net pension liability attributable to the Borough for the PFRS special funding situation is \$1,980,810 and \$1,869,581, respectively. For the years ended December 31, 2018 and 2017, 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 \$234,624 and \$228,692, respectively, which are than the actual contributions the State made on behalf of the Borough of \$117,312 and \$93,487, respectively. At December 31, 2018 (measurement date June 30, 2018) the State's share of the PFRS net pension liability attributable to the Borough was .10777 percent, which was a decrease of .00035 percent from its proportionate share measured as of December 31, 2017 (measurement date June 30, 2017) of .10812. 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](http://www.state.nj.us/treasury/pensions).

**NOTE 13 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) – N.J.S.A. 43:3c-24 established a separate trust fund for certain non-State participating employers to provide funding for State Health Benefit Program coverage to its eligible retirees. Under the provisions of Chapter 330, P.L. 1997, the State of New Jersey provides partially funded benefits to local police officers and firefighters who retire with 25 years of service (or on disability) from an employer who does not provide coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program by paying the cost of the insurance for themselves and their covered dependents. For additional information about the Plan, please refer to the State Division of Pensions and Benefits (Division's) Comprehensive Annual Financial Report (CAFR) which can be found at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).



**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**State Health Benefit Program Fund – Local Government Retired (the Plan) (Continued)**

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

**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.

**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 13 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

***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.

**GASB 75 – Other Post-Employment Benefits**

The Borough of Cresskill is only a member of the State plan under the Special Funding Situation and since the information was not available from the State, it has elected to omit the required disclosure regarding the unfunded liability related to Other Post-Employment Benefits. The actuarial valuation report is prepared by independent accountants for the State of New Jersey. This information was not available at the time of audit.

**NOTE 14 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.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 14 RISK MANAGEMENT (Continued)**

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<br/>December 31</u> | <u>Borough<br/>Contributions</u> | <u>Employee<br/>Contributions</u> | <u>Amount<br/>Reimbursed</u> | <u>Ending<br/>Balance</u> |
|-----------------------------------|----------------------------------|-----------------------------------|------------------------------|---------------------------|
| 2018                              | \$ 42,057                        | \$ 9,735                          | \$ 40,305                    | \$ 18,790                 |
| 2017                              | 40,001                           | 9,682                             | 56,578                       | 7,303                     |
| 2016                              | 20,000                           | 10,609                            | 61,379                       | 14,198                    |

**NOTE 15 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, 2018 and 2017. 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, 2018 and 2017, the Borough reserved \$526,144 and \$434,910, 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, 2018 and 2017, 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 16 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, 2018 and 2017, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 17 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.

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 \$1,674 and \$1,648 for 2018 and 2017, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Borough contributions were \$6,696 and \$8,240 for 2018 and 2017, 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.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2018 AND 2017**

**NOTE 18 TAX ABATEMENTS**

For the years ended December 31, 2018 and 2017, 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, 2018 and 2017 the Borough abated property taxes totaling \$817,819 and \$422,906, respectively, under the NJHMFA program. The Borough received \$183,563 and \$159,233 in PILOT payments under this program for the years ended December 31, 2018 and 2017, respectively.

**CURRENT FUND**

**BOROUGH OF CRESSKILL**  
**STATEMENT OF CURRENT CASH - COLLECTOR - TREASURER**

|  |               |                      |
|--|---------------|----------------------|
| Balance, January 1, 2018                                 |               | \$ 16,914,974        |
| Increased by Receipts:                                   |               |                      |
| Taxes Receivable   | \$ 43,619,170 |                      |
| Due from the State of NJ- Senior and Veterans Deductions | 47,909        |                      |
| Non-Budget Revenue                                       | 319,382       |                      |
| Revenue Accounts Receivable                              | 2,152,691     |                      |
| Other Fees Payable                                       | 14,606        |                      |
| Grants Receivable  | 22,543        |                      |
| Petty Cash   | 900           |                      |
| Prepaid Taxes  | 383,738       |                      |
| Miscellaneous Reserves                                   | 534,619       |                      |
| Tax Overpayments   | 203,975       |                      |
| Reserve for Tax Title Lien Redemption                    | 210,701       |                      |
| Receipts from Other Trust Fund                           | 39,739        |                      |
| Receipts from Assessment Trust Fund                      | 3,828         |                      |
| Receipts from Animal Control Trust Fund                  | 1,382         |                      |
| Receipts from Unemployment Trust Fund                    | 177           |                      |
| Receipts from General Capital Fund                       | <u>17,133</u> |                      |
|  |               | <u>47,572,493</u>    |
|  |               | 64,487,467           |
| Decreased by Disbursements:                              |               |                      |
| 2018 Budget Appropriation                                | 17,294,836    |                      |
| 2017 Appropriation Reserves                              | 632,073       |                      |
| Other Fees Payable                                       | 15,447        |                      |
| County Taxes Payable                                     | 5,155,238     |                      |
| Due County for Added Taxes                               | 220,564       |                      |
| Local District School Tax Payable                        | 28,805,108    |                      |
| Payments to Appellants - Tax Appeals                     | 8,766         |                      |
| Reserve for Tax Title Lien Redemption                    | 210,701       |                      |
| Miscellaneous Reserves                                   | 410,701       |                      |
| Refund of Prior Year Revenue                             | 9,166         |                      |
| Refund Tax Overpayments                                  | 145,807       |                      |
| Payments to Open Space Trust Fund                        | 211,249       |                      |
| Petty Cash   | <u>900</u>    |                      |
|  |               | <u>53,120,556</u>    |
| Balance, December 31, 2018                               |               | <u>\$ 11,366,911</u> |

**BOROUGH OF CRESSKILL  
STATEMENT OF CHANGE FUND**

| <u>Office</u>         | Balance,<br>January 1,<br>2018 | Balance,<br>December 31,<br>2018 |
|-----------------------|--------------------------------|----------------------------------|
| Collector - Treasurer | \$ 150                         | \$ 150                           |

## EXHIBIT A-6

**STATEMENT OF PETTY CASH**

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

## EXHIBIT A-7

**STATEMENT OF GRANTS RECEIVABLE**

|   | Balance,<br>January 1,<br><u>2018</u> | <u>Accrued</u>   | <u>Received</u>  | Balance,<br>December 31,<br><u>2018</u> |
|---|---------------------------------------|------------------|------------------|---|
| Municipal Alliance on Alcohol<br>and Drug Abuse | \$ 6,704                              | \$ 9,876         | \$ 5,619         | \$ 10,961                               |
| Clean Communities Program                       | -                                     | 16,924           | 16,924           | -                                       |
|   | <u>\$ 6,704</u>                       | <u>\$ 26,800</u> | <u>\$ 22,543</u> | <u>\$ 10,961</u>                        |



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

|   |    |               |               |
|---|----|---------------|---------------|
| Balance, January 1, 2018  |    | \$            | 8,229         |
| Increased by:   |    |               |               |
| 2017 Senior Citizens'/Veterans Deductions Disallowed by Tax Collector | \$ | 591           |               |
| Cash Received   |    | <u>47,909</u> |               |
|   |    |               | <u>48,500</u> |
|   |    |               | 56,729        |
| Decreased by:   |    |               |               |
| Senior Citizens' Deductions Per Tax Billings                          |    | 3,500         |               |
| Veterans' Deductions Per Tax Billings                                 |    | 44,250        |               |
| Senior Citizens'/Veterans Deductions by Tax Collector                 |    | <u>500</u>    |               |
|   |    |               | <u>48,250</u> |
| Balance, December 31, 2018  |    | \$            | <u>8,479</u>  |

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

| <u>Year</u> | <u>Balance,</u><br><u>January 1,</u><br><u>2018</u> | <u>2018</u><br><u>Levy</u> | Senior Citizens'<br>and<br>Veterans'<br>Deductions<br>Disallowed | <u>Collected in Cash</u> |                      | Senior Citizens'<br>and<br>Veterans'<br>Deductions<br>Allowed | <u>Transferred to</u><br><u>Tax Title Liens</u> | <u>Cancelled</u>  | <u>Balance,</u><br><u>December 31,</u><br><u>2018</u> |
|-------------|---|----------------------------|--|--------------------------|----------------------|---|---|-------------------|---|
|             |   |                            |  | <u>2017</u>              | <u>2018</u>          |   |   |                   |   |
| 2017        | \$ 723,270  | -                          | \$ 591   | -                        | \$ 723,861           | -   | -   | -                 | -   |
|             | 723,270   | -                          | 591  | -                        | 723,861              | -   | -   | -                 | -   |
| 2018        | -   | \$ 50,678,677              | -  | \$ 6,669,826             | 42,895,309           | \$ 48,250   | \$ 7,322  | \$ 274,454        | \$ 783,516  |
|             | <u>\$ 723,270</u>                                   | <u>\$ 50,678,677</u>       | <u>\$ 591</u>  | <u>\$ 6,669,826</u>      | <u>\$ 43,619,170</u> | <u>\$ 48,250</u>  | <u>\$ 7,322</u>                                 | <u>\$ 274,454</u> | <u>\$ 783,516</u>                                     |

## Tax Yield

General Purpose Tax  
 Added Taxes (54:4-63.1 et seq.)

\$ 50,577,656  
 101,021

\$ 50,678,677

## Tax Levy

Local District School Tax (Abstract) \$ 29,200,584  
 County Taxes 5,375,802  
 Due County for Added Taxes (54:4-63.1 et seq.) 10,738

34,587,124

Municipal Open Space Tax 210,828  
 Municipal Added Taxes (54:4-63.1 et seq.) 421  
 Library Levy 761,263  
 Local Tax for Municipal Purposes 15,024,130  
 Add Additional Tax Levied 94,911

16,091,553

\$ 50,678,677

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

|                                     |                  |
|-------------------------------------|------------------|
| Balance, January 1, 2018            | \$ 90,605        |
| Increased by:                       |                  |
| Transfer from 2018 Taxes Receivable | <u>7,322</u>     |
| Balance, December 31, 2018          | <u>\$ 97,927</u> |

**STATEMENT OF PROPERTY ACQUIRED FOR TAXES (AT ASSESSED VALUATION)**

|                            |                  |
|----------------------------|------------------|
| Balance, January 1, 2018   | <u>\$ 38,600</u> |
| Balance, December 31, 2018 | <u>\$ 38,600</u> |

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

|                                      | Balance,<br>January 1,<br><u>2018</u> | Accrued<br>in <u>2018</u> | Collected<br><u>2018</u> | Balance,<br>December 31,<br><u>2018</u> |
|--------------------------------------|---------------------------------------|---------------------------|--------------------------|---|
| Borough Clerk                        |                                       |                           |                          |   |
| Alcoholic Beverage                   |                                       | \$ 9,198                  | \$ 9,198                 |   |
| Licenses                             |                                       | 5,095                     | 5,095                    |   |
| Fees and Permits                     |                                       | 26,809                    | 26,809                   |   |
| Board of Health                      |                                       |                           |                          |   |
| Licenses                             |                                       | 10,347                    | 10,347                   |   |
| Fees and Permits                     |                                       | 1,040                     | 1,040                    |   |
| Tax Collector                        |                                       |                           |                          |   |
| Fees and Permits                     |                                       | 86,217                    | 86,217                   |   |
| Police Department                    |                                       |                           |                          |   |
| Fees and Permits                     |                                       | 1,544                     | 1,544                    |   |
| Planning Board                       |                                       |                           |                          |   |
| Fees and Permits                     |                                       | 4,480                     | 4,480                    |   |
| Zoning Board                         |                                       |                           |                          |   |
| Fees and Permits                     |                                       | 7,045                     | 7,045                    |   |
| Fire Prevention                      |                                       |                           |                          |   |
| Fees and Permits                     |                                       | 19,036                    | 19,036                   |   |
| Municipal Court                      |                                       |                           |                          |   |
| Fines and Costs                      | \$ 2,974                              | 34,906                    | 34,854                   | \$ 3,026                                |
| Interest and Costs on Taxes          |                                       | 121,686                   | 121,686                  |   |
| Interest on Investments and Deposits |                                       | 161,282                   | 161,282                  |   |
| Energy Receipts Tax                  |                                       | 818,122                   | 818,122                  |   |
| Uniform Construction Code Fees       |                                       | 340,372                   | 340,372                  |   |
| Uniform Fire Safety Act              |                                       | 7,847                     | 7,847                    |   |
| Reserve for Payment of Bonds         |                                       | 36,625                    | 36,625                   |   |
| Capital Fund Balance                 |                                       | 3,634                     | 3,634                    |   |
| Assessment Trust Fund Balance        |                                       | 3,303                     | 3,303                    |   |
| Payment in Lieu of Taxes-            |                                       |                           |                          |   |
| Cresskill Residential                |                                       | 120,368                   | 120,368                  |   |
| 6 Madison Ave                        | 21,007                                | 52,693                    | 63,195                   | 10,505                                  |
| Ambulance Billing - Third Party      | -                                     | 270,592                   | 270,592                  | -                                       |
|                                      | <u>\$ 23,981</u>                      | <u>\$ 2,142,241</u>       | <u>\$ 2,152,691</u>      | <u>\$ 13,531</u>                        |

