

**BOROUGH OF CRESSKILL**  
**BERGEN COUNTY, NEW JERSEY**  
**REPORT OF AUDIT**  
**YEAR ENDED DECEMBER 31, 2021**

# BOROUGH OF CRESSKILL

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

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**PART I**

**REPORT ON AUDIT OF FINANCIAL STATEMENTS**  
**AND SUPPLEMENTARY SCHEDULES**  
**YEAR ENDED DECEMBER 31, 2021**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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## **INDEPENDENT AUDITOR'S REPORT**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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, 2021 and 2020, 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, 2021, and the related notes to the financial statements.

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

In our opinion, except for the possible effects of the matters discussed in the Basis for Qualified Opinion on Regulatory Basis of Accounting section of our report, 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, 2021 and 2020, 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, 2021 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.

#### ***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 section of our report, 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, 2021 and 2020, or changes in financial position, or, where applicable, cash flows for the years then ended.

#### ***Basis for Opinions***

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Borough of Cresskill and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

As discussed in Note 18 of the financial statements, the financial statements – regulatory basis of the Length of Service Awards Program (LOSAP) Trust Fund have not been audited, and we were not required by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, to audit nor were we engaged to audit the LOSAP Trust Fund financial statements as part of our audit of the Borough’s financial statements as of and for the years ended December 31, 2021 and 2020. The LOSAP Trust Fund financial activities are included in the Borough’s Trust Funds, and represent 17 percent and 17 percent of the assets and liabilities of the Borough’s Trust Funds as of December 31, 2021 and 2020, respectively.

### ***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 and pervasive.

### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Cresskill’s ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor’s Responsibilities for the Audit of Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, Government Auditing Standards and audit requirements prescribed by the Division of Local Government Services, Department of Community Affairs, State of New Jersey, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Borough of Cresskill’s internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Borough of Cresskill’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Supplementary 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 and schedule of expenditures of state financial assistance are presented for purposes of additional analysis and are not a required part of the financial statements of the Borough of Cresskill. 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.

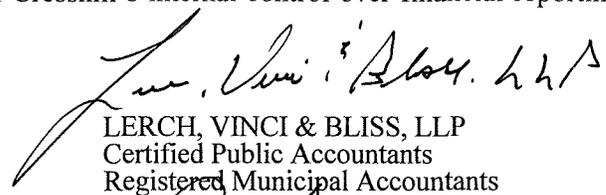
***Other Information***

Management is responsible for the other information included in the report of audit. The other information comprises the supplementary data and letter of comments and recommendation section but does not include the financial statements and our auditor’s report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

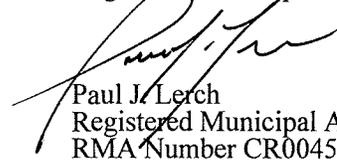
In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated August 22, 2022 on our consideration of the Borough of Cresskill’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Borough of Cresskill’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Borough of Cresskill’s internal control over financial reporting and compliance.



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



Paul J. Lerch  
 Registered Municipal Accountant  
 RMA Number CR00457

Fair Lawn, New Jersey  
 August 22, 2022

**BOROUGH OF CRESSKILL**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**CURRENT FUND**  
**AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>			
Cash	A-4	\$ 11,547,204	\$ 11,948,988
Change Fund	A-5	150	150
Grant Receivable	A-7	<u>19,565</u>	<u>18,003</u>
		<u>11,566,919</u>	<u>11,967,141</u>
Receivables and Other Assets With Full Reserves			
Delinquent Property Taxes	A-9	919,715	680,491
Tax Title Liens	A-10	120,148	112,695
Property Acquired for Taxes - Assessed Valuation	A-11	38,600	38,600
Revenue Accounts Receivable	A-12	7,049	2,986
Due from General Capital Fund	C-12	971	901
Due from Animal Control Trust Fund	B-11	8,002	1
Due from Assessment Trust Fund	B-8	131	1
Due from Unemployment Trust Fund	B-14	36	33
Due from Other Trust Fund	B-16	<u>35,180</u>	<u>207</u>
		<u>1,129,832</u>	<u>835,915</u>
Total Assets		<u>\$ 12,696,751</u>	<u>\$ 12,803,056</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Appropriation Reserves	A-3,A-13	\$ 985,709	\$ 1,076,669
Encumbrances Payable	A-14	234,370	294,446
Accounts Payable	A-15	9,516	22,375
Other Fees Payable	A-16	5,702	3,823
Miscellaneous Reserves	A-22	433,860	539,085
Appropriated Reserves	A-23	174,197	147,286
Unappropriated Reserves	A-26	453,634	-
Due to State of NJ - Senior & Veterans	A-8	8,729	7,979
Prepaid Taxes	A-17	453,725	366,194
Tax Overpayments	A-18	17,438	68,715
Local District School Taxes Payable	A-21	5,888,753	6,031,961
County Taxes Payable	A-20	4,594	14,490
Due to Open Space Trust Fund	B-24	182	
Unearned Revenue	A-27	4,408	3,698
Reserve for Tax Appeals Pending	A-24	<u>291,221</u>	<u>394,884</u>
		8,966,038	8,971,605
Reserve for Receivables and Other Assets	A	1,129,832	835,915
Fund Balance	A-1	<u>2,600,881</u>	<u>2,995,536</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 12,696,751</u>	<u>\$ 12,803,056</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, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>REVENUE AND OTHER INCOME REALIZED</b>			
Fund Balance Utilized	A-2	\$ 2,500,000	\$ 2,200,000
Miscellaneous Revenue Anticipated	A-2	2,172,212	2,239,854
Receipts from Delinquent Taxes	A-2	668,238	766,781
Receipts from Current Taxes	A-2	52,486,812	51,759,134
Non-Budget Revenue	A-2	315,943	328,362
Other Credits to Income			
Unexpended Balance of Appropriation Reserves	A-13	549,911	466,763
Prior Year Interfunds Returned	A	1,143	56,610
Cancellation of Accounts Payable	A-1	-	1,614
Cancellation of Tax Overpayments	A-18	20	5,894
		<u>58,694,279</u>	<u>57,825,012</u>
<b>EXPENDITURES</b>			
Budget Appropriations			
Operations			
Salaries and Wages	A-3	9,310,000	9,108,900
Other Expenses	A-3	7,008,622	6,688,868
Capital Improvements	A-3	150,000	173,000
Municipal Debt Service	A-3	1,723,736	1,770,739
Deferred Charges and Statutory Expenditures	A-3	2,264,869	1,951,409
County Taxes	A-19	5,517,524	5,580,499
Due County for Added Taxes	A-20	4,594	14,490
Municipal Open Space Tax	B-23	219,040	216,327
Local District School Taxes	A-21	30,343,995	29,827,768
Refund Prior Year Revenue	A-4	2,234	8,203
Current Year Interfunds Established	A	44,320	1,143
		<u>56,588,934</u>	<u>55,341,346</u>
Excess in Revenue		2,105,345	2,483,666
Fund Balance, January 1	A,A-1	<u>2,995,536</u>	<u>2,711,870</u>
		5,100,881	5,195,536
Decreased by:			
Utilization as Anticipated Revenue	A-2	<u>2,500,000</u>	<u>2,200,000</u>
Fund Balance, December 31	A	<u>\$ 2,600,881</u>	<u>\$ 2,995,536</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, 2021**

	<u>Reference</u>	<u>Budget</u>	<u>Added by:</u> <u>N.J.S.40A:4-87</u>	<u>Realized</u>	<u>Excess or</u> <u>(Deficit)</u>
FUND BALANCE ANTICIPATED	A-1	\$ 2,500,000	-	\$ 2,500,000	-
MISCELLANEOUS REVENUES					
Licenses					
Alcoholic Beverages	A-12	8,900		9,036	\$ 136
Other	A-2	12,000		15,576	3,576
Fees and Permits					
Other	A-2	140,000		170,865	30,865
Fines and Costs - Municipal Court	A-12	11,000		10,202	(798)
Interest and Costs on Taxes	A-12	100,000		107,766	7,766
Interest on Investments and Deposits	A-2	100,000		62,937	(37,063)
Energy Receipts Tax	A-12	818,122		818,122	-
Uniform Construction Code Fees	A-12	300,000		371,823	71,823
Recycling Tonnage Grant	A-7	14,923		14,923	-
Municipal Alliance on Alcoholism and Drug Abuse	A-7	3,126		3,126	-
Body Armor Grant	A-7	1,850		1,850	-
Clean Communities Program	A-7	-	\$ 18,124	18,124	-
Uniform Fire Safety Act	A-12	10,000		8,260	(1,740)
Reserve for Payment of Bonds	A-12,C-14	37,600		37,600	-
Capital Fund Balance	A-12,C-1	90,000		90,000	-
Assessment Trust Fund Balance	A-12,B-3	3,225		3,225	-
Payment In Lieu of Taxes-Cresskill Residential	A-12	120,716		120,716	-
Payment In Lieu of Taxes-6 Madison Ave	A-12	42,140		42,140	-
Ambulance Billing - Third Party	A-12	235,000	-	265,921	30,921
Total Miscellaneous Revenues	A-1	<u>2,048,602</u>	<u>18,124</u>	<u>2,172,212</u>	<u>105,486</u>
RECEIPTS FROM DELINQUENT TAXES	A-1,A-9	<u>600,000</u>	<u>-</u>	<u>668,238</u>	<u>68,238</u>
AMOUNT TO BE RAISED BY TAXES FOR SUPPORT OF MUNICIPAL BUDGET					
Minimum Library Tax		759,801		759,801	-
Local Tax for Municipal Purposes Including Reserve for Uncollected Taxes		<u>16,184,700</u>	<u>-</u>	<u>16,895,858</u>	<u>711,158</u>
	A-2	<u>16,944,501</u>	<u>-</u>	<u>17,655,659</u>	<u>711,158</u>
Budget Totals	A-3	<u>\$ 22,093,103</u>	<u>\$ 18,124</u>	22,996,109	<u>\$ 884,882</u>
Non-Budget Revenue	A-1,A-2			<u>315,943</u>	
				<u>\$ 23,312,052</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, 2021**  
**(Continued)**

	<u>Reference</u>	<u>Realized</u>
ANALYSIS OF REALIZED REVENUES		
Revenue from Collections	A-1, A-9	\$ 52,486,812
Allocated School, County and Open Space Taxes	B-23,A-19,A-20,A-21	<u>36,485,153</u>
Balance for Support of Municipal Budget Appropriations		16,001,659
Add Appropriation "Reserve for Uncollected Taxes"	A-3	<u>1,654,000</u>
Amount for Support of Municipal Budget Appropriation	A-2	<u>\$ 17,655,659</u>
Licenses - Other		
Borough Clerk	A-12	\$ 4,320
Board of Health	A-12	<u>11,256</u>
	A-2	<u>\$ 15,576</u>
Fees and Permits		
Borough Clerk	A-12	\$ 35,203
Planning Board	A-12	3,470
Zoning Board	A-12	11,935
Tax Collector	A-12	96,565
Fire Prevention	A-12	20,632
Police Department	A-12	1,850
Board of Health	A-12	<u>1,210</u>
	A-2	<u>\$ 170,865</u>
Interest on Investments and Deposits		
Revenue Accounts Receivable	A-12	\$ 51,013
Due from Assessment Trust Fund	B-8	14
Due from Animal Control Trust Fund	B-11	23
Due from Other Trust Fund	B-16	2,623
Due from Unemployment Trust Fund	B-14	379
Due from General Capital Fund	C-12	<u>8,885</u>
	A-2	<u>\$ 62,937</u>

**BOROUGH OF CRESSKILL**  
**STATEMENT OF REVENUES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**(Continued)**

Analysis of Non-Budget Revenue		
Cell Tower Rent		\$ 163,835
Admin Fee - Outside Police Duty		61,548
Cable Franchise Fees		30,199
Interest on Cresskill Board of Education Lease		28,783
Insurance Refund		9,873
Snowplowing Reimbursements		3,300
Rental Agreement - Tallman House		10,000
Cat Licenses		1,246
Admin Fee - Senior and Veteran's Discount		820
Miscellaneous		<u>6,339</u>
	A-1,A-2	<u>\$ 315,943</u>
Non Budget Revenue	A-4	\$ 314,568
Due from Assessment Trust Fund	B-8	129
Due from Animal Control Trust Fund	B-11	<u>1,246</u>
Total Non Budget Revenue	A-1	<u>\$ 315,943</u>