**BOROUGH OF CRESSKILL**  
**STATEMENT OF 2017 APPROPRIATION RESERVES**

|   | Balance,<br>December 31,<br><u>2017</u> | Modified<br><u>Balance</u> | <u>Expended</u> | <u>Transfer</u> | Balance<br><u>Lapsed</u> |
|---|---|----------------------------|-----------------|-----------------|--------------------------|
| Salaries and Wages                          |   |                            |                 |                 |                          |
| Municipal Clerk                             | \$ 21,976                               | \$ 21,976                  | \$ 12,849       |                 | \$ 9,127                 |
| General Administration                      | 28,000                                  | 22,000                     |                 |                 | 22,000                   |
| Financial Administration                    | 10,037                                  | 10,037                     | 9,042           |                 | 995                      |
| Revenue Administration                      | 2,429                                   | 3,429                      | 3,104           |                 | 325                      |
| Assessment of Taxes                         | 1,877                                   | 1,877                      |                 |                 | 1,877                    |
| Planning Board                              | 171                                     | 171                        |                 |                 | 171                      |
| Zoning Board of Adjustment                  | 712                                     | 712                        |                 |                 | 712                      |
| Police                                      |   |                            |                 |                 |                          |
| Regular                                     | 252,646                                 | 252,646                    | 177,013         |                 | 75,633                   |
| School Marshalls                            | 8,543                                   | 8,543                      |                 |                 | 8,543                    |
| Specials                                    | 5,387                                   | 5,387                      |                 |                 | 5,387                    |
| Emergency Medical Service                   | 21,645                                  | 21,645                     |                 |                 | 21,645                   |
| Fire Sub-Code                               | 7,510                                   | 19,510                     | 18,975          |                 | 535                      |
| Municipal Prosecutor                        | 2,078                                   | 2,078                      |                 |                 | 2,078                    |
| Streets and Roads Maintenance- Regular      | 150,440                                 | 150,440                    | 106,794         |                 | 43,646                   |
| Streets and Roads Maintenance- Snow Removal | 20,552                                  | 20,552                     | 20,000          |                 | 552                      |
| Buildings and Grounds                       | 9,855                                   | 9,855                      | 1,375           |                 | 8,480                    |
| Public Health Services                      | 1,414                                   | 1,414                      | 454             |                 | 960                      |
| Administration of Public Assistance         | 431                                     | 431                        |                 |                 | 431                      |
| Recreation                                  | 13,350                                  | 13,350                     | 3,110           |                 | 10,240                   |
| Senior Citizens                             | 3,134                                   | 3,134                      | 2,843           |                 | 291                      |
| Construction Code Official                  | 6,624                                   | 6,624                      | 1,616           |                 | 5,008                    |
| Plumbing Inspector                          | 1,300                                   | 1,300                      |                 |                 | 1,300                    |
| Electrical Inspector                        | 4,463                                   | 4,463                      |                 |                 | 4,463                    |
| Fire Inspector                              | 3,175                                   | 3,175                      |                 |                 | 3,175                    |
| Municipal Court                             | 2,388                                   | 2,388                      | -               | -               | 2,388                    |
|   | <u>580,137</u>                          | <u>587,137</u>             | <u>357,175</u>  | <u>-</u>        | <u>229,962</u>           |
| Other Expenses                              |   |                            |                 |                 |                          |
| Mayor and Council                           | 2,798                                   | 3,489                      | 220             |                 | 3,269                    |
| Municipal Clerk                             | 10,144                                  | 10,177                     | 633             |                 | 9,544                    |
| Financial Administration                    | 6,177                                   | 6,883                      | 1,026           |                 | 5,857                    |
| Annual Audit                                | 1,520                                   | 39,370                     | 37,942          |                 | 1,428                    |
| Computerized Data                           | 5,246                                   | 6,246                      | 5,519           |                 | 727                      |
| Revenue Administration                      | 3,645                                   | 1,670                      | 25              |                 | 1,645                    |
| Assessment of Taxes                         | 5,919                                   | 23,319                     | 17,400          |                 | 5,919                    |
| Legal Services & Costs                      | 11,837                                  | 11,837                     | 2,834           |                 | 9,003                    |
| Engineering Services & Costs                | 17,850                                  | 12,850                     | 5,985           |                 | 6,865                    |
| Historical Committee                        | 2,790                                   | 2,790                      |                 |                 | 2,790                    |
| Planning Board                              | 4,828                                   | 9,829                      | 5,036           |                 | 4,793                    |
| Zoning Board of Adjustment                  | 1,982                                   | 1,982                      | 1,264           |                 | 718                      |
| Insurance                                   |   |                            |                 |                 |                          |
| Liability Insurance                         | 4,489                                   | 52,610                     | 48,121          |                 | 4,489                    |
| Workman's Compensation                      | 39                                      | 63,371                     | 63,332          |                 | 39                       |
| Employee Group Health                       | 12,193                                  | 12,393                     | 1,031           |                 | 11,362                   |
| Fire Other Expenses                         | 24,596                                  | 18,928                     | 806             |                 | 18,122                   |
| Fire Hydrant Services                       | 4,469                                   | 4,469                      |                 |                 | 4,469                    |
| Police                                      | 21,237                                  | 25,137                     | 7,000           |                 | 18,137                   |

**BOROUGH OF CRESSKILL  
STATEMENT OF 2017 APPROPRIATION RESERVES**

|  | Balance,<br>December 31,<br><u>2017</u> | Modified<br><u>Balance</u> | <u>Expended</u>   | <u>Transfer</u>  | Balance<br><u>Lapsed</u> |
|--|---|----------------------------|-------------------|------------------|--------------------------|
| Other Expenses (Continued)                         |   |                            |                   |                  |                          |
| Emergency Management Services                      | \$ 11,698                               | \$ 11,698                  |                   |                  | \$ 11,698                |
| Emergency Medical Services                         | 10,966                                  | 10,966                     | \$ 2,551          |                  | 8,415                    |
| Streets and Roads Maintenance                      | 40,038                                  | 50,145                     | 12,023            |                  | 38,122                   |
| Shade Tree Commission                              | 6,723                                   | 6,723                      |                   |                  | 6,723                    |
| Solid Waste Collection                             |   |                            |                   |                  |                          |
| Other Expenses - Sanitation                        | 24,215                                  | 24,215                     |                   |                  | 24,215                   |
| Other Expenses - Recycling                         | 12,558                                  | 15,958                     | 3,400             |                  | 12,558                   |
| Building and Grounds                               | 6,764                                   | 7,244                      | 3,075             |                  | 4,169                    |
| Vehicle Maintenance                                | 3,406                                   | 4,618                      | 3,770             |                  | 848                      |
| Public Health Services                             | 5,106                                   | 5,106                      |                   |                  | 5,106                    |
| Administration of Public Assistance                | 500                                     | 500                        |                   |                  | 500                      |
| Environmental Commission                           | 3,120                                   | 3,120                      |                   |                  | 3,120                    |
| Celebration of Public Events                       | 11,748                                  | 11,748                     |                   |                  | 11,748                   |
| Recreation   | 2,164                                   | 2,164                      | 428               |                  | 1,736                    |
| Senior Citizens                                    | 4,020                                   | 4,022                      | 2                 |                  | 4,020                    |
| Maintenance of Parks                               | 18,970                                  | 18,970                     | 10                |                  | 18,960                   |
| Construction Code Official                         | 5,117                                   | 5,117                      |                   |                  | 5,117                    |
| Hepatitis "B" Inoculations                         | 3,000                                   | 3,000                      |                   |                  | 3,000                    |
| Fire Inspector                                     | 2,183                                   | 2,183                      |                   |                  | 2,183                    |
| Electricity  | 9,411                                   | 9,411                      |                   |                  | 9,411                    |
| Street Lighting                                    | 18,769                                  | 18,769                     | 9,101             |                  | 9,668                    |
| Telephone  | 1,914                                   | 1,914                      | 1,043             |                  | 871                      |
| Natural Gas  | 4,125                                   | 4,125                      |                   |                  | 4,125                    |
| Gasoline   | 15,240                                  | 15,240                     | 3,075             |                  | 12,165                   |
| Water  | 7,846                                   | 7,846                      |                   |                  | 7,846                    |
| Sewer System                                       | 19,693                                  | 19,693                     | 10,232            |                  | 9,461                    |
| Defined Contribution Retirement Program            | 1,512                                   | 1,512                      | 414               |                  | 1,098                    |
| Social Security System ( O.A.S.I.)                 | 10,426                                  | 10,426                     |                   |                  | 10,426                   |
| Police and Firemen Retirement System               | 83                                      | 83                         |                   |                  | 83                       |
| Public Employees' Retirement System                | 13,822                                  | 13,822                     |                   |                  | 13,822                   |
| Bergen County Utilities Authority - Sewer Fees     | 1                                       | 1                          |                   |                  | 1                        |
| Landfill/Solid Waste Disposal Costs                |   |                            |                   |                  |                          |
| Recycling Tax                                      | 2,100                                   |                            |                   |                  |                          |
| Garbage and Trash Removal Dumping Fees             | 1,790                                   | 23,000                     | 18,940            |                  | 4,060                    |
| Fire - LOSAP                                       | -                                       | 16,000                     | 8,240             |                  | 7,760                    |
| Municipal Court                                    | 1,088                                   | 1,507                      | 420               |                  | 1,087                    |
| Interlocal Municipal Service - Police Dispatch 911 | -                                       | 5,000                      | 5,000             |                  |                          |
| Interlocal Public Health Svcs-County of Bergen     | 1,063                                   | 1,063                      |                   |                  | 1,063                    |
| Municipal Alliance - Borough Share                 | 2,469                                   | 2,469                      |                   | \$ 2,469         |                          |
| Municipal Alliance - State Share                   | 2,374                                   | 2,374                      |                   | 2,374            |                          |
| State Recycling Grant                              | 9,498                                   | 9,498                      |                   | 9,498            |                          |
| Clean Communities                                  | 2,800                                   | 2,800                      |                   | 2,800            |                          |
| Body Armor Fund Grant Reserve                      | 1,107                                   | 1,107                      |                   | 1,107            |                          |
| Drunk Driving Enforcement Fund                     | 2,266                                   | 2,266                      | -                 | 2,266            | -                        |
|  | <u>443,452</u>                          | <u>664,773</u>             | <u>279,898</u>    | <u>20,514</u>    | <u>364,361</u>           |
|  | <u>\$ 1,023,589</u>                     | <u>\$ 1,251,910</u>        | <u>\$ 637,073</u> | <u>\$ 20,514</u> | <u>\$ 594,323</u>        |
| Appropriation Reserves                             |   | \$ 1,023,589               |                   |                  |                          |
| Encumbrances Payable                               |   | 228,321                    |                   |                  |                          |
|  |   | <u>\$ 1,251,910</u>        |                   |                  |                          |
| Cash Disbursements                                 |   |                            | \$ 632,073        |                  |                          |
| Accounts Payable                                   |   |                            | 5,000             |                  |                          |
|  |   |                            | <u>\$ 637,073</u> |                  |                          |
| Transfer to Appropriated Grant Reserves            |   |                            |                   | <u>\$ 20,514</u> |                          |

**BOROUGH OF CRESSKILL  
STATEMENT OF ENCUMBRANCES PAYABLE**

|   |                   |
|---|-------------------|
| Balance, January 1, 2018                | \$ 228,321        |
| Increased by:                           |                   |
| Charges to 2018 Budget Appropriations   | <u>278,886</u>    |
|   | 507,207           |
| Decreased by:                           |                   |
| Restored to 2017 Appropriation Reserves | <u>228,321</u>    |
| Balance, December 31, 2018              | <u>\$ 278,886</u> |

**STATEMENT OF ACCOUNTS PAYABLE**

|   |                 |
|---|-----------------|
| Balance, January 1, 2018                  | \$ 1,614        |
| Increased by:                             |                 |
| Transfer From 2017 Appropriation Reserves | <u>5,000</u>    |
| Balance, December 31, 2018                | <u>\$ 6,614</u> |

**STATEMENT OF OTHER FEES PAYABLE**

|                       | Balance,<br>January 1,<br><u>2018</u> | <u>Receipts</u>  | <u>Disbursements</u> | Balance,<br>December 31,<br><u>2018</u> |
|-----------------------|---------------------------------------|------------------|----------------------|---|
| DCA Fees              | \$ 4,483                              | \$ 14,256        | \$ 15,222            | \$ 3,517                                |
| Marriage License Fees | <u>25</u>                             | <u>350</u>       | <u>225</u>           | <u>150</u>                              |
|                       | <u>\$ 4,508</u>                       | <u>\$ 14,606</u> | <u>\$ 15,447</u>     | <u>\$ 3,667</u>                         |

**BOROUGH OF CRESSKILL  
STATEMENT OF PREPAID TAXES**

|                                      |               |                   |
|--------------------------------------|---------------|-------------------|
| Balance, January 1, 2018             |               | \$ 6,669,826      |
| Increased by:                        |               |                   |
| Collection of 2019 Taxes             | \$ 383,738    |                   |
| Transfer of Overpayment - 2018 Taxes | <u>62,420</u> |                   |
|                                      |               | <u>446,158</u>    |
|                                      |               | 7,115,984         |
| Decreased by:                        |               |                   |
| Applied to 2018 Taxes                |               | <u>6,669,826</u>  |
| Balance, December 31, 2018           |               | <u>\$ 446,158</u> |

EXHIBIT A-18

**STATEMENT OF TAX OVERPAYMENTS**

|                                  |                |                  |
|----------------------------------|----------------|------------------|
| Balance, January 1, 2018         |                | \$ 38,003        |
| Increased by:                    |                |                  |
| Cash Receipts                    |                | <u>203,975</u>   |
|                                  |                | 241,978          |
| Decreased by:                    |                |                  |
| Applied to 2019 Taxes Receivable | \$ 62,420      |                  |
| Cancellation to Surplus          | 10             |                  |
| Cash Disbursements               | <u>145,807</u> |                  |
|                                  |                | <u>208,237</u>   |
| Balance, December 31, 2018       |                | <u>\$ 33,741</u> |



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

|               |                     |
|---------------|---------------------|
| Increased by: |                     |
| 2018 Tax Levy | \$ 5,155,238        |
| Decreased by: |                     |
| Payments      | <u>\$ 5,155,238</u> |

**STATEMENT OF DUE COUNTY FOR ADDED TAXES**

|   |               |                  |
|---|---------------|------------------|
| Increased by:                           |               |                  |
| County Open Space Preservation          | \$ 220,564    |                  |
| County Share of 2017 Levy - Added Taxes | <u>10,738</u> |                  |
| (RS 54:4-63.1 et seq)                   |               | \$ 231,302       |
| Decreased by:                           |               |                  |
| Payments                                |               | <u>220,564</u>   |
| Balance, December 31, 2018              |               | <u>\$ 10,738</u> |

**BOROUGH OF CRESSKILL**  
**STATEMENT OF LOCAL DISTRICT SCHOOL TAXES PAYABLE**

|   |                  |                      |
|---|------------------|----------------------|
| Balance, January 1, 2018                            |                  | \$ 11,945,567        |
| School Tax Payable                                  | \$ 5,537,907     |                      |
| School Tax Deferred                                 | <u>6,407,660</u> |                      |
| Increased by:                                       |                  |                      |
| Levy School Year July 1, 2018 to June 30, 2019      |                  | <u>29,200,584</u>    |
|   |                  | 41,146,151           |
| Decreased by:                                       |                  |                      |
| Payments  |                  | <u>28,805,108</u>    |
| Balance, December 31, 2018                          |                  |                      |
| School Tax Payable                                  | 5,933,383        |                      |
| School Tax Deferred                                 | <u>6,407,660</u> |                      |
|   |                  | <u>\$ 12,341,043</u> |
| <u>2018 Liability for Local District School Tax</u> |                  |                      |
| Tax Paid  |                  | \$ 28,805,108        |
| School Tax Payable-December 31, 2018                |                  | <u>5,933,383</u>     |
|   |                  | 34,738,491           |
| Less: Tax Payable December 31, 2017                 |                  | <u>5,537,907</u>     |
| Amount Charged to 2018 Operations                   |                  | <u>\$ 29,200,584</u> |

**BOROUGH OF CRESSKILL  
STATEMENT OF MISCELLANEOUS RESERVES**

|                          | Balance,<br>January 1,<br><u>2018</u> | Cash<br><u>Receipts</u> | Cash<br><u>Disbursements</u> | Balance,<br>December 31,<br><u>2018</u> |
|--------------------------|---------------------------------------|-------------------------|------------------------------|---|
| Recycling Expenditures   | \$ 32,007                             | \$ 6,911                | \$ 8,497                     | \$ 30,421                               |
| Police Color Guard       | 11,187                                | 3,075                   | 4,810                        | 9,452                                   |
| Senior Center Activities | 42,008                                | 630                     | 27,223                       | 15,415                                  |
| Tax Sale Premiums        | 153,900                               | 173,100                 | 43,000                       | 284,000                                 |
| Tree Replacement         |                                       | 900                     |                              | 900                                     |
| Recreation Activities    | 49,642                                | 350,003                 | 327,171                      | 72,474                                  |
|                          | <u>\$ 288,744</u>                     | <u>\$ 534,619</u>       | <u>\$ 410,701</u>            | <u>\$ 412,662</u>                       |

**STATEMENT OF APPROPRIATED RESERVES**

|                          | Balance,<br>January 1,<br><u>2018</u> | Transfer<br>from<br>Appropriation<br><u>Reserves</u> | <u>Disbursements</u> | <u>Cancellations</u> | Balance,<br>December 31,<br><u>2018</u> |
|--------------------------|---------------------------------------|--|----------------------|----------------------|---|
| Municipal Alliance Grant |                                       | \$ 4,843   |                      |                      | \$ 4,843                                |
| Drunk Driving            | \$ 2,662                              | 2,266  |                      |                      | 4,928                                   |
| Alcohol Rehabilitation   | 1,974                                 |  |                      |                      | 1,974                                   |
| Body Armor               |                                       | 1,107  |                      |                      | 1,107                                   |
| Clean Communities        | 25,385                                | 2,800  |                      |                      | 28,185                                  |
| BC - Historical Grant    | 125                                   |  |                      | \$ 125               | -                                       |
| Recycling Tonnage Grant  | 67,760                                | 9,498  | -                    | -                    | 77,258                                  |
|                          | <u>\$ 97,906</u>                      | <u>\$ 20,514</u>                                     | <u>\$ -</u>          | <u>\$ 125</u>        | <u>\$ 118,295</u>                       |
|                          |                                       |  | Surplus              | <u>\$ 125</u>        |   |

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

|                                   |                   |
|-----------------------------------|-------------------|
| Balance, January 1, 2018          | \$ 434,910        |
| Increased by:                     |                   |
| Transfer from 2018 Appropriations | <u>100,000</u>    |
|                                   | 534,910           |
| Decreased by:                     |                   |
| Cash Paid to Appellants           | <u>8,766</u>      |
| Balance, December 31, 2018        | <u>\$ 526,144</u> |

EXHIBIT A-25

**STATEMENT OF RESERVES FOR TAX TITLE LIEN REDEMPTION**

|                    |                   |
|--------------------|-------------------|
| Increased by:      |                   |
| Cash Receipts      | <u>\$ 210,701</u> |
| Decreased by:      |                   |
| Cash Disbursements | <u>\$ 210,701</u> |

EXHIBIT A-26

**STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED**

|                         | Balance,<br>January 1,<br><u>2018</u> | <u>Received</u> | Realized as<br>Budgeted<br><u>Revenue</u> | Balance,<br>December 31,<br><u>2018</u> |
|-------------------------|---------------------------------------|-----------------|---|---|
| Recycling Tonnage Grant | <u>\$ 11,311</u>                      | <u>\$ -</u>     | <u>\$ 11,311</u>                          | <u>\$ -</u>                             |

## **TRUST FUND**

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

|                                       | <u>Assessment Trust Fund</u> | <u>Animal Control Fund</u> | <u>Other Trust Fund</u> | <u>Open Space Trust Fund</u> | <u>Unemployment<br/>Compensation<br/>Insurance Trust Fund</u> |
|---------------------------------------|------------------------------|----------------------------|-------------------------|------------------------------|---|
| Balance, January 1, 2018              | \$ 3,311                     | \$ 14,072                  | \$ 2,005,151            | \$ 911,309                   | \$ 7,866  |
| Increased by Receipts:                |                              |                            |                         |                              |   |
| Budget Appropriations:                |                              |                            |                         |                              |   |
| Unemployment Compensation             |                              |                            |                         |                              | \$ 42,057   |
| Animal Control                        |                              | \$ 5,000                   |                         |                              |   |
| Open Space Taxes                      |                              |                            |                         | \$ 211,249                   |   |
| Assessments Receivable                | \$ 3,225                     |                            |                         |                              |   |
| Interest and Cost on Assessments      | 517                          |                            |                         |                              |   |
| Cat License Fees Collected            |                              | 7,906                      |                         |                              |   |
| Dog License Fees Collected            |                              | 1,259                      |                         |                              |   |
| State Registration Fees Collected     |                              | 987                        |                         |                              |   |
| Receipts from Swim Pool Capital Fund  |                              |                            |                         | 16,000                       |   |
| Miscellaneous Reserves and Deposits   |                              |                            | \$ 152,671              |                              |   |
| Payroll Salaries and Withholdings     |                              |                            | 9,866,870               |                              | 9,735   |
| Housing Trust Fees Collected          |                              |                            | 189,740                 |                              |   |
| Escrow Deposits                       |                              |                            | 150,840                 |                              |   |
| Interest on Investments and Deposits  | 8                            | 122                        | 12,722                  | 11,770                       | 179   |
| Street Opening Deposits               |                              |                            | 2,100                   |                              |   |
| Police Outside Services               |                              |                            | 403,326                 |                              |   |
| Miscellaneous                         | -                            | 657                        | -                       | -                            | -   |
|                                       | <u>3,750</u>                 | <u>15,931</u>              | <u>10,778,269</u>       | <u>239,019</u>               | <u>51,971</u>   |
|                                       | 7,061                        | 30,003                     | 12,783,420              | 1,150,328                    | 59,837  |
| Decreased by Disbursements:           |                              |                            |                         |                              |   |
| Payments to Current Fund              | 3,828                        | 1,382                      | 39,739                  |                              | 177   |
| Expenditures Under R.S 4:19-15.11     |                              | 14,967                     |                         | 4,385                        |   |
| Payments to General Capital Fund      |                              |                            |                         | 690,000                      |   |
| Due to State of NJ - Dog License Fees |                              | 987                        |                         |                              |   |
| Street Opening Refunds                |                              |                            | 1,550                   |                              |   |
| Payroll Salaries and Withholdings     |                              |                            | 9,859,215               |                              |   |
| Escrow Deposits                       |                              |                            | 124,237                 |                              |   |
| Miscellaneous Reserves and Deposits   |                              |                            | 139,150                 |                              |   |
| Housing Trust Expenditures            |                              |                            | 62,619                  |                              |   |
| Unemployment Ins. Benefits            |                              |                            |                         |                              | 40,860  |
| Police Outside Services               |                              |                            | 402,169                 |                              |   |
| Street Opening Deposits               | -                            | -                          | -                       | -                            | -   |
|                                       | <u>3,828</u>                 | <u>17,336</u>              | <u>10,628,679</u>       | <u>694,385</u>               | <u>41,037</u>   |
| Balance, December 31, 2018            | <u>\$ 3,233</u>              | <u>\$ 12,667</u>           | <u>\$ 2,154,741</u>     | <u>\$ 455,943</u>            | <u>\$ 18,800</u>  |