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - WITHIN "CAPS"				
GENERAL GOVERNMENT				
General Administration				
Salaries and Wages	\$ 30,000	\$ 5,000	\$ 1	\$ 4,999
Mayor and Council				
Other Expenses	20,000	10,000	6,319	3,681
Municipal Clerk				
Salaries and Wages	250,000	255,000	248,598	6,402
Other Expenses	51,000	46,000	43,123	2,877
Financial Administration				
Salaries and Wages	336,000	336,000	308,340	27,660
Other Expenses	74,000	54,000	50,760	3,240
Audit Services				
Other Expenses	55,000	55,000	45,690	9,310
Computerized Data				
Salaries and Wages	10,000	10,000	10,000	-
Other Expenses	53,000	73,000	70,568	2,432
Revenue Administration				
Salaries and Wages	52,000	55,000	54,103	897
Other Expenses	10,400	10,400	8,576	1,824
Tax Assessment Administration				
Salaries and Wages	38,000	38,000	37,982	18
Other Expenses	78,000	68,000	63,059	4,941
Legal Services and Costs				
Other Expenses	230,000	305,000	299,481	5,519
Engineering Services and Costs				
Other Expenses	60,000	90,000	89,708	292
Historical Committee				
Other Expenses	3,000	3,000	-	3,000
LAND USE ADMINISTRATION				
Planning Board				
Salaries and Wages	16,000	16,000	14,969	1,031
Other Expenses	47,000	12,000	402	11,598
Zoning Board of Adjustment				
Salaries and Wages	5,500	5,500	4,578	922
Other Expenses	6,800	4,800	3,307	1,493
INSURANCE				
Unemployment Insurance	50,000	50,000	-	50,000
General Liability	254,100	239,100	233,428	5,672
Workman's Compensation	253,900	263,300	260,890	2,410
Employee Group Health	1,100,000	1,145,000	1,110,113	34,887
MUNICIPAL COURT FUNCTION				
Municipal Court				
Salaries and Wages	74,000	74,000	63,427	10,573
Other Expenses	7,100	7,100	6,214	886

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - WITHIN "CAPS" (Cont'd)				
PUBLIC SAFETY FUNCTIONS				
Police				
Salaries and Wages - Regular	\$ 4,440,000	\$ 4,365,000	\$ 4,073,313	\$ 291,687
Salaries and Wages - School Marshals	320,000	290,000	283,027	6,973
Salaries and Wages - Specials	10,000	10,000	2,502	7,498
Other Expenses	286,000	286,000	220,534	65,466
Emergency Management Services				
Other Expenses	20,000	10,000	6,975	3,025
Emergency Medical Service				
Salaries and Wages - Ambulance	365,000	365,000	357,867	7,133
Other Expenses - Contribution	66,250	56,250	51,498	4,752
Fire				
Fire Sub Code Salaries and Wages	710,000	715,000	709,585	5,415
Other Expenses	119,400	104,400	95,169	9,231
Fire Hydrant Service	140,000	140,000	135,801	4,199
Municipal Prosecutor				
Contractual	16,500	16,500	13,555	2,945
PUBLIC WORKS FUNCTIONS				
Streets and Roads Maintenance				
Salaries and Wages - Regular	2,115,000	2,115,000	2,028,463	86,537
Salaries and Wages - Snow Removal	80,000	95,000	94,154	846
Other Expenses	140,800	126,300	64,653	61,647
Other Public Works Functions				
Shade Tree Commission				
Other Expenses	7,200	7,200	1,309	5,891
Solid Waste Collection				
Salaries and Wages - Recycling	9,400	-	-	-
Other Expenses - Sanitation	401,000	405,000	403,594	1,406
Other Expenses-Recycling	322,400	302,400	295,991	6,409
Buildings and Grounds				
Salaries and Wages	44,000	38,000	37,236	764
Other Expenses	113,000	121,000	116,299	4,701
Vehicle Maintenance				
Other Expenses	100,000	108,000	104,905	3,095
HEALTH AND HUMAN SERVICES				
Public Health Services				
Salaries and Wages	47,000	47,000	44,946	2,054
Other Expenses	15,400	15,400	5,998	9,402
Environmental Commission				
(NJS 40:56-1 seq.)				
Other Expenses	5,000	5,000	842	4,158
Animal Control Services				
Other Expenses	2,000	2,000	2,000	-
Welfare/Administration of Public Service				
Salaries and Wages	15,000	15,000	14,566	434
Other Expenses	500	500	-	500

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - WITHIN "CAPS" (Continued)				
PARK AND RECREATION FUNCTIONS				
Recreation Services and Programs				
Salaries and Wages	\$ 180,000	\$ 190,000	\$ 187,753	\$ 2,247
Other Expenses	48,000	38,000	24,122	13,878
Senior Citizens				
Salaries and Wages	74,000	74,000	68,715	5,285
Other Expenses	40,200	40,200	26,738	13,462
Maintenance of Parks				
Other Expenses	35,000	35,000	20,303	14,697
OTHER COMMON OPERATING FUNCTIONS				
Celebration of Public Events				
Other Expenses	30,000	30,000	625	29,375
HEALTH AND HUMAN SERVICES FUNCTIONS				
Hepatitis "B" Inoculations -				
Other Expenses - PEOSHA	1,000	1,000	-	1,000
UNIFORM CONSTRUCTION CODE APPROPRIATIONS OFFSET BY DEDICATED REVENUES (N.J.A.C. 5:23-4-17)				
CODE ENFORCEMENT AND ADMINISTRATION				
Construction Code Official				
Salaries and Wages	145,000	135,000	129,404	5,596
Other Expenses	26,500	38,500	31,866	6,634
Sub-Code Officials				
Plumbing Inspector				
Salaries and Wages	19,000	19,000	17,520	1,480
Electrical Inspector				
Salaries and Wages	16,000	16,000	12,687	3,313
Fire Inspector				
Salaries and Wages	10,000	10,000	9,719	281
Other Expenses	4,600	4,600	1,195	3,405
UTILITY EXPENSES AND BULK PURCHASES				
Electricity	125,000	145,000	139,637	5,363
Street Lighting	110,000	110,000	93,984	16,016
Telephone	90,000	110,000	102,067	7,933
Natural Gas	44,000	44,000	39,537	4,463
Gasoline	90,000	90,000	82,527	7,473
Water	35,000	35,500	35,146	354
Sewer System - Other Expenses	45,000	50,000	48,862	1,138

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - WITHIN "CAPS" (Continued)				
LANDFILL/SOLID WASTE DISPOSAL				
COSTS				
Dumping Fees	\$ 282,000	\$ 289,000	\$ 287,867	\$ 1,133
Total Operations Within "CAPS"	<u>14,525,950</u>	<u>14,495,950</u>	<u>13,558,692</u>	<u>937,258</u>
Total Operations Including Contingent Within "CAPS"	<u>14,525,950</u>	<u>14,495,950</u>	<u>13,558,692</u>	<u>937,258</u>
Detail:				
Salaries and Wages	9,427,400	9,310,000	8,827,010	482,990
Other Expenses	<u>5,098,550</u>	<u>5,185,950</u>	<u>4,731,682</u>	<u>454,268</u>
DEFERRED CHARGES AND STATUTORY EXPENDITURES - MUNICIPAL WITHIN "CAPS"				
Deferred Charges -				
Deficit in Community Center	75,000	75,000	75,000	-
Anticipated Deficit in Swim Pool Operating Fund	66,167	66,167	66,167	-
Statutory Charges				
Contribution to:				
Defined Contribution Retirement Program	20,000	20,000	11,548	8,452
Social Security System (O.A.S.I.)	400,000	400,000	397,592	2,408
Police and Firemen Retirement System	1,162,374	1,192,374	1,191,431	943
Public Employees' Retirement System	<u>511,328</u>	<u>511,328</u>	<u>495,343</u>	<u>15,985</u>
Total Deferred Charges and Statutory Expenditures - Municipal Within "CAPS"	<u>2,234,869</u>	<u>2,264,869</u>	<u>2,237,081</u>	<u>27,788</u>
Total General Appropriations for Municipal Purposes - Within "CAPS"	<u>16,760,819</u>	<u>16,760,819</u>	<u>15,795,773</u>	<u>965,046</u>
OPERATIONS - EXCLUDED FROM "CAPS"				
EDUCATION FUNCTIONS				
Maintenance of Free Public Library	759,801	759,801	759,801	-
SEWERAGE PROCESSING AND DISPOSAL				
Bergen County Utilities Authority-Sewer Fees	707,066	707,066	707,066	-
OTHER COMMON OPERATING FUNCTIONS				
Tax Appeals	200,000	200,000	200,000	-
Recycling Tax				-

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)				
PUBLIC SAFETY FUNCTION				
Fire - LOSAP	\$ 10,000	\$ 10,000	-	\$ 10,000
Total Other Operations Excluded from "CAPS"	<u>1,676,867</u>	<u>1,676,867</u>	<u>\$ 1,666,867</u>	<u>10,000</u>
Interlocal Municipal Service Agreements				
Police Dispatch 911	5,000	5,000	4,287	713
Interlocal Recycling - Alpine	70,000	70,000	70,000	-
Interlocal Public Health Services - County of Bergen	<u>32,000</u>	<u>32,000</u>	<u>31,187</u>	<u>813</u>
Total Interlocal Municipal Service Agreements	<u>107,000</u>	<u>107,000</u>	<u>105,474</u>	<u>1,526</u>
PUBLIC AND PRIVATE PROGRAMS OFFSET BY REVENUES				
Municipal Drug Alliance Program				
State Share	3,126	3,126	1,954	1,172
Borough Share	782	782	-	782
State Recycling Grant	14,923	14,923	10,946	3,977
Body Armor Fund Grant	1,850	1,850	1,850	-
Clean Communities Grant	<u>-</u>	<u>18,124</u>	<u>14,918</u>	<u>3,206</u>
Total Public and Private Programs Offset By Revenues	<u>20,681</u>	<u>38,805</u>	<u>29,668</u>	<u>9,137</u>
Total Operations Excluded from "CAPS"	<u>1,804,548</u>	<u>1,822,672</u>	<u>1,802,009</u>	<u>20,663</u>
Detail:				
Other Expenses	<u>1,804,548</u>	<u>1,822,672</u>	<u>1,802,009</u>	<u>20,663</u>

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**CURRENT FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>	
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>
OPERATIONS - EXCLUDED FROM "CAPS" (Continued)				
CAPITAL IMPROVEMENTS - EXCLUDED FROM "CAPS"				
Capital Improvement Fund	\$ 150,000	\$ 150,000	\$ 150,000	-
Total Capital Improvements	<u>150,000</u>	<u>150,000</u>	<u>150,000</u>	<u>-</u>
MUNICIPAL DEBT SERVICE - EXCLUDED FROM "CAPS"				
Payment of Bond Principal	1,375,000	1,375,000	1,375,000	-
Interest on Bonds	265,236	265,236	265,236	-
Interest on Notes	<u>83,500</u>	<u>83,500</u>	<u>83,500</u>	<u>-</u>
Total Municipal Debt Service Excluded from "CAPS"	<u>1,723,736</u>	<u>1,723,736</u>	<u>1,723,736</u>	<u>-</u>
Total General Appropriations for Municipal Purposes Excluded from "CAPS"	<u>3,678,284</u>	<u>3,696,408</u>	<u>3,675,745</u>	<u>\$ 20,663</u>
Subtotal General Appropriations	<u>20,439,103</u>	<u>20,457,227</u>	<u>19,471,518</u>	<u>985,709</u>
Reserve for Uncollected Taxes	<u>1,654,000</u>	<u>1,654,000</u>	<u>1,654,000</u>	<u>-</u>
Total General Appropriations	<u>\$ 22,093,103</u>	<u>\$ 22,111,227</u>	<u>\$ 21,125,518</u>	<u>\$ 985,709</u>
	A-2	A-3	A-1	A,A-1

**BOROUGH OF CRESSKILL  
STATEMENT OF EXPENDITURES - REGULATORY BASIS  
CURRENT FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Reference</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>
Budget as Adopted	A-2	\$ 22,093,103	
Added by N.J.S. 40A:4-87	A-2	<u>18,124</u>	
		<u>\$ 22,111,227</u>	
Cash Disbursed	A-4		\$ 19,037,148
Reserve for Uncollected Taxes	A-2		1,654,000
Encumbrances Payable	A-14		234,370
Reserve for Tax Appeals	A-24		<u>200,000</u>
			<u>\$ 21,125,518</u>