**BOROUGH OF CRESSKILL  
ANALYSIS OF ASSESSMENT CASH**

Balance,  
December 31,  
2018

Assessment Trust Surplus

\$ 3,233

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

| Ord.<br>No. | Improvement<br>Description                       | Date of<br>Confirmation | Annual<br>Installments | Due<br>Dates | Balance,<br>January 1,<br>2018 | Collected       | Balance,<br>December 31,<br>2018 | Analysis of Balance |                     |                 |
|-------------|--|-------------------------|------------------------|--------------|--------------------------------|-----------------|----------------------------------|---------------------|---------------------|-----------------|
|             |  |                         |                        |              |                                |                 |                                  | Assessment<br>Bonds | Assessment<br>Notes | Reserve         |
| 08-13       | Improvements to<br>Devonshire and Kenilworth St. | 12/1/2012               | 10                     | 12/1/12-2021 | \$ 12,902                      | \$ 3,225        | \$ 9,677                         | -                   | -                   | \$ 9,677        |
|             |  |                         |                        |              | <u>\$ 12,902</u>               | <u>\$ 3,225</u> | <u>\$ 9,677</u>                  | <u>\$ -</u>         | <u>\$ -</u>         | <u>\$ 9,677</u> |

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

| Ordinance<br>Number | Improvement Description                          | Balance,<br>January 1,<br>2018 | Increase by             |                           | Collections<br>To Surplus | Balance,<br>December 31,<br>2018 |
|---------------------|--|--------------------------------|-------------------------|---------------------------|---------------------------|----------------------------------|
|                     |  |                                | Budget<br>Appropriation | Current<br>Budget Deficit |                           |                                  |
|                     | <b><u>Assessments Receivable</u></b>             |                                |                         |                           |                           |                                  |
| 08-13               | Improvements to<br>Devonshire and Kenilworth St. | \$ 12,902                      | \$ -                    | \$ -                      | \$ 3,225                  | \$ 9,677                         |
|                     |  | <u>\$ 12,902</u>               | <u>\$ -</u>             | <u>\$ -</u>               | <u>\$ 3,225</u>           | <u>\$ 9,677</u>                  |



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

|                                 |          |                    |
|---------------------------------|----------|--------------------|
| Balance, January 1, 2018        |          | \$ 2               |
| Increased by:                   |          |                    |
| Interest and Cost on Assessment | \$ 517   |                    |
| Interest on Deposits            | <u>8</u> |                    |
|                                 |          | <u>525</u>         |
|                                 |          | 527                |
| Decreased by:                   |          |                    |
| Payments Made to Current Fund   |          | <u>525</u>         |
| Balance, December 31, 2018      |          | <u><u>\$ 2</u></u> |

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

|                                       |              |                         |
|---------------------------------------|--------------|-------------------------|
| Balance, January 1, 2018              |              | \$ 14,064               |
| Increased by:                         |              |                         |
| Dog License Fees Collected            | \$ 7,906     |                         |
| Late and Miscellaneous Fees Collected | 657          |                         |
| Cat License Fees Collected            | 1,259        |                         |
| Budget Appropriation                  | <u>5,000</u> |                         |
|                                       |              | <u>14,822</u>           |
|                                       |              | 28,886                  |
| Decreased by:                         |              |                         |
| Expenditures Under RS 4:19-15.11      | 14,967       |                         |
| Due to Current Fund                   | <u>1,259</u> |                         |
|                                       |              | <u>16,226</u>           |
| Balance, December 31, 2018            |              | <u><u>\$ 12,660</u></u> |

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

|                           |    |            |
|---------------------------|----|------------|
| Increased by:             |    |            |
| 2018 State Fees Collected | \$ | <u>987</u> |
| Decreased by:             |    |            |
| Payments                  | \$ | <u>987</u> |

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

|                            |    |                 |
|----------------------------|----|-----------------|
| Balance, January 1, 2018   | \$ | 8               |
| Increased by:              |    |                 |
| Cat Fees Collected         | \$ | 1,259           |
| Interest                   |    | <u>122</u>      |
|                            |    | <u>1,381</u>    |
|                            |    | 1,389           |
| Increased by:              |    |                 |
| Cash Disbursement          |    | <u>1,382</u>    |
| Balance, December 31, 2018 | \$ | <u><u>7</u></u> |

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

|                             |    |                      |
|-----------------------------|----|----------------------|
| Balance, January 1, 2018    | \$ | 7,303                |
| Increased by:               |    |                      |
| Employee Payroll Deductions | \$ | 9,735                |
| 2018 Budget Appropriation   |    | <u>42,057</u>        |
|                             |    | <u>51,792</u>        |
|                             |    | 59,095               |
| Decreased by:               |    |                      |
| Due to State of New Jersey  |    | <u>40,305</u>        |
| Balance, December 31, 2018  | \$ | <u><u>18,790</u></u> |

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

|                            |               |
|----------------------------|---------------|
| Balance, January 1, 2018   | \$ 555        |
| Increased by:              |               |
| 2018 Unemployment Claims   | <u>40,305</u> |
|                            | 40,860        |
| Decreased by:              |               |
| Payments                   | <u>40,860</u> |
| Balance, December 31, 2018 | <u>\$ -</u>   |

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

|                            |              |
|----------------------------|--------------|
| Balance, January 1, 2018   | \$ 8         |
| Increased by:              |              |
| Interest on Investments    | <u>179</u>   |
|                            | 187          |
| Decreased by:              |              |
| Cash Disbursements         | <u>177</u>   |
| Balance, December 31, 2018 | <u>\$ 10</u> |

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

|                                  |                  |
|----------------------------------|------------------|
| Balance, January 1, 2018         | \$ 49,600        |
| Increased by:                    |                  |
| Police Outside Services Billings | <u>428,448</u>   |
|                                  | 478,048          |
| Decreased by:                    |                  |
| Cash Receipts                    | <u>403,326</u>   |
| Balance, December 31, 2018       | <u>\$ 74,722</u> |

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

|   |                 |
|---|-----------------|
| Balance, January 1, 2018                    | \$ 12,221       |
| Increased by:                               |                 |
| Cancellation of Deposits - Community Center | \$ 25,000       |
| Interest on Investments and Deposits        | <u>3,830</u>    |
|   | <u>28,830</u>   |
|   | 41,051          |
| Decreased by:                               |                 |
| Payments to Current Fund                    | <u>39,739</u>   |
| Balance, December 31, 2018                  | <u>\$ 1,312</u> |

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

|                            |                   |
|----------------------------|-------------------|
| Balance, January 1, 2018   | \$ 301,100        |
| Increased by:              |                   |
| Deposits Collected         | <u>150,840</u>    |
|                            | 451,940           |
| Decreased by:              |                   |
| Deposits Refunded          | <u>124,237</u>    |
| Balance, December 31, 2018 | <u>\$ 327,703</u> |

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

|                            |                 |
|----------------------------|-----------------|
| Balance, January 1, 2018   | \$ 3,150        |
| Increased by:              |                 |
| Deposits Collected         | <u>2,100</u>    |
|                            | 5,250           |
| Decreased by:              |                 |
| Deposits Refunded          | <u>1,550</u>    |
| Balance, December 31, 2018 | <u>\$ 3,700</u> |

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

|                            |              |                     |
|----------------------------|--------------|---------------------|
| Balance, January 1, 2018   |              | \$ 1,419,847        |
| Increased by:              |              |                     |
| Cash Receipts              | \$ 189,740   |                     |
| Interest Earned            | <u>8,892</u> |                     |
|                            |              | <u>198,632</u>      |
|                            |              | 1,618,479           |
| Decreased by:              |              |                     |
| Cash Disbursements         |              | <u>62,619</u>       |
| Balance, December 31, 2018 |              | <u>\$ 1,555,860</u> |

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

|                            |  |                  |
|----------------------------|--|------------------|
| Balance, January 1, 2018   |  | \$ 3,401         |
| Increased by:              |  |                  |
| Cash Receipts              |  | <u>9,866,870</u> |
|                            |  | 9,870,271        |
| Decreased by:              |  |                  |
| Cash Disbursements         |  | <u>9,859,215</u> |
| Balance, December 31, 2018 |  | <u>\$ 11,056</u> |

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

|                           | Balance,<br>January 1,<br><u>2018</u> | <u>Receipts</u>   | <u>Disbursements</u> | Balance,<br>December 31,<br><u>2018</u> |
|---------------------------|---------------------------------------|-------------------|----------------------|---|
| Community Center          | \$ 832                                | \$ 115,378        | \$ 112,911           | \$ 3,299                                |
| POAA                      | 536                                   | 40                |                      | 576                                     |
| Accumulated Absences      | 25,981                                |                   | 25,981               | -                                       |
| Motorcycle Expenditures   | 6,889                                 |                   | 6,889                | -                                       |
| Snow Removal              | 123,375                               | 20,000            |                      | 143,375                                 |
| Flexible Spending         | 1,819                                 | 6,500             | 6,769                | 1,550                                   |
| Estate of Alan Berlin     | 75,558                                |                   |                      | 75,558                                  |
| Miscellaneous - B. Nasuto |                                       | 2,130             | 2,130                |   |
| Recreation - Umpire       | 3,343                                 | 8,473             | 9,470                | 2,346                                   |
| Fire Prevention Penalties | 959                                   | 150               |                      | 1,109                                   |
| 911 Memorial Fund         | 650                                   |                   |                      | 650                                     |
| Rent Security Deposits    | 1,125                                 | -                 | -                    | 1,125                                   |
|                           | <u>\$ 241,067</u>                     | <u>\$ 152,671</u> | <u>\$ 164,150</u>    | <u>\$ 229,588</u>                       |

|                                  |                   |
|----------------------------------|-------------------|
| Cash Disbursements               | \$ 139,150        |
| Cancellation Due to Current Fund | 25,000            |
|                                  | <u>\$ 164,150</u> |

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

|                                  |                   |
|----------------------------------|-------------------|
| Balance, January 1, 2018         | \$ 73,965         |
| Increased by:                    |                   |
| Police Outside Services Billings | <u>428,448</u>    |
|                                  | 502,413           |
| Decreased by:                    |                   |
| Cash Disbursements               | <u>402,169</u>    |
| Balance, December 31, 2018       | <u>\$ 100,244</u> |