**BOROUGH OF CRESSKILL  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
TRUST FUNDS  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>			
<b>ASSESSMENT TRUST FUND</b>			
Cash	B-4,B-5	\$ 3,357	\$ 3,227
Assessments Receivable	B-6	-	3,225
		<u>3,357</u>	<u>6,452</u>
<b>ANIMAL CONTROL TRUST FUND</b>			
Cash	B-4	4,229	2,127
		<u>4,229</u>	<u>2,127</u>
<b>OTHER TRUST FUND</b>			
Cash	B-4	3,282,327	2,981,463
Police Outside Services Receivable	B-15	72,904	87,113
		<u>3,355,231</u>	<u>3,068,576</u>
<b>UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND</b>			
Cash	B-4	104,451	92,886
<b>MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND</b>			
Cash	B-4	1,002,472	782,121
Due From Current Fund	B-24	182	-
		<u>1,002,654</u>	<u>782,121</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Investments	B	939,039	771,098
Contribution Receivable	B	-	10,204
		<u>939,039</u>	<u>781,302</u>
Total Assets		<u>\$ 5,408,961</u>	<u>\$ 4,733,464</u>

**BOROUGH OF CRESSKILL  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
TRUST FUNDS  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
<b>ASSESSMENT TRUST FUND</b>			
Reserve for			
Assessment and Liens	B-7	\$	3,225
Due to Current Fund	B-8	\$ 131	1
Fund Balance	B-3	<u>3,226</u>	<u>3,226</u>
		<u>3,357</u>	<u>6,452</u>
<b>ANIMAL CONTROL TRUST FUND</b>			
Due to Current Fund	B-11	8,002	1
Reserve (Deficit) for Animal Control Expenditures	B-9	<u>(3,773)</u>	<u>2,126</u>
		<u>4,229</u>	<u>2,127</u>
<b>OTHER TRUST FUND</b>			
Due to Current Fund	B-16	35,180	207
Reserve for			
Escrow Deposits	B-17	226,053	364,747
Street Opening Deposits	B-18	8,000	3,100
Affordable Housing Trust	B-19	2,701,179	2,260,722
Payroll Salaries and Withholdings	B-20	69,048	85,217
Miscellaneous Reserves and Deposits	B-21	216,715	241,048
Police Outside Services	B-22	<u>99,056</u>	<u>113,535</u>
		<u>3,355,231</u>	<u>3,068,576</u>
<b>UNEMPLOYMENT COMPENSATION INSURANCE TRUST FUND</b>			
Due to Current Fund	B-14	36	33
Due to State of New Jersey	B-13	47,696	
Reserve for Expenditures	B-12	<u>56,719</u>	<u>92,853</u>
		<u>104,451</u>	<u>92,886</u>
<b>MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND</b>			
Reserve for Expenditures	B-23	<u>1,002,654</u>	<u>782,121</u>
<b>LENGTH OF SERVICE AWARD PROGRAM TRUST FUND (UNAUDITED)</b>			
Reserve for LOSAP	B	<u>939,039</u>	<u>781,302</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 5,408,961</u>	<u>\$ 4,733,464</u>

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CRESSKILL  
STATEMENT OF REVENUES - REGULATORY BASIS  
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Reference</u>	Anticipated <u>Budget</u> (Memo)	Realized in <u>2021</u>	Excess or <u>(Deficit)</u>
Amount to be Raised by Taxation	B-23	\$ 218,858	\$ 219,040	\$ 182
	B-2	<u>\$ 218,858</u>	219,040	<u>182</u>
Non-Budget Revenue	B-23		<u>1,493</u>	
			<u>\$ 220,533</u>	

**STATEMENT OF APPROPRIATIONS - REGULATORY BASIS  
MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Reference</u>	Appropriated <u>Budget</u> (Memo)	Paid or <u>Charged</u>	Excess or <u>(Deficit)</u>
Reserve for Future Use		<u>\$ 218,858</u>	<u>\$ -</u>	<u>\$ 218,858</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, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	B	\$ 3,226	\$ 3,225
Increased by:			
Collections of Unpledged Assessment and Liens	B-7	<u>3,225</u>	<u>3,226</u>
		6,451	6,451
Decreased by:			
Payment to Current Fund as Anticipated Revenue	A-2	<u>3,225</u>	<u>3,225</u>
Balance, December 31	B	<u>\$ 3,226</u>	<u>\$ 3,226</u>

**BOROUGH OF CRESSKILL  
COMPARATIVE BALANCE SHEETS - REGULATORY BASIS  
GENERAL CAPITAL FUND  
AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>			
Cash	C-2,C-3	\$ 3,730,472	\$ 3,831,653
Grants Receivable	C-6	581,405	356,405
Due From Cresskill Board of Education	C-16	955,079	991,296
Deferred Charges to Future Taxation			
Funded	C-4	8,382,000	9,757,000
Unfunded	C-5	<u>11,261,750</u>	<u>8,350,000</u>
 Total Assets		 <u>\$ 24,910,706</u>	 <u>\$ 23,286,354</u>
 <b>LIABILITIES, RESERVES AND FUND BALANCE</b>			
Bond Anticipation Notes	C-10	\$ 9,889,000	\$ 8,350,000
Serial Bonds	C-11	8,382,000	9,757,000
Encumbrances Payable	C-8	2,002,947	391,291
Due to Current Fund	C-12	971	901
Reserve for DPW Building Improvements - Hurricane Ida	C-13	137,757	-
Reserve for Improvements to Firehouse	C-15	230,765	230,765
Reserve for Payment of Bonds	C-14	26,295	37,678
Reserve for Grants Receivable	C-6	531,405	306,405
Reserve for Cresskill Board of Education Receivable	C-16	955,079	991,296
Improvement Authorizations			
Funded	C-9	129,174	516,557
Unfunded	C-9	2,170,828	2,566,244
Capital Improvement Fund	C-7	41,615	44,865
Fund Balance	C-1	<u>412,870</u>	<u>93,352</u>
 Total Liabilities, Reserves and Fund Balance		 <u>\$ 24,910,706</u>	 <u>\$ 23,286,354</u>

There were bonds and notes authorized but not issued on December 31, 2021 and 2020 of \$1,372,750 and \$-0- 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, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
Balance, January 1	C	\$ 93,352	\$ 16,886
Increased by:			
Improvement Authorization Cancelled by Resolution	C-9	340,393	46,207
Premium on Notes Issued	C-2	<u>69,125</u>	<u>46,259</u>
		502,870	109,352
Decreased by:			
Anticipated as Current Fund Revenue	A-2, C-2,C-1	<u>90,000</u>	<u>16,000</u>
		<u>90,000</u>	<u>16,000</u>
Balance, December 31	C	<u>\$ 412,870</u>	<u>\$ 93,352</u>

**BOROUGH OF CRESSKILL**  
**COMPARATIVE BALANCE SHEETS - REGULATORY BASIS**  
**SWIMMING POOL UTILITY FUND**  
**AS OF DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b><u>OPERATING FUND</u></b>			
ASSETS			
Cash	D-5	\$ 92,315	\$ 933
Due from Swim Pool Utility Capital Fund	D-8	<u>-</u>	<u>5</u>
		<u>92,315</u>	<u>938</u>
Deferred Charges:			
Budget Appropriation - Overexpenditure	D-3, D-9	45,066	-
Operating Deficit	D-9	<u>-</u>	<u>66,167</u>
Total Assets		<u>\$ 137,381</u>	<u>\$ 67,105</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Appropriation Reserves	D-3,D-16	\$ 1,798	\$ 9,988
Encumbrances Payable	D-19	6,200	9,950
Due to - Swim Pool Utility Capital	D-8	9,963	-
Reserve for Swim and Dive Team	D-17	9,120	9,139
Fund Balance	D-1	<u>110,300</u>	<u>38,028</u>
Total Liabilities, Reserves and Fund Balance		<u>\$ 137,381</u>	<u>\$ 67,105</u>
<b><u>CAPITAL FUND</u></b>			
ASSETS			
Cash	D-5,D-6	\$ 7,258	\$ 17,226
Fixed Capital	D-7	781,973	781,973
Fixed Capital Authorized and Uncompleted	D-10	143,059	143,059
Due from Swim Pool Utility Operating Fund	D-8	<u>9,963</u>	<u>-</u>
Total Assets		<u>\$ 942,253</u>	<u>\$ 942,258</u>
LIABILITIES, RESERVES AND FUND BALANCE			
Improvement Authorizations	D-11	\$ 67,818	\$ 67,818
Reserve for Amortization	D-12	845,973	845,973
Reserve for Deferred Amortization	D-14	16,000	16,000
Due to Swim Pool Utility Operating Fund	D-8	-	5
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>\$ 942,253</u>	<u>\$ 942,258</u>

There were bonds and notes authorized but not issued on December 31, 2021 and 2020 of \$63,059.  
(Exhibit D-15).

The Accompanying Notes are an Integral Part of these Financial Statements

**BOROUGH OF CRESSKILL**  
**COMPARATIVE STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCE -**  
**REGULATORY BASIS**  
**SWIMMING POOL UTILITY OPERATING FUND**  
**FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</u>
<b>REVENUES AND OTHER INCOME</b>			
Fund Balance Utilized	D-1		\$ 43,000
Membership Fees	D-2	\$ 264,219	143,346
Miscellaneous	D-2	32,733	10,654
Non-Budget Revenue	D-2	410	583
Other Credits to Income			
Cancelled Reserve Balance	D-1		250
Unexpended Balance of Appropriation Reserves	D-16	9,910	-
		<u>307,272</u>	<u>197,833</u>
<b>EXPENDITURES</b>			
Operating	D-3	267,066	243,000
Deferred Charges and Statutory Expenditures	D-3	79,167	21,000
		<u>346,233</u>	<u>264,000</u>
Excess (Deficit) in Revenues		<u>(38,961)</u>	<u>(66,167)</u>
<b>Adjustment to Income Before Fund Balance</b>			
Realized from General Budget for Anticipated Deficit Expenditures which are Deferred Charges to Budget of Succeeding Year	D-2	66,167	
	D-9	45,066	-
		111,233	-
Operating Deficit to be Raised in Budget of Succeeding Year	D		<u>\$ 66,167</u>
Statutory Excess to Fund Balance		72,272	
Fund Balance, January 1	D	<u>38,028</u>	<u>81,028</u>
		110,300	81,028
Decreased by:			
Utilization by Swimming Pool Utility Operating Fund	D-1,D-2	-	43,000
Fund Balance, December 31	D	<u>\$ 110,300</u>	<u>\$ 38,028</u>

**BOROUGH OF CRESSKILL  
STATEMENT OF REVENUES - REGULATORY BASIS  
SWIMMING POOL UTILITY OPERATING FUND  
FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Reference</u>	Anticipated <u>Budget</u>	<u>Realized</u>	Excess or <u>(Deficit)</u>
Membership Fees	D-1,D-5	\$ 225,000	\$ 264,219	\$ 39,219
Miscellaneous	D-1,D-5	10,000	32,733	22,733
Deficit (General Budget)	D-2	<u>66,167</u>	<u>66,167</u>	<u>-</u>
	D-3	<u>\$ 301,167</u>	363,119	<u>\$ 61,952</u>
Non-Budget Revenue	D-1,D-2		<u>410</u>	
			<u>\$ 363,529</u>	

Analysis of Realized Revenues

	<u>Reference</u>	
Non-Budget Revenue		
Interest on Investments	D-2	\$ 391
Miscellaneous	D-2, D-5	<u>19</u>
		<u>\$ 410</u>
Interest and Investments:		
Swimming Pool Operating Fund	D-5	\$ 378
Swimming Pool Capital Fund	D-8	<u>32</u>
		<u>\$ 410</u>

**BOROUGH OF CRESSKILL**  
**STATEMENT OF EXPENDITURES - REGULATORY BASIS**  
**SWIMMING POOL UTILITY OPERATING FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**

	<u>Appropriated</u>		<u>Expended</u>		<u>Overexpenditures</u>
	<u>Budget</u>	<u>Budget After Modification</u>	<u>Paid or Charged</u>	<u>Reserved</u>	
OPERATING					
Salaries and Wages	\$ 128,000	\$ 128,000	\$ 134,125		\$ 6,125
Other Expenses	94,000	94,000	132,941		38,941
STATUTORY EXPENDITURES/ DEFERRED CHARGES					
Deferred Charges - Deficit	66,167	66,167	66,167		
Contribution to Social Security System (O.A.S.I.)	<u>13,000</u>	<u>13,000</u>	<u>11,202</u>	<u>\$ 1,798</u>	<u>-</u>
	<u>\$ 301,167</u>	<u>\$ 301,167</u>	<u>\$ 344,435</u>	<u>\$ 1,798</u>	<u>\$ 45,066</u>
	<u>Reference</u>	D-2	D-2	D	D
	<u>Reference</u>				
Cash Disbursed	D-5		\$ 272,068		
Deferred Charges - Deficit	D-9		66,167		
Encumbrances Payable	D-18		<u>6,200</u>		
			<u>\$ 344,435</u>		

**BOROUGH OF CRESSKILL  
COMPARATIVE STATEMENTS OF CHANGES IN FUND BALANCE -  
REGULATORY BASIS  
SWIMMING POOL UTILITY CAPITAL FUND  
FOR THE YEARS ENDED DECEMBER 31, 2021 AND 2020**

	<u>Reference</u>	<u>2021</u>	<u>2020</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, 2021 AND 2020**

	<u>2021</u>	<u>2020</u>
<b>ASSETS</b>		
Land	\$ 5,784,973	\$ 5,784,973
Buildings and Building Improvements	6,003,202	6,003,202
Machinery and Equipment	<u>7,876,191</u>	<u>7,621,798</u>
Total Assets	<u>\$ 19,664,366</u>	<u>\$ 19,409,973</u>
<b>FUND BALANCE</b>		
Investment in General Fixed Assets	<u>\$ 19,664,366</u>	<u>\$ 19,409,973</u>

**NOTES TO FINANCIAL STATEMENTS**

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

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

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

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

**B. Description of Regulatory Basis of Accounting**

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

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

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

**C. Basis of Presentation – Financial Statements**

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

The Borough has the following funds and account group:

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

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

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

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

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

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

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

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

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

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

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

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

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

**Financial Statements – Regulatory Basis**

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

**D. Measurement Focus and Basis of Accounting**

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

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

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

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

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

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

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

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

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

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

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

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

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

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

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

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

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

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

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

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

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

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

Land and Buildings	Assessed Value
Machinery and Equipment	Replacement Cost

No depreciation has been provided for in the financial statements.

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

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

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

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

**BOROUGH OF CRESSKILL  
 NOTES TO FINANCIAL STATEMENTS  
 YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

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

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

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

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

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

The governing body is required to introduce and approve the annual budget no later than February 10, of the fiscal year. The budget is required to be adopted no later than March 20, and prior to adoption must be certified by the Division of Local Government Services, Department of Community Affairs, State of New Jersey. The Director of the Division of Local Government Services, with the approval of the Local Finance Board may extend the introduction and approval and adoption dates of the municipal budget. The budget is prepared by fund, function, activity and line item (salary or other expense) and includes information on the previous year. The legal level of control for appropriations is exercised at the individual line item level for all operating budgets adopted. The governing body of the municipality may authorize emergency appropriations and the inclusion of certain special items of revenue to the budget after its adoption and determination of the tax rate. During the last two months of the fiscal year, the governing body may, by a 2/3 vote; amend the budget through line item transfers. Management has no authority to amend the budget without the approval of the governing body. Expenditures may not legally exceed budgeted appropriations at the line item level. During 2021 and 2020 the Borough Council increased the original budget by \$18,124 and \$20,292. (The increases were funded by additional aid allotted to the Borough. In addition, the governing body approved several budget transfers during 2021 and 2020.

**B. Excess Expenditures Over Appropriations**

The following is a summary of expenditures in excess of available appropriations. The overexpended appropriations resulted in unfavorable variances.

<u>2021</u>	<u>Modified Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>
Swim Pool Utility Operating Fund			
Salaries and Wages	\$128,000	\$134,125	\$6,125
Other Expenses	94,000	132,941	38,941
 <u>2021</u>			

There were none.

In accordance with the regulatory basis of accounting, the above variances or overexpenditures were recorded as deferred charges on the balance sheet of the respective fund at year end and are required to be funded in the succeeding year's budget. GAAP does not permit the deferral of overexpenditures at year end.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**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, 2021 and 2020, the book value of the Borough's deposits were \$19,774,235 and \$19,660,774 and bank and brokerage firm balances of the Borough's deposits amounted to \$19,984,570 and \$20,094,100, 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>2021</u>	<u>2020</u>
Insured	\$ 17,500,046	\$ 15,110,872
Uninsured and Collateralized	<u>2,484,524</u>	<u>4,983,228</u>
	<u>\$ 19,984,570</u>	<u>\$ 20,094,100</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, 2021 and 2020, the Borough's bank balances of \$2,484,524 and \$4,983,228 were exposed to custodial credit risk as follows:

<u>Depository Account</u>	<u>2021</u>	<u>2020</u>
Uninsured and Collateralized		
Collateral held by pledging financial institution's trust department not in the Borough's name	<u>\$ 2,484,524</u>	<u>\$ 4,983,228</u>

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**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, 2021 and 2020, the Borough had the following investments:

	<u>2021</u>	<u>Fair Value</u>	<u>2020</u>
Lincoln Financial Group (LOSAP) Investment Fund (Unaudited)	\$ 939,039		\$ 771,098

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, 2021 and 2020, \$939,039 and \$771,098 of the Borough’s investments was exposed to custodial credit risk as follows:

	<u>2021</u>	<u>Fair Value</u>	<u>2020</u>
Uninsured and Collateralized Collateral held by pledging financial institution's trust department but not in the Borough's name (LOSAP) (unaudited)	\$ 939,039		\$ 771,098

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

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

**B. Investments (Continued)**

Credit Risk – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. State law limits investments as noted above (N.J.S.A. 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, 2021 and 2020, the Borough’s investment in Lincoln National Corporation was rated Baa1 by Moody’s Investor Service and A- by Standard and Poors.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Borough’s investment in a single issuer. 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.

Fair Value of Investments. The Borough of Cresskill measures and records its investments using fair value measurement guidelines established by generally accepted accounting principles (GAAP). These guidelines recognize a three-tiered fair value hierarchy as follows:

- *Level 1:* Quoted prices for identical investments in active markets;
- *Level 2:* Observable inputs other than those in Level 1; and
- *Level 3:* Unobservable inputs.

Investments are valued based on price data obtained from observed transactions and market price quotations provided by Lincoln Financial Group. Since the value is not obtained from a quoted price in an active market the investments held by the Borough at December 31, 2021 and 2020 are categorized as Level 2.

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

**NOTE 4 TAXES RECEIVABLE**

Receivables at December 31, 2021 and 2020 consisted of the following:

	<u>2021</u>	<u>2020</u>
<u>Current</u>		
Property Taxes	\$ 919,715	\$ 680,491
Tax Title Liens	<u>120,148</u>	<u>112,695</u>
	<u>\$ 1,039,863</u>	<u>\$ 793,186</u>

In 2021 and 2020, the Borough collected \$668,238 and \$766,781 from delinquent taxes, which represented 99% and 99%, respectively of the prior year delinquent taxes receivable balance.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**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>2021</u>		<u>2020</u>	
	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>	Due from <u>Other Funds</u>	Due to <u>Other Funds</u>
Current Fund	\$ 44,320	\$ 182	\$ 1,143	
Trust Funds:				
Animal Control Fund		8,002	\$	1
Assessment Trust		131		1
Other Trust		35,180		207
Unemployment		36		33
Open Space Preservation Trust	182			
General Capital Fund		971		901
Swim Pool Utility Fund				
Operating Fund		9,963	5	
Capital Fund	9,963	-	-	5
	<u>9,963</u>	<u>-</u>	<u>-</u>	<u>5</u>
Total	<u>\$ 54,465</u>	<u>\$ 54,465</u>	<u>\$ 1,148</u>	<u>\$ 1,148</u>

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

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

**NOTE 6 DEFERRED CHARGES TO BE RAISED IN SUCCEEDING BUDGETS**

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

	Balance, <u>December 31,</u>	Subsequent Year Budget <u>Appropriation</u>	Balance to Succeeding <u>Budgets</u>
<u>2021</u>			
Swimming Pool Operating Fund			
Budget Appropriation - Overexpenditure	<u>\$ 45,066</u>	<u>\$ -</u>	<u>\$ 45,066</u>
<u>2020</u>			
Swimming Pool Operating Fund			
Operating Deficit	<u>\$ 66,167</u>	<u>\$ 66,167</u>	<u>\$ -</u>

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 7 DEFERRED SCHOOL TAXES**

Under the regulatory basis of accounting, regulations allow for the deferral to fund balance of not more than 50% of the annual school levy when school taxes are raised in advance for a school year and have not been requisitioned by the school district as of December 31. The balance of unpaid school taxes levied, amount deferred and the amount reported as a liability (payable) at December 31, 2021 and 2020 are as follows:

	<u>Local District School</u>	
	<u>2021</u>	<u>2020</u>
Balance of Tax	\$ 13,096,413	\$ 12,839,621
Deferred Liability	<u>7,207,660</u>	<u>6,807,660</u>
Taxes Payable	<u>\$ 5,888,753</u>	<u>\$ 6,031,961</u>

**NOTE 8 FUND BALANCES APPROPRIATED**

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

	<u>2021</u>		<u>2020</u>	
	Fund Balance December 31,	Utilized in Subsequent <u>Year's Budget</u>	Fund Balance December 31,	Utilized in Subsequent <u>Year's Budget</u>
Current Fund				
Cash Surplus	\$ 2,581,315	\$ 2,316,000	\$ 2,977,533	\$ 2,500,000
Non-Cash Surplus	<u>19,566</u>	<u>-</u>	<u>18,003</u>	<u>-</u>
	<u>\$ 2,600,881</u>	<u>\$ 2,316,000</u>	<u>\$ 2,995,536</u>	<u>\$ 2,500,000</u>
Swimming Pool Utility Operating Fund				
Cash Surplus	<u>\$ 110,300</u>	<u>\$ -</u>	<u>\$ 38,028</u>	<u>\$ -</u>

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 9 FIXED ASSETS**

**A. General Fixed Assets**

The following is a summary of changes in the general fixed assets account group for the years ended December 31, 2021 and 2020.

	Balance January 1, <u>2021</u>	<u>Additions</u>	<u>Decrease</u>	Balance, December 31, <u>2021</u>
<b><u>2021</u></b>				
Land	\$ 5,784,973			\$ 5,784,973
Buildings and Building Improvement	6,003,202			6,003,202
Machinery and Equipment	<u>7,621,798</u>	\$ 254,393	-	<u>7,876,191</u>
	<u>\$ 19,409,973</u>	<u>\$ 254,393</u>	<u>\$ -</u>	<u>\$ 19,664,366</u>

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

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

The following is a summary of changes in the swim pool utility fund fixed assets for the years ended December 31, 2021 and 2020.

	Balance January 1, <u>2021</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2021</u>
<b><u>2021</u></b>				
Fixed Capital				
System and System Improvements	<u>\$ 781,973</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 781,973</u>

	Balance January 1, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Balance, December 31, <u>2020</u>
<b><u>2020</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, 2021 AND 2020**

**NOTE 10 MUNICIPAL DEBT**

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

The Borough's debt is summarized as follows:

	<u>2021</u>	<u>2020</u>
Issued		
General		
Bonds and Notes	\$ 18,271,000	\$ 18,107,000
Less Funds Temporarily Held to Pay Bonds and Notes	<u>26,295</u>	<u>37,678</u>
Net Debt Issued	18,244,705	18,069,322
Authorized But Not Issued		
General		
Bonds and Notes	1,372,750	-
Swimming Pool Utility		
Bonds and Notes	<u>63,059</u>	<u>63,059</u>
Net Bonds and Notes Issued and Authorized But Not Issued	<u>\$ 19,680,514</u>	<u>\$ 18,132,381</u>

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 10 MUNICIPAL DEBT (Continued)**

**Statutory Net Debt**

The statement of debt condition that follows is extracted from the Borough's Annual Debt Statement and indicates a statutory net debt of .84% and .8% at December 31, 2021 and 2020, respectively.