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

|   |    |                |                |
|---|----|----------------|----------------|
| Balance, January 1, 2018                  |    | \$             | 955,309        |
| Increased by:                             |    |                |                |
| Open Space Tax                            | \$ | 210,828        |                |
| Added Open Space Tax                      |    | 421            |                |
| Interest Earnings                         |    | <u>11,770</u>  |                |
|   |    |                | <u>223,019</u> |
|   |    |                | 1,178,328      |
| Decreased by:                             |    |                |                |
| Cash Disbursements                        |    | 4,385          |                |
| Cash Disbursements - General Capital Fund |    | <u>690,000</u> |                |
|   |    |                | <u>694,385</u> |
| Balance, December 31, 2018                |    | \$             | <u>483,943</u> |



**GENERAL CAPITAL FUND**

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

|  |               |                     |
|--|---------------|---------------------|
| Balance, January 1, 2018   |               | \$ 1,868,095        |
| Increased by:  |               |                     |
| Budget Appropriations:   |               |                     |
| Capital Improvement Fund   | \$ 106,000    |                     |
| Deferred Charges Unfunded  | 1,267,250     |                     |
| Grant Receipts   | 567,500       |                     |
| Bond Sale  | 7,000,000     |                     |
| Expense Reimbursement Sale of Property                           | 67,793        |                     |
| Reserve for Improvements to Firehouse                            | 30,765        |                     |
| Reserve for Payment of Bonds                                     | 26,171        |                     |
| Receipts from Open Space   | 690,000       |                     |
| Interest on Investments and Deposits                             | <u>16,856</u> |                     |
|  |               | <u>9,772,335</u>    |
|  |               | 11,640,430          |
| Decreased by:  |               |                     |
| Improvement Authorizations                                       | 998,008       |                     |
| Encumbrances Payable   | 865,288       |                     |
| Bond Anticipation Notes  | 8,572,000     |                     |
| Reserve for Defibrillator  | 997           |                     |
| Reserve for Payment of Bonds Anticipated as Current Fund Revenue | 36,625        |                     |
| Capital Surplus Anticipated as Current Fund Revenue              | 3,634         |                     |
| Payments To Current Fund   | <u>17,133</u> |                     |
|  |               | <u>10,493,685</u>   |
| Balance, December 31, 2018                                       |               | <u>\$ 1,146,745</u> |

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

Balance,  
December 31,  
2018

|                                       |             |
|---------------------------------------|-------------|
| Fund Balance                          | \$ 13,793   |
| Capital Improvement Fund              | 88,540      |
| Due to Current Fund                   | 962         |
| Reserve for Defibrillator             | 6,502       |
| Reserve for Improvements to Firehouse | 230,765     |
| Reserve for Payment of Serial Bonds   | 26,171      |
| Reserve for BOE Lease Payments        | 1,030,000   |
| Encumbrances Payable                  | 220,243     |
| Grants Receivable                     | (50,000)    |
| Due from BOE Lease Payments           | (1,030,000) |

Improvement Authorizations:

Ordinance

| <u>Number</u> | <u>Improvement Description</u>                      |                     |
|---------------|---|---------------------|
| 12-07         | Various Public Improvements                         | 54,547              |
| 13-04-1447    | Various Public Improvements & Acq. Of Equipment     | 15                  |
| 13-06-1449    | Various Public Improvements                         | 15,005              |
| 14-02-1459    | Various Public Improvements - Third St & Cook Field | 3,701               |
| 14-06-1463    | Various Public Improvements                         | 50,888              |
| 15-04-1472    | Acquisition of Police Equipment                     | 58,398              |
| 15-06-1474    | 2015 Road Improvement Program                       | 168,027             |
| 15-09-1477    | Acquisition of Real Property - Open Space           | 1,185               |
| 15-11-1497    | Acquisition of Various Equipment & Vehicles         | 75,486              |
| 16-07-1486    | Improvement Third Street Recreation Complex         | 791                 |
| 16-08-1487    | Various Improvements & Equipment                    | 121,259             |
| 16-12-1491    | Acquisition of Real Property                        | 46,207              |
| 17-03-1497    | Acquisition of Real Property                        | 12,966              |
| 17-04-1498    | Various Equipment - Police Department               | 6,697               |
| 17-05-1500    | Various Improvements & Equipment                    | 141,312             |
| 18-05-1517    | Various Improvements & Equipment                    | (799,572)           |
| 18-18-1530    | Various Improvements Margie Ave Athletic Field      | 590,829             |
| 18-20-1532    | Improvement Parking Facility Allen Street           | 62,028              |
|               |   | <u>\$ 1,146,745</u> |

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

|  |                      |
|--|----------------------|
| Balance, January 1, 2018               | \$ 6,507,000         |
| Increased by:                          |                      |
| Serial Bonds Issued                    | <u>7,000,000</u>     |
|  | 13,507,000           |
| Decreased by:                          |                      |
| 2018 Budget Appropriation to Pay Bonds | <u>1,000,000</u>     |
| Balance, December 31, 2018             | <u>\$ 12,507,000</u> |

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

|                                       |   |                                |                        |                   |                         |                     |   | Analysis of Balance,<br>December 31,2018 |  |   |
|---------------------------------------|---|--------------------------------|------------------------|-------------------|-------------------------|---------------------|---|--|--|---|
| Ord.<br>No.                           | Improvement Description                         | Balance,<br>January 1,<br>2018 | 2018<br>Authorizations | Grant<br>Receipts | Paid<br>by Bond<br>Sale | Cash<br>Receipts    | Notes Paid<br>by Current<br>Fund Budget | Balance,<br>December 31,<br>2018         | Financed by<br>Bond<br>Anticipation<br>Notes | Unexpended<br>Improvement<br>Authorizations |
| General Improvements                  |   |                                |                        |                   |                         |                     |   |  |  |   |
| 13-04-1447                            | Various Public Improvements & Acq. Of Equipment | \$ 365,850                     |                        | \$ 150,000        | \$ 189,350              |                     | \$ 26,500                               |  |  |   |
| 13-06-1449                            | Various Public Improvements                     | 210,900                        |                        |                   | 210,900                 |                     |   |  |  |   |
| 14-02-1459                            | Various Public Improvements                     | 120,750                        |                        |                   | 120,750                 |                     |   |  |  |   |
| 14-06-1463                            | Road Imprvts/Parking Lot - Third Street         | 460,750                        |                        |                   | 460,750                 |                     |   |  |  |   |
| 14-08-1465                            | Improvement to Brookside Ave                    | 449,500                        |                        |                   | 449,500                 |                     |   |  |  |   |
| 15-04-1472                            | Various Equipment - Police Department           | 218,500                        |                        |                   | 117,750                 |                     | 100,750                                 |  |  |   |
| 15-06-1474                            | 2015 Road Improvement Program                   | 1,140,000                      |                        |                   | 1,140,000               |                     |   |  |  |   |
| 15-09-1477                            | Acquisition of Real Property - Open Space       | 300,000                        |                        | 300,000           |                         |                     |   |  |  |   |
| 15-11-1497                            | Acquisition of Equipment & Vehicles             | 171,000                        |                        |                   | 171,000                 |                     |   |  |  |   |
| 16-07-1486                            | Improvement Third Street Recreation Complex     | 712,500                        |                        | 117,500           | 595,000                 |                     |   |  |  |   |
| 16-08-1487                            | Various Improvements & Equipment                | 1,434,500                      |                        |                   | 1,434,500               |                     |   |  |  |   |
| 16-12-1491                            | Acquisition of Real Property                    | 1,140,000                      |                        |                   |                         | \$ 1,140,000        |   |  |  |   |
| 17-03-1497                            | Acquisition of Real Property                    | 980,000                        |                        |                   | 980,000                 |                     |   |  |  |   |
| 17-04-1498                            | Various Equipment - Police Department           | 180,500                        |                        |                   | 180,500                 |                     |   |  |  |   |
| 17-05-1500                            | Various Improvements & Equipment                | 950,000                        |                        |                   | 950,000                 |                     |   |  |  |   |
| 18-05-1517                            | Various Improvements & Equipment                |                                | \$ 1,121,000           |                   |                         |                     |   | \$ 1,121,000                             | \$ 799,572                                   | \$ 321,428                                  |
| 18-18-1530                            | Improvements Margie Ave, Athletic Field         |                                | 807,500                |                   |                         |                     |   | 807,500                                  |  | 807,500                                     |
| 18-20-1532                            | Parking Facility -Allen Street                  | -                              | 1,311,000              | -                 | -                       | -                   | -                                       | 1,311,000                                | -  | 1,311,000                                   |
|                                       |   | <u>\$ 8,834,750</u>            | <u>\$ 3,239,500</u>    | <u>\$ 567,500</u> | <u>\$ 7,000,000</u>     | <u>\$ 1,140,000</u> | <u>\$ 127,250</u>                       | <u>\$ 3,239,500</u>                      | <u>\$ -</u>                                  | <u>\$ 2,439,928</u>                         |
| Improvement Authorizations - Unfunded |   |                                |                        |                   |                         |                     |   |  |  | \$ 2,439,928                                |

**BOROUGH OF CRESSKILL  
STATEMENT OF GRANTS RECEIVABLE**

| Ordinance<br>Number                 | Improvement Description                       | Balance,<br>January 1,<br><u>2018</u> | Grant<br>Awards  | Cash<br>Received  | Balance,<br>December 31,<br><u>2018</u> |
|-------------------------------------|---|---------------------------------------|------------------|-------------------|---|
| <b>Department of Transportation</b> |   |                                       |                  |                   |   |
| 13-04-1447                          | Multi Purpose - Phelps Ave                    | \$ 150,000                            |                  | \$ 150,000        |   |
| <b>County of Bergen-</b>            |   |                                       |                  |                   |   |
| 15-09-1477                          | Acquisition of Real Property                  | 300,000                               |                  | 300,000           |   |
| 16-07-1486                          | Improvement - Third Street Recreation Complex | 117,500                               |                  | 117,500           |   |
| 18-18-1530                          | Improvement - Margie Ave. Athletic Field      | <u>-</u>                              | <u>\$ 50,000</u> | <u>-</u>          | <u>\$ 50,000</u>                        |
|                                     |   | <u>\$ 567,500</u>                     | <u>\$ 50,000</u> | <u>\$ 567,500</u> | <u>\$ 50,000</u>                        |

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

|   |               |                  |
|---|---------------|------------------|
| Balance, January 1, 2018                            |               | \$ 99,040        |
| Increased by:                                       |               |                  |
| 2018 Budget Appropriation                           | \$ 100,000    |                  |
| Cash Receipts - BOE - Sale of Property              | <u>60,000</u> |                  |
|   |               | <u>160,000</u>   |
|   |               | 259,040          |
| Decreased by:                                       |               |                  |
| Appropriation to Finance Improvement Authorizations |               | <u>170,500</u>   |
| Balance, December 31, 2018                          |               | <u>\$ 88,540</u> |

**STATEMENT OF ENCUMBRANCES PAYABLE**

|                                       |  |                   |
|---------------------------------------|--|-------------------|
| Balance, January 1, 2018              |  | \$ 865,288        |
| Increased by:                         |  |                   |
| Charges to Improvement Authorizations |  | <u>220,243</u>    |
|                                       |  | 1,085,531         |
| Decreased by:                         |  |                   |
| Payments                              |  | <u>865,288</u>    |
| Balance, December 31, 2018            |  | <u>\$ 220,243</u> |