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
<b><u>2021</u></b>			
General Debt	\$ 19,643,750	\$ 26,295	\$ 19,617,455
School Debt	21,706,000	21,706,000	
Utility Debt	<u>63,059</u>	<u>63,059</u>	<u>-</u>
Total	<u>\$ 41,412,809</u>	<u>\$ 21,795,354</u>	<u>\$ 19,617,455</u>

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

**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>2021</u>	<u>2020</u>
3-1/2% of Equalized Valuation Basis (Municipal)	\$ 81,099,859	\$ 81,099,859
Net Debt	<u>19,617,455</u>	<u>18,069,322</u>
Remaining Borrowing Power	<u>\$ 61,482,404</u>	<u>\$ 63,030,537</u>

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 10 MUNICIPAL DEBT (Continued)**

**A. Long-Term Debt**

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

**General Obligation Bonds**

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

	<u>2021</u>	<u>2020</u>
\$7,047,000, 2008 Bonds, due in annual installments of \$497,000 to \$500,000 through April, 2024, interest at 3.00% to 4.00%	\$ 1,497,000	\$ 1,997,000
\$4,780,000, 2013 Bonds, due in annual installments of \$500,000 to \$510,000 through March, 2023, interest at 1.00% to 2.00%	1,010,000	1,510,000
\$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>5,875,000</u>	<u>6,250,000</u>
	<u>\$ 8,382,000</u>	<u>\$ 9,757,000</u>

The Borough's principal and interest for long-term debt issued and outstanding as of December 31, 2021 is as follows:

Calendar Year	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 1,375,000	\$ 226,799	\$ 1,601,799
2023	1,385,000	188,261	1,573,261
2024	1,122,000	151,971	1,273,971
2025	750,000	123,750	873,750
2026	750,000	101,250	851,250
2027-2030	<u>3,000,000</u>	<u>180,000</u>	<u>3,180,000</u>
Total	<u>\$ 8,382,000</u>	<u>\$ 972,031</u>	<u>\$ 9,354,031</u>

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 10 MUNICIPAL DEBT (Continued)**

**Changes in Long-Term Municipal Debt**

The Borough's long-term capital debt activity for the years ended December 31, 2021 and 2020 were as follows:

	Balance, January 1, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<b><u>2021</u></b>					
General Capital Fund Bonds Payable	\$ 9,757,000	\$ -	\$ 1,375,000	\$ 8,382,000	\$ 1,375,000
General Capital Fund Long-Term Liabilities	<u>\$ 9,757,000</u>	<u>\$ -</u>	<u>\$ 1,375,000</u>	<u>\$ 8,382,000</u>	<u>\$ 1,375,000</u>
	Balance, January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<b><u>2020</u></b>					
General Capital Fund Bonds Payable	\$ 11,132,000	\$ -	\$ 1,375,000	\$ 9,757,000	\$ 1,375,000
General Capital Fund Long-Term Liabilities	<u>\$ 11,132,000</u>	<u>\$ -</u>	<u>\$ 1,375,000</u>	<u>\$ 9,757,000</u>	<u>\$ 1,375,000</u>

**B. Short-Term Debt**

The Borough's short-term debt activity for the years ended December 31, 2021 and 2020 was as follows:

**Bond Anticipation Notes**

<u>Purpose</u>	<u>Rate (%)</u>	<u>Maturity Date</u>	Balance, January 1, <u>2021</u>	<u>Renewed/ Issued</u>	<u>Retired/ Redeemed</u>	Balance, December 31, <u>2021</u>
<b><u>2021</u></b>						
<b><u>General Capital Fund Purpose</u></b>						
Various Improvements including Road	1.00 %	10/14/2022	\$ 8,350,000	\$ 9,889,000	8,350,000	\$ 9,889,000
Total Bond Anticipation Notes Payable			<u>\$ 8,350,000</u>	<u>\$ 9,889,000</u>	<u>\$ 8,350,000</u>	<u>\$ 9,889,000</u>

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 10 MUNICIPAL DEBT (Continued)**

**B. Short-Term Debt (Continued)**

**Bond Anticipation Notes (Continued)**

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

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

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

**NOTE 11 CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

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

<u>Capital Project</u>	<u>Construction Commitment</u>	<u>Estimated Date of Completion</u>
<b><u>2021</u></b>		
2021 Road Improvements	\$166,792	2022
Purchase of Equipment	656,627	2022
<b><u>2020</u></b>		
2020 Road Improvements	\$17,764	2021
2019 Road Improvements	112,339	2021

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 12 OTHER LONG-TERM LIABILITIES**

**A. Compensated Absences**

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

As of December 31, 2021 and 2020, the Borough has reserved in the Other Trust Fund \$0 to fund compensated absences in accordance with NJSA 40A:4-39.

**Changes in Other Long-Term Liabilities**

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

The Borough's changes in other long-term liabilities for the years ended December 31, 2021 and 2020 were as follows:

	Balance, January 1, <u>2021</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2021</u>	Due Within <u>One Year</u>
<b><u>2021</u></b>					
Net Pension Liability - PERS (1)	\$ 7,622,295			\$ 7,622,295	
Net Pension Liability - PFRS (1)	<u>13,444,143</u>	<u>-</u>	<u>-</u>	<u>13,444,143</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 21,066,438</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 21,066,438</u>	<u>\$ -</u>

(1) GASB Statement Numbers 68 Pension financial information was not provided by the State's Division of Pensions and Benefits as of the date of audit.

	Balance, January 1, <u>2020</u>	<u>Additions</u>	<u>Reductions</u>	Balance, December 31, <u>2020</u>	Due Within <u>One Year</u>
<b><u>2020</u></b>					
Net Pension Liability - PERS	\$ 8,290,086		\$ 667,791	\$ 7,622,295	
Net Pension Liability - PFRS	<u>13,131,559</u>	<u>\$ 312,584</u>	<u>-</u>	<u>13,444,143</u>	<u>-</u>
Total Other Long-Term Liabilities	<u>\$ 21,421,645</u>	<u>\$ 312,584</u>	<u>\$ 667,791</u>	<u>\$ 21,066,438</u>	<u>\$ -</u>

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS**

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

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

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

The following represents the membership tiers for PFRS:

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

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

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

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

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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.

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, 2021 AND 2020**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Investment Valuation**

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

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

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2021 was not available and for June 30, 2020 is \$16.4 billion and the plan fiduciary net position as a percentage of the total pension liability is 58.32% at June 30, 2020. The collective net pension liability of the participating employers for local PFRS at June 30, 2021 was not available and for June 30, 2020 is \$14.9 billion and the plan fiduciary net position as a percentage of total pension liability is 63.52% at June 30, 2020.

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

**Actuarial Methods and Assumptions**

In the July 1, 2019 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 2021 and 2020 based on 10.0% for PFRS, 7.50% for PERS and 5.50% for DCRP of employee's annual compensation.

For the years ended December 31, 2021 and 2020 for PFRS and PERS, which are cost sharing multi-employer defined benefit pension plans, employers' contributions are based on an actuarially determined amount, which includes the normal cost and unfunded accrued liability. In the DCRP, which is a defined contribution plan, member contributions are matched by a 3% employer contribution. All contributions made by the Borough for 2021, 2020 and 2019 were equal to the required contributions.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

**Employer and Employee Pension Contributions (Continued)**

During the years ended December 31, 2021, 2020 and 2019, the Borough, was required to contribute for normal cost pension contributions, accrued liability pension contributions and non-contributory life insurance premiums the following amounts which equaled the required contributions for each respective year:

<u>Year Ended</u> <u>December 31</u>	<u>PFRS</u>	<u>PERS</u>	<u>DCRP</u>
2021	\$ 1,191,431	\$ 495,343	\$ 11,548
2020	1,083,880	418,233	11,807
2019	1,053,580	423,310	15,382

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

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

The regulatory basis of accounting requires participating employers in PERS and PFRS to disclose in accordance with GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, (GASB No.68) their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense excluding that attributable to employer-paid member contributions.

Under GASB Statement No. 68 local governmental employers are required to provide certain financial information based on a measurement date no earlier than the end of the employer’s prior fiscal year. The GASB No. 68 financial information from the State’s Division of Pensions and Benefits to be reported for the year ended December 31, 2021 for the measurement date of June 30, 2021 was not available as of the date of audit. Accordingly, the State’s Division of Local Government Services issued Local Finance Notice 2022-12 which authorized and permits New Jersey municipalities to present the most recent available audited GASB No. 68 financial information to be incorporated into the audit and remain in compliance with the regulatory basis of accounting disclosure requirements for notes to the financial statements. As such the GASB No. 68 financial information for the year ended December 31, 2021 is not presented in the notes to the financial statements.

The employer allocation percentages presented are based on the ratio of the contributions made as an individual employer toward the actuarially determined contribution amount to total contributions to the plan during the fiscal years ended June 30, 2020 and 2019. Employer allocation percentages have been rounded for presentation purposes.

**Public Employees Retirement System (PERS)**

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

**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

For the years ended December 31, 2020, the pension system has determined the Borough's pension expense to be \$138,570, for PERS based on the actuarial valuations which is less than the actual contributions reported in the Borough's financial statements of \$418,233. At December 31, 2020, 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:

	<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference Between Expected and Actual Experience	\$ 138,789	\$ 26,956
Changes of Assumptions	247,276	3,191,527
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	260,536	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>289,699</u>	<u>183,539</u>
Total	<u>\$ 936,300</u>	<u>\$ 3,402,022</u>

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

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

**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

*Actuarial Assumptions*

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

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

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

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

**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

*Long-Term Expected Rate of Return*

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

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

*Discount Rate*

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

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

**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Discount Rate (Continued)***

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

	<b><u>2020</u></b>
Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

***Sensitivity of Net Pension Liability***

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

<b><u>2020</u></b>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the PERS Net Pension Liability	<u>\$ 9,595,198</u>	<u>\$ 7,622,295</u>	<u>\$ 5,948,233</u>

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

***Pension Plan Fiduciary Net Position***

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

**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

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

For the years ended December 31, 2020, the pension system has determined the Borough pension expense to be \$717,079, for PFRS based on the actuarial valuations which is less than the actual contributions reported in the Borough’s financial statements of \$1,083,880. At December 31, 2020, 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:

	<b>2020</b>	
	<b><u>Deferred Outflows of Resources</u></b>	<b><u>Deferred Inflows of Resources</u></b>
Difference Between Expected and Actual Experience	\$ 135,540	\$ 34,651
Changes of Assumptions	33,832	2,588,508
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	788,293	
Changes in Proportion and Differences Between Borough Contributions and Proportionate Share of Contributions	<u>187,508</u>	<u>393,543</u>
Total	<u>\$ 1,145,173</u>	<u>\$ 3,016,702</u>

**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

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

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

***Actuarial Assumptions***

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

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

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

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

**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Long-Term Expected Rate of Return***

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

<u>Asset Class</u>	<u>2020</u>	
	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.40%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	1.94%
Investment Grade Credit	8.00%	2.67%
US Equity	27.00%	7.71%
Non-US Developed Markets Equity	13.50%	8.57%
Emerging Markets Equity	5.50%	10.23%
High Yield	2.00%	5.95%
Real Assets	3.00%	9.73%
Private Credit	8.00%	7.59%
Real Estate	8.00%	9.56%
Private Equity	13.00%	11.42%

***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>
2020	June 30, 2020	7.00%

**BOROUGH OF CRESSKILL  
NOTES TO THE FINANCIAL STATEMENTS  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Discount Rate (Continued)***

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

	<u>2020</u>
Period of Projected Benefit	
Payments for which the Following	
Rates were Applied:	
Long-Term Expected Rate of Return	All Periods

***Sensitivity of Net Pension Liability***

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

<u>2020</u>	<b>1% Decrease (6.00%)</b>	<b>Current Discount Rate (7.00%)</b>	<b>1% Increase (8.00%)</b>
Borough's Proportionate Share of the PFRS Net Pension Liability	<u>\$ 17,877,943</u>	<u>\$ 13,444,143</u>	<u>\$ 9,761,533</u>

The sensitivity analysis was based on the proportionate share of the Borough’s net pension liability at December 31, 2020. 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  
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**NOTE 13 EMPLOYEE RETIREMENT SYSTEMS (Continued)**

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

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

***Special Funding Situation – PFRS***

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

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

***Pension Plan Fiduciary Net Position***

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

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 14 POST-RETIREMENT MEDICAL BENEFITS**

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

**Plan Description and Benefits Provided**

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

**State Health Benefit Program Fund – Local Government Retired (the Plan)** (including Prescription Drug Program Fund) – The Plan is a cost-sharing multiple-employer defined benefit other postemployment benefit (OPEB) plan with a special funding situation. It covers employees of local government employers that have adopted a resolution to participate in the Plan. For additional information about the Plan, please refer to the State of New Jersey (the State), Division of Pensions and Benefits' (the Division) Comprehensive Annual Financial Report (CAFR), which can be found at <https://www.state.nj.us/treasury/pensions/financial-reports.shtml>.

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

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

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

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

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 14 POST-RETIREMENT MEDICAL BENEFITS (Continued)**

**Measurement Focus and Basis of Accounting**

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

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

**Investment Valuation**

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

***Special Funding Situation***

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

At December 31, 2020, the State's proportionate share of the net OPEB liability attributable to the Borough for the OPEB special funding situation is \$6,970,117. For the years ended December 31, 2020 the plan has determined the State's proportionate share of the OPEB benefit attributable to the Borough for the OPEB special funding situation is \$346,974. At December 31, 2020, (measurement date June 30, 2020), the State's share of the OPEB liability attributable to the Borough was .1276 percent, which was an increase of .02027 from its proportionate share measured as of December 31, 2019 (measurement date June 30, 2019) of .10733 percent. The State's proportionate share attributable to the Borough was developed based on eligible plan members subject to the special funding situation. This data takes into account active members from both participating and non-participating employer locations and retired members currently receiving OPEB benefits.

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

***OPEB Plan Fiduciary Net Position***

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

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 15 RISK MANAGEMENT**

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

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

The relationship between the Borough and respective insurance funds is governed by a contract and by-laws that have been adopted by resolution of each unit's governing body. The Borough is contractually obligated to make all annual and supplementary contributions to the insurance funds, to report claims on a timely basis, to cooperate with the management of the funds, its claims administrator and attorneys in claims investigation and settlement, and to follow risk management procedures as outlined by the funds. Members have a contractual obligation to fund any deficit of the funds attributable to a membership year during which the municipality was a member.

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

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

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

<u>Year Ended December 31</u>	<u>Borough Contributions</u>	<u>Employee Contributions</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2021	\$ -	\$ 12,015	\$ 48,149	\$ 56,719
2020	80,000	10,837	12,529	92,853
2019	40,027	11,210	55,482	14,545

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 16 CONTINGENT LIABILITIES**

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

**Pending Tax Appeals** - Various tax appeal cases were pending in the New Jersey Tax Court at December 31, 2021 and 2020. 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, 2021 and 2020, the Borough reserved \$291,221 and \$394,884, 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, 2021 and 2020 significant amounts of grant expenditure have not been audited by the various grantor agencies but the Borough believes that disallowed expenditures, if any, based on subsequent audits will not have a material effect on the overall financial position of the Borough.

**NOTE 17 FEDERAL ARBITRAGE REGULATIONS**

The Borough is subject to Section 148 of the Internal Revenue Code as it pertains to the arbitrage rebate on all tax-exempt obligations, both long and short-term debt. Under the 1986 Tax Reform Act, the Internal Revenue Service (IRS) required that all excess earnings from investment proceeds be rebated to the IRS. Arbitrage, for purposes of these regulations, is defined as the difference between the yield on the investment and the yield on the obligations issued. If there are excess earnings, this amount may be required to be rebated to the IRS. At December 31, 2021 and 2020, the Borough has not estimated its estimated arbitrage earnings due to the IRS, if any.

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

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

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

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

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

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

The Borough of Cresskill has contributed \$1,814 and \$1,718 for 2021 and 2020, respectively, for each eligible volunteer fire department and volunteer ambulance corp. member into the Plan. The total Borough contributions were \$-0- and \$8,590 for 2021 and 2020, respectively.

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

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

**Vesting and Benefits**

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

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

**Reporting Requirements**

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

**NOTE 19 TAX ABATEMENTS**

For the years ended December 31, 2021 and 2020, 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, 2021 and 2020 the Borough abated property taxes totaling \$832,493 and \$829,082, respectively, under the NJHMFA program. The Borough received \$162,856 and \$172,036 in PILOT payments under this program for the years ended December 31, 2021 and 2020, respectively.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 20 SUBSEQUENT EVENTS**

**Debt Authorized**

On April 20, 2022, the Borough adopted a bond ordinance authorizing the issuance \$593,750 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On June 1, 2022, the Borough adopted a bond ordinance authorizing the issuance \$1,140,000 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

On July 15, 2022, the Borough adopted a bond ordinance authorizing the issuance \$95,000 in Bonds or bond anticipation notes to fund certain capital projects. As of the date of this report the Borough has not issued nor awarded the sale of said bonds or notes.

**NOTE 21 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC**

The World Health Organization declared a pandemic following the global outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus. On March 13, 2020, the President of the United States declared a national emergency to unlock federal funds and assistance to help states and local governments fight the pandemic. Governor Phil Murphy, of the State of New Jersey, also declared a public health emergency on March 9, 2020 and instituted mandatory measures via various executive orders to contain the spread of the virus, including closing schools and nonessential businesses and limiting social gatherings. These measures, which altered the behaviors of businesses and people, had negative impacts on regional, state and local economies. The Governor, pursuant to various executive orders, then implemented a multi-stage approach to restarting New Jersey's economy. The declaration of the state of emergency and of a public health emergency was terminated by the Governor, by executive order, on June 4, 2021. Also, on June 4, 2021, the Governor signed into law Assembly Bill No. 5820 which terminates most of the Governor's pandemic-related executive orders in early July. The remaining executive orders (dealing with coronavirus testing and vaccinations, moratoriums on evictions and utility shutoffs and various other matters) will terminate on January 1, 2022.

On January 11, 2022, the Governor reinstated, via Executive Order No. 280, the state of emergency and declared a new public health emergency in response to a surge in cases tied to new variants of COVID-19, in particular the Omicron variant. Such public health emergency was set to expire 30 days from January 11, 2022, but was later extended, via Executive Order No. 288, for an additional 30 days on February 10, 2022. In the event of substantial increases in COVID-19 hospitalizations, spot positivity or rates of transmission, the Governor is empowered to impose more restrictive measures than currently in place.

In order to provide additional means for local governmental units to address the financial impact of the COVID-19 outbreak, the Governor signed into law P.L. 2020 c. 74 ("Chapter 74") on August 31, 2020. Chapter 74, which took effect immediately, adds two new purposes to the list of special emergency appropriations which may be raised by municipalities or counties over a five year period (either through the issuance of special emergency notes or raised internally without borrowing): (1) direct COVID-19 response expenses; and (2) deficits in prior year's operations attributable to COVID-19 (the beginning of the five year repayment schedule is delayed by one year for these new purposes). Upon approval by the Director of the Division of Local Government Services, New Jersey Department of Community Affairs, in cases of significant fiscal distress, the five year period may be extended to up to ten years. In addition, the statute permits school districts and public authorities to issue debt with a maximum five year maturity schedule for direct COVID-19 expenses. Chapter 74 provides for State supervision of all local government unit borrowings. The statute also grants the Director the authority to modify municipal budgeting rules concerning anticipated revenues in order to lessen the impact of revenue reductions due to COVID-19.

**BOROUGH OF CRESSKILL  
NOTES TO FINANCIAL STATEMENTS  
YEARS ENDED DECEMBER 31, 2021 AND 2020**

**NOTE 21 INFECTIOUS DISEASE OUTBREAK – COVID-19 PANDEMIC (Continued)**

The Borough of Cresskill's finances and operations may be materially and adversely affected as a result of the continued spread of COVID-19 through reduced or delayed revenue streams, which include the collection of property taxes, which are the Borough of Cresskill's primary revenue source for supporting its budget. The Borough of Cresskill cannot predict costs associated with a potential infectious disease outbreak like COVID-19 such as operational costs to clean, sanitize and maintain its facilities, or costs to operate remotely and support Borough functions and critical government actions during an outbreak or any resulting impact such costs could have on the operations of the Borough. However, as of the date of audit, even though the Borough finances and operations had certain reduced revenue streams due to the COVID-19 outbreak, the overall finances and operations of the Borough have not been materially and adversely affected due to the COVID-19 outbreak.

The degree of any such impact on the operations and finances of the Borough cannot be predicted due to the dynamic nature of the COVID-19 outbreak, including uncertainties relating to its (i) duration, and (ii) severity, as well as with regard to what actions may be taken by governmental and other health care authorities to contain or mitigate its impact. The continued spread of the outbreak could have a material adverse effect on the Borough and its economy. The Borough is monitoring the situation and will take such proactive measures as may be required to maintain its functionality and meet its obligations.

The American Rescue Plan Act of 2021, H.R. 1319 (the "Plan"), signed into law by President Biden on March 11, 2021, comprises \$1.9 trillion in relief designed to provide funding to address the COVID-19 pandemic and alleviate the economic and health effects of the COVID-19 pandemic.

The Plan includes various forms of financial relief including up to a \$1,400 increase in direct stimulus payment to individuals and various other forms of economic relief, including extended unemployment benefits, continued eviction and foreclosure moratoriums, an increase in the child tax credit, an increase in food and housing aid, assistance grants to restaurants and bars, and other small business grants and loans. The Plan provides funding for state and local governments to offset costs to safely reopen schools during the COVID-19 pandemic and to subsidize COVID-19 testing and vaccination programs. In addition, the Plan includes \$350 billion in relief funds to public entities, such as the Borough.

The Borough will receive \$907,258 from the Plan in two equal payments. On May 24, 2021, the Borough received its first installment of funds under the Plan in the amount of \$453,634. The Borough utilized this first installment in the 2022 budget to replace lost public sector revenue. The Borough has not yet determined how it will spend the second installment to be received. The deadline to obligate the funds is December 31, 2024 and to spend them is December 31, 2026.

**CURRENT FUND**

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

Balance, January 1, 2021		\$ 11,948,988
Increased by Receipts:		
Taxes Receivable	\$ 52,722,896	
Due from the State of NJ - Senior and Veterans Deductions	41,000	
Non-Budget Revenue	314,568	
Revenue Accounts Receivable	2,118,567	
Other Fees Payable	17,597	
Grants Receivable	36,461	
Petty Cash	900	
Prepaid Taxes	453,715	
Miscellaneous Reserves	764,589	
Tax Overpayments	77,480	
Unappropriated Grant Receipts	453,634	
Unearned Revenue	4,408	
Reserve for Tax Title Lien Redemption	195,136	
Receipts from Other Trust Fund	2,650	
Receipts from Assessment Trust Fund	13	
Receipts from Animal Control Trust Fund	1,268	
Receipts from Unemployment Trust Fund	376	
Receipts from General Capital Fund	<u>8,815</u>	
		<u>57,214,073</u>
		69,163,061
Decreased by Disbursements:		
2021 Budget Appropriation	19,037,148	
2020 Appropriation Reserves	794,293	
Other Fees Payable	15,718	
County Taxes Payable	5,517,524	
Due County for Added Taxes	14,490	
Local District School Tax Payable	30,487,203	
Payments to Appellants - Tax Appeals	303,663	
Reserve for Tax Title Lien Redemption	195,136	
Miscellaneous Reserves	869,814	
Refund of Prior Year Revenue	2,234	
Tax Overpayments Applied to Current Year	103,017	
Accounts Payable	12,859	
Payments to Other Trust Fund	35,000	
Payments to Animal Control Trust Fund	8,000	
Payments to Municipal Open Space Trust Fund	218,858	
Petty Cash	<u>900</u>	
		<u>57,615,857</u>
Balance, December 31, 2021		<u>\$ 11,547,204</u>

**BOROUGH OF CRESSKILL  
STATEMENT OF CHANGE FUND**

<u>Office</u>	Balance, January 1, 2021	Balance, December 31, 2021
Collector - Treasurer	\$ 150	\$ 150

EXHIBIT A-6

**STATEMENT OF PETTY CASH**

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

EXHIBIT A-7

**STATEMENT OF GRANTS RECEIVABLE**

	Balance, January 1, <u>2021</u>	<u>Accrued</u>	<u>Received</u>	Balance, December 31, <u>2021</u>
Municipal Alliance on Alcohol and Drug Abuse	\$ 18,003	\$ 3,126	\$ 1,564	\$ 19,565
Body Armor Grant		1,850	1,850	-
Clean Communities Program		18,124	18,124	-
Recycling Tonnage	-	14,923	14,923	-
	<u>\$ 18,003</u>	<u>\$ 38,023</u>	<u>\$ 36,461</u>	<u>\$ 19,565</u>

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

Balance, January 1, 2021		\$ 7,979
Increased by:		
Cash Received		41,000
		48,979
Decreased by:		
Senior Citizens' Deductions Per Tax Billings	\$ 3,250	
Veterans' Deductions Per Tax Billings	37,000	
		40,250
Balance, December 31, 2021		\$ 8,729

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

Year	Balance,	2021 Levy	Senior Citizens' and Veterans' Deductions Disallowed	Added/ Omitted Taxes	<u>Collected in Cash</u>		Tax Overpayments Applied	Senior Citizens' and Veterans' Deductions Allowed	Transferred to Tax Title Liens	Cancelled	Balance, December 31, 2021
	January 1, 2021					2020	2021				
2020	\$ 680,491					\$ 668,238					\$ 12,253
2021	-	\$ 53,489,685	-	-	\$ 366,194	52,054,658	\$ 25,710	\$ 40,250	\$ 7,453	\$ 87,958	907,462
	<u>\$ 680,491</u>	<u>\$ 53,489,685</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 366,194</u>	<u>\$ 52,722,896</u>	<u>\$ 25,710</u>	<u>\$ 40,250</u>	<u>\$ 7,453</u>	<u>\$ 87,958</u>	<u>\$ 919,715</u>