**BOROUGH OF CRESSKILL  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

| Ord.<br>No.          | Improvement Description                             | Amount<br>Appropriated | Balance,<br>January 1, 2018 |            | Deferred<br>Charges<br>Unfunded | 2018 Authorizations |                           |                                | Paid or<br>Charged   | Balance,<br>December 31, 2018 |              |  |
|----------------------|---|------------------------|-----------------------------|------------|---------------------------------|---------------------|---------------------------|--------------------------------|----------------------|-------------------------------|--------------|--|
|                      |   |                        | Funded                      | Unfunded   |                                 | Open<br>Space       | Bergen<br>County<br>Grant | Capital<br>Improvement<br>Fund |                      | Funded                        | Unfunded     |  |
| General Improvements |   |                        |                             |            |                                 |                     |                           |                                |                      |                               |              |  |
| 08-16-1358           | Various Public Improvements                         | \$ 713,000             | \$ 60,766                   |            |                                 |                     |                           |                                | \$ 60,766            |                               |              |  |
| 12-07                | Various Public Improvements                         | 973,000                | 56,908                      |            |                                 |                     |                           |                                | 2,361                | \$ 54,547                     |              |  |
| 13-04-1447           | Various Public Improvements & Acq. Of Equipment     | 535,000                |                             | \$ 15      |                                 |                     |                           |                                |                      |                               | 15           |  |
| 13-06-1449           | Various Public Improvements                         | 230,000                |                             | 16,220     |                                 |                     |                           |                                | 1,215                | 15,005                        |              |  |
| 14-02-1459           | Various Public Improvements - Third St & Cook Field | 285,000                |                             | 4,400      |                                 |                     |                           |                                | 699                  | 3,701                         |              |  |
| 14-06-1463           | Various Public Improvements                         | 485,000                |                             | 53,545     |                                 |                     |                           |                                | 2,657                | 50,888                        |              |  |
| 15-04-1472           | Acquisition of Police Equipment                     | 230,000                |                             | 59,076     |                                 |                     |                           |                                | 678                  | 58,398                        |              |  |
| 15-06-1474           | 2015 Road Improvement Program                       | 1,200,000              |                             | 185,555    |                                 |                     |                           |                                | 17,528               | 168,027                       |              |  |
| 15-09-1477           | Acquisition of Real Property - Open Space           | 500,000                |                             | 1,185      |                                 |                     |                           |                                |                      | 1,185                         |              |  |
| 15-11-1497           | Acquisition of Various Equipment & Vehicles         | 180,000                |                             | 76,472     |                                 |                     |                           |                                | 986                  | 75,486                        |              |  |
| 16-07-1486           | Improvement Third Street Recreation Complex         | 750,000                |                             | 9,172      |                                 |                     |                           |                                | 8,381                | 791                           |              |  |
| 16-08-1487           | Various Improvements & Equipment                    | 1,510,000              |                             | 132,089    |                                 |                     |                           |                                | 10,830               | 121,259                       |              |  |
| 16-12-1491           | Acquisition of Real Property                        | 1,200,000              |                             | 46,207     |                                 |                     |                           |                                |                      | 46,207                        |              |  |
| 17-03-1497           | Acquisition of Real Property                        | 1,030,000              |                             | 19,083     |                                 |                     |                           |                                | 6,117                | 12,966                        |              |  |
| 17-04-1498           | Various Equipment - Police Department               | 190,000                |                             | 9,803      |                                 |                     |                           |                                | 3,106                | 6,697                         |              |  |
| 17-05-1500           | Various Improvements & Equipment                    | 1,000,000              |                             | 187,024    |                                 |                     |                           |                                | 45,712               | 141,312                       |              |  |
| 18-05-1517           | Various Improvements & Equipment                    | 1,270,000              |                             |            | \$ 1,121,000                    | \$ 90,000           |                           | \$ 59,000                      | 948,572              |                               | \$ 321,428   |  |
| 18-18-1530           | Various Improvements Margie Ave Athletic Field      | 1,500,000              |                             |            | 807,500                         | 600,000             | \$ 50,000                 | 42,500                         | 101,671              | 590,829                       | 807,500      |  |
| 18-20-1532           | Improvement Parking Facility Allen Street           | 1,380,000              | -                           | -          | 1,311,000                       | -                   | -                         | 69,000                         | 6,972                | 62,028                        | 1,311,000    |  |
|                      |   |                        | \$ 117,674                  | \$ 799,846 | \$ 3,239,500                    | \$ 690,000          | \$ 50,000                 | \$ 170,500                     | \$ 1,218,251         | \$ 1,409,341                  | \$ 2,439,928 |  |
|                      |   |                        |                             |            |                                 |                     |                           |                                | Cash Disbursed       | \$ 998,008                    |              |  |
|                      |   |                        |                             |            |                                 |                     |                           |                                | Encumbrances Payable | 220,243                       |              |  |
|                      |   |                        |                             |            |                                 |                     |                           |                                |                      | \$ 1,218,251                  |              |  |



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

| <u>Ordinance</u> | <u>Purpose</u>  | <u>Original<br/>Issue</u> | <u>Date of<br/>Original<br/>Issue</u> | <u>Date<br/>Issue</u> | <u>Date of<br/>Maturity</u> | <u>Interest<br/>Rate</u> |    | <u>Balance,<br/>January 1,<br/>2018</u> | <u>Increased</u> | <u>Decreased</u>               | <u>Balance,<br/>December 31,<br/>2018</u> |
|------------------|---|---------------------------|---------------------------------------|-----------------------|-----------------------------|--------------------------|----|---|------------------|--------------------------------|---|
| 13-04-1447       | Various Public Improvements                             | \$ 508,250                | 3/7/2014                              | 3/3/2017              | 3/2/2018                    | 1.09 %                   | \$ | 365,850                                 |                  | \$ 365,850                     |   |
| 13-06-1449       | Various Public Improvements                             | 218,500                   | 3/7/2014                              | 3/3/2017              | 3/2/2018                    | 1.09                     |    | 210,900                                 |                  | 210,900                        |   |
| 14-02-1459       | Road Improvements/Park Lot Third St.                    | 120,750                   | 3/6/2015                              | 3/3/2017              | 3/2/2018                    | 1.09                     |    | 120,750                                 |                  | 120,750                        |   |
| 14-06-1463       | Various Public Improvements                             | 460,750                   | 3/6/2015                              | 3/3/2017              | 3/2/2018                    | 1.09                     |    | 460,750                                 |                  | 460,750                        |   |
| 14-08-1465       | Improvements of Brookside Ave                           | 486,750                   | 3/6/2015                              | 3/3/2017              | 3/2/2018                    | 1.09                     |    | 486,750                                 |                  | 486,750                        |   |
| 15-04-1472       | Various Equipment - Police Department                   | 218,500                   | 3/4/2016                              | 3/3/2017              | 3/2/2018                    | 1.09                     |    | 218,500                                 |                  | 218,500                        |   |
| 15-06-1474       | 2015 Road Improvement Program                           | 1,140,000                 | 3/4/2016                              | 3/3/2017              | 3/2/2018                    | 1.09                     |    | 1,140,000                               |                  | 1,140,000                      |   |
| 15-11-1497       | Acq. Of Equipment & Vehicles                            | 171,000                   | 3/4/2016                              | 3/3/2017              | 3/2/2018                    | 1.09                     |    | 171,000                                 |                  | 171,000                        |   |
| 16-07-1486       | Various Improvements Third Street<br>Recreation Complex | 712,500                   | 12/14/2016                            | 3/3/2017              | 3/2/2018                    | 1.09                     |    | 712,500                                 |                  | 712,500                        |   |
| 16-08-1487       | Various Improvements & Equipment                        | 1,434,500                 | 12/14/2016                            | 3/3/2017              | 3/2/2018                    | 1.09                     |    | 1,434,500                               |                  | 1,434,500                      |   |
| 16-12-1491       | Acquisition of Real Property                            | 1,140,000                 | 12/14/2016                            | 3/3/2017              | 3/2/2018                    | 1.09                     |    | 1,140,000                               |                  | 1,140,000                      |   |
| 17-03-1497       | Acquisition of Real Property                            | 980,000                   | 10/20/2017                            | 3/3/2017              | 3/2/2018                    | 2.00                     |    | 980,000                                 |                  | 980,000                        |   |
| 17-04-1498       | Various Equipment - Police Department                   | 180,500                   | 10/20/2017                            | 3/3/2017              | 3/2/2018                    | 2.00                     |    | 180,500                                 |                  | 180,500                        |   |
| 17-06-1500       | Various Improvement & Acq. Of Equipme                   | 950,000                   | 10/20/2017                            | 3/3/2017              | 3/2/2018                    | 2.00                     |    | 950,000                                 | -                | 950,000                        | -   |
|                  |   |                           |                                       |                       |                             |                          |    | <u>\$ 8,572,000</u>                     | <u>\$ -</u>      | <u>\$ 8,572,000</u>            | <u>\$ -</u>                               |
|                  |   |                           |                                       |                       |                             |                          |    |   |                  | Proceeds from Bond Sale        | \$ 7,000,000                              |
|                  |   |                           |                                       |                       |                             |                          |    |   |                  | Proceeds from Sale of Property | 1,140,000                                 |
|                  |   |                           |                                       |                       |                             |                          |    |   |                  | Cash Receipts                  | 267,500                                   |
|                  |   |                           |                                       |                       |                             |                          |    |   |                  | Budget Appropriation           | 127,250                                   |
|                  |   |                           |                                       |                       |                             |                          |    |   |                  | Excess Note Proceeds           | 37,250                                    |
|                  |   |                           |                                       |                       |                             |                          |    |   |                  |                                | <u>\$ 8,572,000</u>                       |

**BOROUGH OF CRESSKILL  
STATEMENT OF SERIAL BONDS**

| <u>Purpose</u>                    | <u>Date of<br/>Issue</u> | <u>Original<br/>Issue</u> | <u>Maturities of Bonds<br/>Outstanding<br/>December 31, 2018</u> |                               | <u>Interest<br/>Rate</u>  | <u>Balance,<br/>January 1,<br/>2018</u> | <u>Increased</u>    | <u>Decreased</u>    | <u>Balance,<br/>December 31,<br/>2018</u> |
|-----------------------------------|--------------------------|---------------------------|--|-------------------------------|---------------------------|---|---------------------|---------------------|---|
|                                   |                          |                           | <u>Date</u>  | <u>Amount</u>                 |                           |   |                     |                     |   |
| General Improvement Bonds of 2008 | 4/1/2008                 | \$ 7,047,000              | 4/1/19-23<br>4/1/2024  | \$ 500,000<br>497,000         | 3%-4%                     | \$ 3,497,000                            |                     | \$ 500,000          | \$ 2,997,000                              |
| General Improvement Bonds of 2013 | 3/1/2013                 | 4,780,000                 | 3/1/19-2022<br>3/1/2023  | 500,000<br>510,000            | 1% - 2%                   | 3,010,000                               |                     | 500,000             | 2,510,000                                 |
| General Improvement Bonds of 2018 | 3/1/2018                 | 7,000,000                 | 3/1/19-2023<br>3/1/2024<br>3/1/25-2030                           | 375,000<br>625,000<br>750,000 | 2-2.25%<br>2.25%<br>3.00% | -                                       | \$ 7,000,000        | -                   | 7,000,000                                 |
|                                   |                          |                           |  |                               |                           | <u>\$ 6,507,000</u>                     | <u>\$ 7,000,000</u> | <u>\$ 1,000,000</u> | <u>\$ 12,507,000</u>                      |
| Paid by Budget Appropriation      |                          |                           |  |                               |                           |   |                     | <u>\$ 1,000,000</u> |   |

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

|                                      |               |
|--------------------------------------|---------------|
| Balance, January 1, 2018             | \$ 1,239      |
| Increased by:                        |               |
| Interest on Investments and Deposits | <u>16,856</u> |
|                                      | 18,095        |
| Decreased by:                        |               |
| Cash Disbursements                   | <u>17,133</u> |
| Balance, December 31, 2018           | <u>\$ 962</u> |

**STATEMENT OF RESERVE FOR DEFIBRILLATOR**

|                            |                 |
|----------------------------|-----------------|
| Balance, January 1, 2018   | \$ 7,499        |
| Decreased by:              |                 |
| Cash Disbursements         | <u>997</u>      |
| Balance, December 31, 2018 | <u>\$ 6,502</u> |