Tax Yield

General Purpose Tax	\$ 53,445,209
Added Taxes (54:4-63.1 et seq.)	44,476
	<u>\$ 53,489,685</u>

Tax Levy

Local District School Tax (Abstract)	\$ 30,743,995	
County Taxes	5,517,524	
Due County for Added Taxes (54:4-63.1 et seq.)	4,594	
	<u>36,266,113</u>	
Municipal Open Space Tax	218,858	
Municipal Added Taxes (54:4-63.1 et seq.)	182	
Library Levy	759,801	
Local Tax for Municipal Purposes	16,184,700	
Add Additional Tax Levied	60,031	
	<u>17,223,572</u>	
		<u>\$ 53,489,685</u>

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

Balance, January 1, 2021	\$ 112,695
Increased by:	
Transfer from Taxes Receivable	<u>7,453</u>
Balance, December 31, 2021	<u>\$ 120,148</u>

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

Balance, January 1, 2021	<u>\$ 38,600</u>
Balance, December 31, 2021	<u>\$ 38,600</u>

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

	Balance, January 1, <u>2021</u>	Accrued in 2021	Collected 2021	Balance, December 31, <u>2021</u>
Borough Clerk				
Alcoholic Beverage		\$ 9,036	\$ 9,036	
Licenses		4,320	4,320	
Fees and Permits		35,203	35,203	
Board of Health				
Licenses		11,256	11,256	
Fees and Permits		1,210	1,210	
Tax Collector				
Fees and Permits		96,565	96,565	
Police Department				
Fees and Permits		1,850	1,850	
Planning Board				
Fees and Permits		3,470	3,470	
Zoning Board				
Fees and Permits		11,935	11,935	
Fire Prevention				
Fees and Permits		20,632	20,632	
Municipal Court				
Fines and Costs	\$ 2,986	7,793	10,202	\$ 577
Interest and Costs on Taxes		107,766	107,766	
Interest on Investments and Deposits		51,013	51,013	
Energy Receipts Tax		818,122	818,122	
Uniform Construction Code Fees		371,823	371,823	
Uniform Fire Safety Act		8,260	8,260	
Reserve for Payment of Bonds		37,600	37,600	
Capital Fund Balance		90,000	90,000	
Assessment Trust Fund Balance		3,225	3,225	
Payment in Lieu of Taxes-				
Cresskill Residential		120,716	120,716	
6 Madison Ave		48,612	42,140	6,472
Ambulance Billing - Third Party	-	265,921	265,921	-
	<u>\$ 2,986</u>	<u>\$ 2,126,328</u>	<u>\$ 2,122,265</u>	<u>\$ 7,049</u>
			Cash Deposits	\$ 2,118,567
			Unearned Revenue Applied	<u>3,698</u>
				<u>\$ 2,122,265</u>

**BOROUGH OF CRESSKILL  
STATEMENT OF 2020 APPROPRIATION RESERVES**

	Balance, December 31, <u>2020</u>	Encumbrance <u>Restored</u>	Modified <u>Balance</u>	<u>Expended</u>	<u>Transfer</u>	Balance <u>Lapsed</u>
<b>Salaries and Wages</b>						
Municipal Clerk	\$ 17,895		\$ 17,895	\$ 10,221		\$ 7,674
General Administration	5,999		5,999			5,999
Financial Administration	13,493		13,493	11,931		1,562
Revenue Administration	2,980		2,980	2,539	\$ 2,500	2,941
Assessment of Taxes	2,625		2,625			2,625
Planning Board	824		824			824
Zoning Board of Adjustment	1,710		1,710			1,710
<b>Police</b>						
Regular	293,681		293,681	166,551	(60,000)	67,130
School Marshalls	8,636		8,636			8,636
Specials	7,054		7,054			7,054
Emergency Management Services	7,500		7,500		(7,500)	-
Emergency Medical Service	6,877		6,877			6,877
Fire Sub-Code	29,805		29,805	14,183	7,500	23,122
Municipal Prosecutor	3,211		3,211			3,211
Streets and Roads Maintenance - Regular	107,564		107,564	98,935		8,629
Streets and Roads Maintenance - Snow Removal	2,777		2,777			2,777
Buildings and Grounds	6,907		6,907		(1,000)	5,907
Public Health Services	2,111		2,111	1,884		227
Administration of Public Assistance	720		720			720
Recreation	9,935		9,935	4,854		5,081
Solid Waste Collection - Recycling	3,133		3,133			3,133
Senior Citizens	6,637		6,637	3,060		3,577
Construction Code Official	10,584		10,584	2,389		8,195
Plumbing Inspector	1,800		1,800			1,800
Electrical Inspector	3,538		3,538			3,538
Fire Inspector	1,165		1,165			1,165
Municipal Court	10,888	-	10,888	1,662	-	9,226
	<u>570,049</u>	<u>-</u>	<u>570,049</u>	<u>318,209</u>	<u>(58,500)</u>	<u>193,340</u>
<b>Other Expenses</b>						
Mayor and Council	9,739		9,739			9,739
Municipal Clerk	14,375	\$ 304	14,679	405		14,274
Financial Administration	11,149	424	11,573	2,813		8,760
Annual Audit	2,131	38,500	40,631	37,900		2,731
Computerized Data	1,660	5,000	6,660	5,000		1,660
Revenue Administration	3,412		3,412	375	(2,500)	537
Assessment of Taxes	12,795	3,706	16,501	4,356	(5,000)	7,145
Legal Services & Costs	4,213		4,213	8,786	5,000	427
Engineering Services & Costs	26,005		26,005	7,137		18,868
Historical Committee	1,450	1,550	3,000	1,550		1,450
Planning Board	10,107		10,107			10,107
Zoning Board of Adjustment	3,439		3,439			3,439
<b>Insurance</b>						
Liability Insurance	13,500	52,932	66,432	52,932		13,500
Workman's Compensation	36	65,258	65,294	65,258		36
Employee Group Health	18,022	200	18,222	400	(15,000)	2,822
Fire Other Expenses	27,626	27,114	54,740	27,148		27,592
Fire Hydrant Services	11,439		11,439	11,324		115
Police	46,347	36,204	82,551	41,705		40,846

**BOROUGH OF CRESSKILL  
STATEMENT OF 2020 APPROPRIATION RESERVES**

	Balance, December 31, <u>2020</u>	Encumbrances <u>Restored</u>	Modified <u>Balance</u>	<u>Expended</u>	<u>Transfer</u>	Balance <u>Lapsed</u>
Other Expenses (Continued)						
Emergency Management Services	\$ 5,249		\$ 5,249			\$ 5,249
Emergency Medical Services	23,619		23,619	\$ 2,335		21,284
Streets and Roads Maintenance	46,142	\$ 6,097	52,239	8,563	\$ (30,000)	13,676
Shade Tree Commission	6,292		6,292			6,292
Solid Waste Collection						
Other Expenses - Sanitation	21		21			21
Other Expenses - Recycling	13,915	308	14,223	307		13,916
Building and Grounds	785	8,523	9,308	11,550	1,000	(1,242)
Vehicle Maintenance	7,725	8,505	16,230	3,713		12,517
Public Health Services	10,902		10,902			10,902
Administration of Public Assistance	500		500			500
Environmental Commission	3,612		3,612			3,612
Celebration of Public Events	11,893		11,893			11,893
Recreation	19,305	285	19,590	395		19,195
Senior Citizens	7,983	20	8,003	19		7,984
Maintenance of Parks	2,231	874	3,105	874		2,231
Construction Code Official	10,455	649	11,104	1,109		9,995
Hepatitis "B" Inoculations	2,000		2,000			2,000
Fire Inspector	2,815		2,815			2,815
Electricity	20,824		20,824	623	(11,000)	9,201
Street Lighting	593		593			593
Telephone	5,048		5,048	3,454		1,594
Natural Gas	11,340		11,340	1,136		10,204
Gasoline	21,483		21,483	169	(20,000)	1,314
Water	1,506		1,506	559		947
Sewer System	1,897		1,897	121,500	121,000	1,397
Defined Contribution Retirement Program	3,193		3,193			3,193
Social Security System ( O.A.S.I.)	2,580		2,580			2,580
Public Employees' Retirement System	4,299		4,299	18,609	15,000	690
Landfill/Solid Waste Disposal Costs						
Recycling Tax	909	999	1,908	921		987
Garbage and Trash Removal Dumping Fees	8,646	21,994	30,640	20,282		10,358
Fire - LOSAP	-	10,000	10,000	8,590		1,410
Capital Improvement						
Crosswalk Traffic Signal - Grant Ave	537		537			537
Municipal Court	3,152		3,152			3,152
Interlocal Municipal Service - Police Dispatch 911	-	5,000	5,000	4,287		713
Interlocal Public Health Svcs - County of Bergen	813		813			813
Municipal Alliance - Borough Share	1,375		1,375	1,375		-
Municipal Alliance - State Share	5,501		5,501	5,501		-
State Recycling Grant	9,656		9,656	9,656		-
Clean Communities	10,379	-	10,379	10,379	-	-
	<u>506,620</u>	<u>294,446</u>	<u>801,066</u>	<u>502,995</u>	<u>58,500</u>	<u>356,571</u>
	<u>\$ 1,076,669</u>	<u>\$ 294,446</u>	<u>\$ 1,371,115</u>	<u>821,204</u>	<u>\$ -</u>	<u>549,911</u>
Appropriation Reserves			\$ 1,076,669			
Encumbrances Payable			<u>294,446</u>			
			<u>\$ 1,371,115</u>			
Cash Disbursements				\$ 794,293		
Transfer to Appropriated Grant Reserves				<u>26,911</u>		
				<u>\$ 821,204</u>		

**BOROUGH OF CRESSKILL  
STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2021	\$ 294,446
Increased by:	
Charges to 2021 Budget Appropriations	234,370
	528,816
Decreased by:	
Restored to 2020 Appropriation Reserves	294,446
Balance, December 31, 2021	\$ 234,370

EXHIBIT A-15

**STATEMENT OF ACCOUNTS PAYABLE**

Balance, January 1, 2021	\$ 22,375
Decreased by:	
Cash Disbursements	12,859
Balance, December 31, 2021	\$ 9,516

EXHIBIT A-16

**STATEMENT OF OTHER FEES PAYABLE**

	Balance, January 1, <u>2021</u>	<u>Receipts</u>	<u>Disbursements</u>	Balance, December 31, <u>2021</u>
DCA Fees	\$ 3,823	\$ 17,172	\$ 15,293	\$ 5,702
Marriage License Fees	-	425	425	-
	\$ 3,823	\$ 17,597	\$ 15,718	\$ 5,702

**BOROUGH OF CRESSKILL  
STATEMENT OF PREPAID TAXES**

Balance, January 1, 2021		\$	366,194
Increased by:			
Collection of 2022 Taxes	\$	453,715	
Transfer of Overpayment - 2021 Taxes		<u>10</u>	
			<u>453,725</u>
			819,919
Decreased by:			
Applied to 2021 Taxes			<u>366,194</u>
Balance, December 31, 2021		\$	<u>453,725</u>

**STATEMENT OF TAX OVERPAYMENTS**

Balance, January 1, 2021		\$	68,715
Increased by:			
Cash Receipts			<u>77,480</u>
			146,195
Decreased by:			
Applied to 2021 Taxes Receivable	\$	25,710	
Applied to 2022 Taxes Receivable		10	
Cancellations		20	
Cash Disbursements		<u>103,017</u>	
			<u>128,757</u>
Balance, December 31, 2021		\$	<u>17,438</u>

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

Increased by:		
2021 Tax Levy		\$ <u>5,517,524</u>
Decreased by:		
Payments		\$ <u><u>5,517,524</u></u>

EXHIBIT A-20

**STATEMENT OF DUE COUNTY FOR ADDED TAXES**

Balance, January 1, 2021		\$ 14,490
Increased by:		
County Open Space Preservation - Added Taxes	\$ 182	
County Share of 2020 Levy - Added Taxes (RS 54:4-63.1 et seq)	<u>4,412</u>	<u>4,594</u>
		19,084
Decreased by:		
Payments		<u>14,490</u>
Balance, December 31, 2021		\$ <u><u>4,594</u></u>