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

|  |                  |
|--|------------------|
| Balance, January 1, 2018                       | \$ 36,625        |
| Increased by:                                  |                  |
| Prior Year Grant Receipts on Funded Ordinances | <u>26,171</u>    |
|  | 62,796           |
| Decreased by:                                  |                  |
| Anticipated as Current Fund Revenue            | <u>36,625</u>    |
| Balance, December 31, 2018                     | <u>\$ 26,171</u> |

EXHIBIT C-15

**STATEMENT OF RESERVE FOR IMPROVEMENTS TO FIREHOUSE**

|                            |                   |
|----------------------------|-------------------|
| Balance, January 1, 2018   | \$ 200,000        |
| Increased by:              |                   |
| Cash Receipts - Donations  | <u>30,765</u>     |
| Balance, December 31, 2018 | <u>\$ 230,765</u> |

EXHIBIT C-16

**STATEMENT OF DUE FROM CRESSKILL BOARD OF EDUCATION - LEASE**

|                            |                     |
|----------------------------|---------------------|
| Balance, January 1, 2018   | <u>\$ 1,030,000</u> |
| Balance, December 31, 2018 | <u>\$ 1,030,000</u> |

**BOROUGH OF CRESSKILL**  
**STATEMENT OF BONDS AND NOTES AUTHORIZED BUT NOT ISSUED**

| <u>Ordinance<br/>Number</u> | <u>Purpose</u>                                 | Balance,<br>January 1,<br><u>2018</u> | 2018<br><u>Authorizations</u> | Grant<br><u>Receipts</u> | Balance,<br>December 31,<br><u>2018</u> |
|-----------------------------|--|---------------------------------------|-------------------------------|--------------------------|---|
| <b>General Improvements</b> |  |                                       |                               |                          |   |
| 15-09-1477                  | Acquisition of Real Property - Open Space      | \$ 300,000                            |                               | \$ 300,000               |   |
| 18-05-1517                  | Various Improvements & Equipment               |                                       | \$ 1,121,000                  |                          | \$ 1,121,000                            |
| 18-18-1530                  | Various Improvements Margie Ave Athletic Field |                                       | 807,500                       |                          | 807,500                                 |
| 18-20-1532                  | Improvement Parking Facility Allen Street      | <u>-</u>                              | <u>1,311,000</u>              | <u>-</u>                 | <u>1,311,000</u>                        |
|                             |  | <u>\$ 300,000</u>                     | <u>\$ 3,239,500</u>           | <u>\$ 300,000</u>        | <u>\$ 3,239,500</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, 2017              | \$ 165,473        | \$ 17,230        |
| Increased by Receipts:                |                   |                  |
| Membership Fees                       | \$ 269,360        |                  |
| Snack Bar Revenues                    | 16,747            |                  |
| Interest on Investments and Deposits  | 1,005             | \$ 106           |
| Receipts from Swim Pool Capital       | 9                 |                  |
| Snack Bar Security Deposit            | 500               |                  |
| Budget Appropriation                  |                   | 16,000           |
| Reserve for Swim and Dive Team        | <u>4,000</u>      | <u>-</u>         |
|                                       | <u>291,621</u>    | <u>16,106</u>    |
|                                       | 457,094           | 33,336           |
| Decreased by Disbursements:           |                   |                  |
| 2018 Budget Appropriations            | 292,030           |                  |
| 2017 Appropriation Reserves           | 24,250            |                  |
| Snack Bar Security Disbursements      | 250               |                  |
| Disbursements to Municipal Open Space |                   | 16,000           |
| Disbursements to Swim Pool Operating  |                   | 9                |
| Reserve for Swim and Dive Team        | <u>1,192</u>      | <u>-</u>         |
|                                       | <u>317,722</u>    | <u>16,009</u>    |
| Balance, December 31, 2017            | <u>\$ 139,372</u> | <u>\$ 17,327</u> |

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

|  |   |
|--|---|
|  | Balance,<br>December 31,<br><u>2018</u> |
| Fund Balance                                 | \$ 3,662                                |
| Due to Swim Pool Utility Operating Fund      | 106                                     |
| Capital Improvement Fund                     | 8,800                                   |
| Ordinance                                    |   |
| <u>Number</u> <u>Improvement Description</u> |   |
| 15-01      Renovation to Swim Pool           | <u>4,759</u>                            |
|  | <u>\$ 17,327</u>                        |

EXHIBIT D-7

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

|                            |                   |
|----------------------------|-------------------|
| Balance, January 1, 2018   | <u>\$ 781,973</u> |
| Balance, December 31, 2018 | <u>\$ 781,973</u> |



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

|                            |               |
|----------------------------|---------------|
| Balance, January 31, 2018  | \$ 9          |
| Increased by:              |               |
| Interest                   | <u>106</u>    |
|                            | 115           |
| Decreased by:              |               |
| Cash Disbursements         | <u>9</u>      |
| Balance, December 31, 2018 | <u>\$ 106</u> |

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

|                            |                  |
|----------------------------|------------------|
| Balance, January 1, 2018   | \$ 44,000        |
| Decreased by:              |                  |
| Cash Disbursements         | <u>16,000</u>    |
| Balance, December 31, 2018 | <u>\$ 28,000</u> |

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

| <u>Ord.<br/>No.</u> | <u>Improvement Description</u>    | <u>Ordinance<br/>Amount</u> | <u>Balance,<br/>January 1,<br/>2018</u> | <u>Balance,<br/>December 31,<br/>2018</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>                         |

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

| <u>Ord.<br/>No.</u> | <u>Improvement Description</u>    | <u>Ordinance<br/>Amount<br/>Appropriated</u> | <u>Balance,<br/>January 1, 2018<br/>Unfunded</u> | <u>Balance,<br/>December 31, 2018<br/>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>\$ 67,818</u>                                 | <u>\$ 67,818</u>                                   |

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

|                            |                          |
|----------------------------|--------------------------|
| Balance, January 1, 2018   | \$ 813,973               |
| Increased by:              |                          |
| 2018 Budget Appropriation  | <u>16,000</u>            |
| Balance, December 31, 2018 | <u><u>\$ 829,973</u></u> |

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

|                            |                        |
|----------------------------|------------------------|
| Balance, January 1, 2018   | <u>\$ 8,800</u>        |
| Balance, December 31, 2018 | <u><u>\$ 8,800</u></u> |

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

| <u>Ord.</u><br><u>No.</u> | <u>Purpose</u>          | Balance,<br>December 31,<br><u>2017</u> | Balance,<br>December 31,<br><u>2018</u> |
|---------------------------|-------------------------|---|---|
| 15-01                     | Renovation to Swim Pool | <u>\$ 4,000</u>                         | <u>\$ 4,000</u>                         |
|                           |                         | <u><u>\$ 4,000</u></u>                  | <u><u>\$ 4,000</u></u>                  |

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

| Ord.<br><u>No.</u> | <u>Purpose</u>                    | Balance,<br>January 1,<br><u>2018</u> | Funded by<br>Budget<br><u>Appropriation</u> | Balance,<br>December 31,<br><u>2018</u> |
|--------------------|-----------------------------------|---------------------------------------|---|---|
| 91-05              | Renovation of Municipal Swim Pool | \$ 63,059                             |   | \$ 63,059                               |
| 15-01              | Renovation to Swim Pool           | <u>44,000</u>                         | <u>\$ 16,000</u>                            | <u>28,000</u>                           |
|                    |                                   | <u>\$ 107,059</u>                     | <u>\$ 16,000</u>                            | <u>\$ 91,059</u>                        |

**BOROUGH OF CRESSKILL  
STATEMENT OF 2017 APPROPRIATION RESERVES  
SWIMMING POOL UTILITY OPERATING FUND**

|   | Balance,<br>January 1,<br><u>2018</u> | Balance<br>After<br><u>Modification</u> | Paid or<br><u>Charged</u> | Balance<br><u>Lapsed</u> |
|---|---------------------------------------|---|---------------------------|--------------------------|
| Operating   |                                       |   |                           |                          |
| Salaries and Wages                                | \$ 36                                 | \$ 36                                   |                           | \$ 36                    |
| Other Expenses                                    | 16,259                                | 41,039                                  | \$ 24,250                 | 16,789                   |
| Statutory Expenditures                            |                                       |   |                           |                          |
| Contribution to Social Security System (O.A.S.I.) | <u>41</u>                             | <u>41</u>                               | <u>-</u>                  | <u>41</u>                |
|   | <u>\$ 16,336</u>                      | <u>\$ 41,116</u>                        | <u>\$ 24,250</u>          | <u>\$ 16,866</u>         |
| Appropriation Reserves                            |                                       | \$ 16,336                               |                           |                          |
| Encumbrances Restored                             |                                       | <u>24,780</u>                           |                           |                          |
|   |                                       | <u>\$ 41,116</u>                        |                           |                          |
| Cash Disbursements                                |                                       |   | <u>\$ 24,250</u>          |                          |

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

|                            |                 |
|----------------------------|-----------------|
| Balance, January 1, 2018   | \$ 6,258        |
| Increased by:              |                 |
| Cash Receipts              | <u>4,000</u>    |
|                            | 10,258          |
| Decreased by:              |                 |
| Cash Disbursements         | <u>1,192</u>    |
| Balance, December 31, 2018 | <u>\$ 9,066</u> |

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

|                            |               |
|----------------------------|---------------|
| Increased by:              |               |
| Cash Receipts              | \$ 500        |
| Decreased by:              |               |
| Cash Disbursements         | <u>250</u>    |
| Balance, December 31, 2018 | <u>\$ 250</u> |

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

|                                       |                  |
|---------------------------------------|------------------|
| Balance, January 1, 2018              | \$ 24,780        |
| Increased by:                         |                  |
| Charges to 2018 Budget Appropriations | <u>28,024</u>    |
|                                       | 52,804           |
| Decreased by:                         |                  |
| Transfer to Appropriation Reserves    | <u>24,780</u>    |
| Balance, December 31, 2018            | <u>\$ 28,024</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  
DONNA L. JAPHET, CPA, PSA  
JULIUS B. CONSONI, CPA, PSA  
ANDREW D. PARENTE, CPA, RMA, PSA

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, PSA  
DEBORAH K. LERCH, CPA, PSA  
RALPH M. PICONE, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
SHERYL M. LEIDIG, CPA, PSA  
ROBERT LERCH, CPA  
CHRIS SOHN, 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, 2018, and the related notes to the financial statements, and have issued our report thereon dated May 21, 2019. 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 and was modified on the regulatory basis of accounting because of the omission of OPEB note disclosure.

### **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.

However, we 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  
May 21, 2019

**BOROUGH OF CRESSKILL**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR YEAR ENDED DECEMBER 31, 2018**

| <u>Federal Funding Department</u>     | <u>CFDA<br/>Number</u> | <u>Grant<br/>Year</u> | <u>Grant<br/>Award</u> | <u>Grant<br/>Receipts</u> | Balance,<br>January 1,<br><u>2018</u> | <u>Revenues</u> | <u>Expended</u> | <u>Cancelled</u> | Balance,<br>December 31,<br><u>2018</u> | Cumulative<br>Expenditures |
|---------------------------------------|------------------------|-----------------------|------------------------|---------------------------|---------------------------------------|-----------------|-----------------|------------------|---|----------------------------|
|                                       |                        |                       |                        |                           |                                       |                 |                 |                  |   | *                          |
| <b><u>Law &amp; Public Safety</u></b> |                        |                       |                        |                           |                                       |                 |                 |                  |   | *                          |
| Drunk Driving Enforcement             | 20.601                 | 2014                  | \$ 2,662               |                           | \$ 2,662                              |                 |                 |                  | \$ 2,662                                | *                          |
|                                       |                        | 2017                  | 8,288                  |                           | 2,266                                 |                 |                 |                  | 2,266                                   | *                          |
|                                       |                        |                       |                        |                           | -                                     | -               | -               | -                | -                                       | *                          |
|                                       |                        |                       |                        |                           |                                       |                 |                 |                  |   | *                          |
|                                       |                        |                       |                        |                           | <u>\$ 4,928</u>                       | <u>\$ -</u>     | <u>\$ -</u>     | <u>\$ -</u>      | <u>\$ 4,928</u>                         | *                          |

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

**BOROUGH OF CRESSKILL**  
**SCHEDULE OF EXPENDITURES OF STATE FINANCIAL ASSISTANCE**  
**FOR THE YEAR ENDED DECEMBER 31, 2018**

| <u>State Grant Program</u> | <u>Account Number</u> | <u>Grant Year</u> | <u>Grant Award Received</u> | <u>Grant Receipts</u> | <u>Balance, January 1, 2018</u> | <u>Revenue Realized</u> | <u>Expended</u> | <u>Adjustments</u> | <u>Balance, December 31, 2018</u> | <u>Cumulative Expenditures</u> |
|----------------------------|-----------------------|-------------------|-----------------------------|-----------------------|---------------------------------|-------------------------|-----------------|--------------------|-----------------------------------|--------------------------------|
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |
|                            |                       |                   |                             |                       |                                 |                         |                 |                    |                                   |                                |

**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, 2018**

**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         | -              | \$ 38,111        | \$ 38,111        |
| General Capital Fund | -              | -                | -                |
|                      | <u>\$ -</u>    | <u>\$ 38,111</u> | <u>\$ 38,111</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.

**NOTE 5 DE MINIMIS INDIRECT COST RATE**

The Borough has elected to use the 10 percent de minimis indirect cost rate allowed under the U.S. Uniform Guidance.

**BOROUGH OF CRESSKILL  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2018**

*Part I – Summary of Auditor's Results*

**Financial Statements**

|  |  |                            |
|--|--|----------------------------|
| Type of auditors' report issued on financial statements                                | <u>Modified, Presentation of Unaudited LOSAP Fund<br/>and Omission of OPEB Note Disclosure</u> |                            |
| Internal control over financial reporting:   |  |                            |
| 1) Material weakness(es) identified  | _____ yes  | <u>  X  </u> no            |
| 2) Significant deficiency(ies) that are not<br>considered to be material weakness(es)? | _____ yes  | <u>  X  </u> none reported |
| Noncompliance material to the financial<br>statements noted?                           | _____ yes  | <u>  X  </u> no            |

**Federal Awards Section**

NOT APPLICABLE

**State Awards Section**

NOT APPLICABLE

**BOROUGH OF CRESSKILL  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE YEAR ENDED DECEMBER 31, 2018**

*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, 2018**

*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, 2018**

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, 2018**

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

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

|   | <u>Year 2018</u>    |                 |    | <u>Year 2017</u>    |                 |
|---|---------------------|-----------------|----|---------------------|-----------------|
|   | <u>Amount</u>       | <u>Percent</u>  |    | <u>Amount</u>       | <u>Percent</u>  |
| <b>REVENUE AND OTHER INCOME REALIZED</b>              |                     |                 |    |                     |                 |
| Fund Balance Utilized                                 | \$ 1,950,000        | 3.52 %          | \$ | 1,850,000           | 3.45 %          |
| Miscellaneous - From Other Than Local                 |                     |                 |    |                     |                 |
| Property Tax Levies                                   | 2,561,256           | 4.62            |    | 2,487,152           | 4.64            |
| Collection of Delinquent Taxes<br>and Tax Title Liens | 723,861             | 1.31            |    | 696,670             | 1.30            |
| Collection of Current Tax Levy                        | 49,613,385          | 89.48           |    | 48,070,732          | 89.76           |
| Other Credits to Income                               | <u>607,938</u>      | <u>1.07</u>     |    | <u>457,617</u>      | <u>0.85</u>     |
| Total Income  | <u>55,456,440</u>   | <u>100.00 %</u> |    | <u>53,562,171</u>   | <u>100.00 %</u> |
| <b>EXPENDITURES</b>                                   |                     |                 |    |                     |                 |
| Budget Expenditures                                   |                     |                 |    |                     |                 |
| Municipal Purposes                                    | 18,619,523          | 34.85 %         |    | 17,946,913          | 34.80 %         |
| County and Open Space Taxes                           | 5,597,789           | 10.48           |    | 5,754,709           | 11.16           |
| Local School Taxes                                    | 29,200,584          | 54.65           |    | 27,850,539          | 54.00           |
| Other Expenditures                                    | <u>12,050</u>       | <u>0.02</u>     |    | <u>20,729</u>       | <u>0.04</u>     |
| Total Expenditures                                    | <u>53,429,946</u>   | <u>100.00 %</u> |    | <u>51,572,890</u>   | <u>100.00 %</u> |
| Excess in Revenue                                     | 2,026,494           |                 |    | 1,989,281           |                 |
| Fund Balance, January 1                               | <u>2,576,960</u>    |                 |    | <u>2,437,679</u>    |                 |
|   | 4,603,454           |                 |    | 4,426,960           |                 |
| Less Utilization as Anticipated Revenue               | <u>1,950,000</u>    |                 |    | <u>1,850,000</u>    |                 |
| Fund Balance, December 31                             | <u>\$ 2,653,454</u> |                 |    | <u>\$ 2,576,960</u> |                 |

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

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

|  | <u>Year 2018</u> |                 |    | <u>Year 2017</u>  |                 |
|--|------------------|-----------------|----|-------------------|-----------------|
|  | <u>Amount</u>    | <u>Percent</u>  |    | <u>Amount</u>     | <u>Percent</u>  |
| REVENUE AND OTHER INCOME REALIZED                  |                  |                 |    |                   |                 |
| Fund Balance Utilized                              | \$ 70,000        | 18.71 %         | \$ | 70,000            | 18.09 %         |
| Collection of Membership Fees                      | 269,360          | 72.01           |    | 279,605           | 72.25           |
| Miscellaneous - From Other Than<br>Membership Fees | <u>34,724</u>    | <u>9.28</u>     |    | <u>37,380</u>     | <u>9.66</u>     |
| Total Income                                       | <u>374,084</u>   | <u>100.00 %</u> |    | <u>386,985</u>    | <u>100.00 %</u> |
| EXPENDITURES                                       |                  |                 |    |                   |                 |
| Budget Expenditures                                |                  |                 |    |                   |                 |
| Operating  | 308,000          | 91.94 %         |    | 305,000           | 92.42 %         |
| Deferred Charges and Statutory Expenditures        | <u>27,000</u>    | <u>8.06</u>     |    | <u>25,000</u>     | <u>7.58</u>     |
| Total Expenditures                                 | <u>335,000</u>   | <u>100.00 %</u> |    | <u>330,000</u>    | <u>100.00 %</u> |
| Excess in Revenue                                  | 39,084           |                 |    | 56,985            |                 |
| Fund Balance, January 1                            | <u>118,108</u>   |                 |    | <u>131,123</u>    |                 |
|  | 157,192          |                 |    | 188,108           |                 |
| Less Utilization as Anticipated Revenue            | <u>70,000</u>    |                 |    | <u>70,000</u>     |                 |
| Fund Balance, December 31                          | <u>\$ 87,192</u> |                 |    | <u>\$ 118,108</u> |                 |

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

**Comparative Schedule Of Tax Rate Information**

|                                   | <u>2018</u>            | <u>2017</u>            | <u>2016</u>            |
|-----------------------------------|------------------------|------------------------|------------------------|
| <u>Tax Rate</u>                   | <u>\$2.399</u>         | <u>\$2.722</u>         | <u>\$2.641</u>         |
| <u>Apportionment of Tax Rate</u>  |                        |                        |                        |
| Municipal                         | .713                   | .808                   | .783                   |
| Municipal Open Space Preservation | .010                   | .010                   | .010                   |
| County (including Open Space Tax) | .255                   | .309                   | .295                   |
| Local School                      | 1.385                  | 1.554                  | 1.513                  |
| Library                           | .036                   | .041                   | .040                   |
| <u>Assessed Valuation</u>         |                        |                        |                        |
| 2018                              | <u>\$2,108,280,700</u> |                        |                        |
| 2017                              |                        | <u>\$1,792,318,500</u> |                        |
| 2016                              |                        |                        | <u>\$1,778,300,300</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<br/>of<br/>Collection</u> |
|-------------|-----------------|-------------------------|---|
| 2018        | \$ 50,678,677   | \$ 49,613,385           | 97.89%                                  |
| 2017        | 49,053,337      | 48,070,732              | 97.99%                                  |
| 2016        | 47,236,298      | 46,226,975              | 97.86%                                  |

**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<br/>Year</u> | <u>Amount of<br/>Delinquent<br/>Taxes</u> | <u>Tax Title<br/>Liens</u> | <u>Total<br/>Delinquent</u> | <u>Percentage<br/>of<br/>Tax Levy</u> |
|-----------------------------|---|----------------------------|-----------------------------|---------------------------------------|
| 2018                        | \$ 783,516                                | \$ 97,927                  | \$ 881,443                  | 1.74%                                 |
| 2017                        | 723,270                                   | 90,605                     | 813,875                     | 1.66%                                 |
| 2016                        | 696,420                                   | 83,239                     | 779,659                     | 1.65%                                 |

**Property Acquired By Tax Title Lien Liquidation**

No properties have been acquired in 2018 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> |
|-------------|---------------|
| 2018        | \$38,600      |
| 2017        | 38,600        |
| 2016        | 38,600        |

**Comparative Schedule Of Fund Balances**

|                                      | <u>Year</u> | <u>Balance,<br/>December 31</u> | <u>Utilized<br/>In Budget of<br/>Succeeding Year</u> |
|--------------------------------------|-------------|---------------------------------|--|
| Current Fund                         | 2018        | \$2,653,454                     | \$2,100,000  |
|                                      | 2017        | 2,576,960                       | 1,950,000  |
|                                      | 2016        | 2,437,679                       | 1,850,000  |
| Swimming Pool Utility Operating Fund | 2018        | \$87,192                        | \$70,000   |
|                                      | 2017        | 118,108                         | 70,000   |
|                                      | 2016        | 131,123                         | 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>Amount of Bond</u> | <u>Corporate Surety</u>                            |
|----------------------|------------------------------|-----------------------|--|
| Benedict Romeo       | Mayor                        |                       |  |
| Simone Tsigounis     | Council Member               |                       |  |
| Gregory Mueller      | Council Member               |                       |  |
| Mark Spina           | Council Member               |                       |  |
| James Cleary         | Council Member               |                       |  |
| Hector Olmo          | Council Member               |                       |  |
| Kathleen Savas       | Council Member               |                       |  |
| Francesca Maragliano | Borough Clerk                |                       |  |
| Harold Laufeld, III  | Chief Financial Officer      | \$1,000,000           | Municipal Excess Liability<br>Joint Insurance Fund |
| Allen M. Bell        | Magistrate                   |                       |  |
| Craig Ferdinand      | Court Administrator          |                       |  |
| Robert Rusch         | Construction Code Official   |                       |  |
| James Hoffman        | Electrical Sub-Code Official |                       |  |
| Michael Sestanovich  | Plumbing Sub-Code Official   |                       |  |
| Paul Renaud          | Fire 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**

Our audit of the Police Department revealed that the department offers compensatory time in lieu of overtime to police personnel to perform certain police functions. This compensatory time may be used for time off at a future date. It was also noted that most police personnel have an accumulation of compensatory time. There is no reference to the accumulation of compensatory time in the police contract. It is recommended that the Borough's policy regarding the accumulation of compensatory time be memorialized in the Police Department's union contract or in a memorandum of understanding.

#### **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 \$40,000, 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:

#### **2018 Road Improvement**

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 3, 2018 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 November 29, 2018.

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> |
|-------------|------------------------|
| 2018        | 5                      |
| 2017        | 5                      |
| 2016        | 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.

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

**RECOMMENDATIONS**

It is recommended that:

- \* 1. The Borough's policy regarding the accumulation of compensatory time be memorialized in the Police Department's union contract or in a memorandum of understanding.

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