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

Balance, January 1, 2021		\$ 12,839,621
School Tax Payable	\$ 6,031,961	
School Tax Deferred	<u>6,807,660</u>	
Increased by:		
Levy School Year July 1, 2021 to June 30, 2022		<u>30,743,995</u>
		43,583,616
Decreased by:		
Payments		<u>30,487,203</u>
Balance, December 31, 2021		
School Tax Payable	5,888,753	
School Tax Deferred	<u>7,207,660</u>	
		<u>\$ 13,096,413</u>
<u>2021 Liability for Local District School Tax</u>		
Tax Paid		\$ 30,487,203
School Tax Payable-December 31, 2021		<u>5,888,753</u>
		36,375,956
Less: Tax Payable December 31, 2020		<u>6,031,961</u>
Amount Charged to 2021 Operations		<u>\$ 30,343,995</u>

**BOROUGH OF CRESSKILL  
STATEMENT OF MISCELLANEOUS RESERVES**

	Balance, January 1, <u>2021</u>	Cash <u>Receipts</u>	Cash <u>Disbursements</u>	Balance, December 31, <u>2021</u>
Recycling Expenditures	\$ 8,121	\$ 5,958	\$ 4,685	\$ 9,394
Police Color Guard	7,875	6,100	5,418	8,557
Senior Center Activities	16,075	90		16,165
Tax Sale Premiums	467,400		182,600	284,800
Tree Replacement	900			900
Recreation Activities	<u>38,714</u>	<u>752,441</u>	<u>677,111</u>	<u>114,044</u>
	<u>\$ 539,085</u>	<u>\$ 764,589</u>	<u>\$ 869,814</u>	<u>\$ 433,860</u>

**STATEMENT OF APPROPRIATED RESERVES**

	Balance, January 1, <u>2021</u>	Transfer from Appropriation <u>Reserves</u>	<u>Disbursements</u>	Balance, December 31, <u>2021</u>
Municipal Alliance Grant	\$ 14,009	\$ 6,876		\$ 20,885
Drunk Driving	4,928			4,928
Alcohol Rehabilitation	1,974			1,974
Clean Communities	45,430	10,379		55,809
Recycling Tonnage Grant	<u>80,945</u>	<u>9,656</u>	<u>-</u>	<u>90,601</u>
	<u>\$ 147,286</u>	<u>\$ 26,911</u>	<u>\$ -</u>	<u>\$ 174,197</u>

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

Balance, January 1, 2021	\$	394,884
Increased by:		
Transfer from 2021 Appropriations		200,000
		594,884
Decreased by:		
Cash Paid to Appellants		303,663
Balance, December 31, 2021	\$	291,221

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

Increased by:		
Cash Receipts	\$	195,136
Decreased by:		
Cash Disbursements	\$	195,136

**STATEMENT OF RESERVE FOR GRANTS - UNAPPROPRIATED**

	Balance, January 1, <u>2021</u>	<u>Received</u>	Realized as Budgeted <u>Revenue</u>	Balance, December 31, <u>2021</u>
American Rescue Plan	\$ -	\$ 453,634	\$ -	\$ 453,634

**STATEMENT OF UNEARNED REVENUE**

Balance, January 1, 2021	\$	3,698
Increased by:		
Cash Receipt for 2022 Item of Revenue		4,408
		8,106
Decreased by:		
Revenue Realized		3,698
Balance, December 31, 2021	\$	4,408

**TRUST FUNDS**

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

	<u>Assessment Trust Fund</u>	<u>Animal Control Trust Fund</u>	<u>Other Trust Fund</u>	<u>Municipal Open Space Trust Fund</u>	<u>Unemployment Compensation Insurance Trust Fund</u>
Balance, January 1, 2021	\$ 3,227	\$ 2,127	\$ 2,981,463	\$ 782,121	\$ 92,886
Increased by Receipts:					
Budget Appropriations:					
Animal Control		\$ 2,000			
Open Space Taxes				\$ 218,858	
Assessments Receivable	\$ 3,225				
Interest and Cost on Assessments	129				
Cat License Fees Collected		1,246			
Dog License Fees Collected		8,749			
State Registration Fees Collected		958			
Receipts from Current Fund		8,000	\$ 35,000		
Miscellaneous Reserves and Deposits			281,418		
Payroll Salaries and Withholdings			13,407,128		\$ 12,015
Housing Trust Fees Collected			564,311		
Escrow Deposits			61,156		
Interest on Investments and Deposits	14	23	11,731	1,493	379
Street Opening Deposits			5,200		
Police Outside Services	-	-	574,419	-	-
	<u>3,368</u>	<u>20,976</u>	<u>14,940,363</u>	<u>220,351</u>	<u>12,394</u>
	6,595	23,103	17,921,826	1,002,472	105,280
Decreased by Disbursements:					
Payments to Current Fund	3,238	1,268	2,650		376
Expenditures Under R.S 4:19-15.11		16,648			
Due to State of NJ - Dog License Fees		958			
Street Opening Refunds			300		
Payroll Salaries and Withholdings			13,423,297		
Escrow Deposits			199,850		
Miscellaneous Reserves and Deposits			305,751		
Housing Trust Expenditures			132,962		
Unemployment Ins. Benefits					453
Police Outside Services	-	-	574,689	-	-
	<u>3,238</u>	<u>18,874</u>	<u>14,639,499</u>	<u>-</u>	<u>829</u>
Balance, December 31, 2021	<u>\$ 3,357</u>	<u>\$ 4,229</u>	<u>\$ 3,282,327</u>	<u>\$ 1,002,472</u>	<u>\$ 104,451</u>

**BOROUGH OF CRESSKILL  
ANALYSIS OF ASSESSMENT CASH**

	Balance, December 31, <u>2021</u>
Due to Current Fund	\$ 132
Assessment Trust Surplus	<u>3,225</u>
	<u>\$ 3,357</u>

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

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

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

Ordinance Number	Improvement Description	Balance, January 1, 2021	Collections To Surplus	Balance, December 31, 2021
	<b><u>Assessments Receivable</u></b>			
08-13	Improvements to Devonshire and Kenilworth St.	\$ 3,225	\$ 3,225	\$ -
		<u>\$ 3,225</u>	<u>\$ 3,225</u>	<u>\$ -</u>

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

Balance, January 1, 2021		\$	1
Increased by:			
Interest and Cost on Assessment	\$	129	
Interest on Deposits		<u>14</u>	
			<u>143</u>
			144
Decreased by:			
Payments Made to Current Fund			<u>13</u>
Balance, December 31, 2021		<u>\$</u>	<u>131</u>

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

Balance, January 1, 2021		\$	2,126
Increased by:			
Dog License Fees Collected	\$	7,800	
Late and Miscellaneous Fees Collected		949	
Cat License Fees Collected		1,246	
Budget Appropriation		<u>2,000</u>	
			<u>11,995</u>
			14,121
Decreased by:			
Expenditures Under RS 4:19-15.11		16,648	
Due to Current Fund		<u>1,246</u>	
			<u>17,894</u>
Balance (Deficit), December 31, 2021		<u>\$</u>	<u>(3,773)</u>

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

Increased by:		
2021 State Fees Collected	\$	<u>958</u>
Decreased by:		
Payments	\$	<u>958</u>

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

Balance, January 1, 2021		\$ 1
Increased by:		
Cat Fees Collected	\$ 1,246	
Interest	23	
Excess Funds Transferred from Current	<u>8,000</u>	
		<u>9,269</u>
		9,270
Increased by:		
Cash Disbursement		<u>1,268</u>
Balance, December 31, 2021		<u>\$ 8,002</u>

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

Balance, January 1, 2021		\$ 92,853
Increased by:		
Employee Payroll Deductions		<u>12,015</u>
		104,868
Decreased by:		
Due to State of New Jersey		<u>48,149</u>
Balance, December 31, 2021		<u>\$ 56,719</u>

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

Increased by:		
2021 Unemployment Claims		\$ 48,149
Decreased by:		
Payments	_____	453
Balance, December 31, 2021		<u>\$ 47,696</u>

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

Balance, January 1, 2021		\$ 33
Increased by:		
Interest on Investments	_____	379
		412
Decreased by:		
Cash Disbursements	_____	376
Balance, December 31, 2021		<u>\$ 36</u>

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

Balance, January 1, 2021		\$ 87,113
Increased by:		
Police Outside Services Billings		<u>560,210</u>
		647,323
Decreased by:		
Cash Receipts		<u>574,419</u>
Balance, December 31, 2021		<u><u>\$ 72,904</u></u>

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

Balance, January 1, 2021		\$ 207
Increased by:		
Receipts from Current Fund	\$ 35,000	
Interest on Investments and Deposits	<u>2,623</u>	
		<u>37,623</u>
		37,830
Decreased by:		
Payments to Current Fund		<u>2,650</u>
Balance, December 31, 2021		<u><u>\$ 35,180</u></u>

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

Balance, January 1, 2021	\$ 364,747
Increased by:	
Deposits Collected	61,156
	425,903
Decreased by:	
Deposits Refunded	199,850
Balance, December 31, 2021	\$ 226,053

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

Balance, January 1, 2021	\$ 3,100
Increased by:	
Deposits Collected	5,200
	8,300
Decreased by:	
Deposits Refunded	300
Balance, December 31, 2021	\$ 8,000

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

Balance, January 1, 2021		\$ 2,260,722
Increased by:		
Cash Receipts	\$ 564,311	
Interest Earned	<u>9,108</u>	
		<u>573,419</u>
		2,834,141
Decreased by:		
Cash Disbursements		<u>132,962</u>
Balance, December 31, 2021		<u>\$ 2,701,179</u>

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

Balance, January 1, 2021		\$ 85,217
Increased by:		
Cash Receipts		<u>13,407,128</u>
		13,492,345
Decreased by:		
Cash Disbursements		<u>13,423,297</u>
Balance, December 31, 2021		<u>\$ 69,048</u>

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

	Balance, January 1, <u>2021</u>	<u>Receipts</u>	<u>Decreased by</u>	Balance (Deficit), December 31, <u>2021</u>
Community Center	\$ 1,241	\$ 84,468	\$ 103,636	\$ (17,927)
POAA	612	14		626
Snow Removal	157,440	152,921	174,965	135,396
Flexible Spending	2,518	8,320	8,991	1,847
Estate of Alan Berlin	75,558			75,558
School Supplies Donations	-	2,200	2,200	-
Recreation - Umpire	795	8,510	5,950	3,355
Fire Prevention Penalties	1,109			1,109
911 Memorial Fund	650			650
UCC Elevator Fees	-	24,985	10,009	14,976
Rent Security Deposits	<u>1,125</u>	<u>-</u>	<u>-</u>	<u>1,125</u>
	<u>\$ 241,048</u>	<u>\$ 281,418</u>	<u>\$ 305,751</u>	<u>\$ 216,715</u>
		Cash Disbursements	<u>\$ 305,751</u>	

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

Balance, January 1, 2021	\$ 113,535
Increased by:	
Police Outside Services Billings	<u>560,210</u>
	673,745
Decreased by:	
Cash Disbursements	<u>574,689</u>
Balance, December 31, 2021	<u>\$ 99,056</u>

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

Balance, January 1, 2021		\$ 782,121
Increased by:		
Open Space Tax	\$ 218,858	
Added Open Space Tax - Due from Current	182	
Interest Earnings	<u>1,493</u>	
		<u>220,533</u>
Balance, December 31, 2021		<u>\$ 1,002,654</u>

EXHIBIT B-24

**STATEMENT OF DUE FROM CURRENT**  
**MUNICIPAL OPEN SPACE PRESERVATION TRUST FUND**

Increased by:		
Open Space Tax	\$ 218,858	
Added Open Space Tax - Due from Current	<u>182</u>	
		<u>\$ 219,040</u>
Decreased By:		
Receipts from Current Fund		<u>218,858</u>
Balance, December 31, 2021		<u>\$ 182</u>

**GENERAL CAPITAL FUND**

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

Balance, January 1, 2020		\$ 3,831,653
Increased by:		
Budget Appropriations:		
Capital Improvement Fund	\$ 150,000	
Bond Anticipation Note Sale	1,539,000	
Premium on Sale of Bond Anticipation Notes	69,125	
Lease Payment from Cresskill Board of Education	26,217	
Reserve for DPW Building Improvements	143,457	
Interest on Investments and Deposits	8,885	
	1,936,684	1,936,684
		5,768,337
Decreased by:		
Improvement Authorizations	1,509,834	
Encumbrances Payable	385,916	
Reserve for DPW Building Improvements	5,700	
Reserve for Payment of Bonds Anticipated as Current Fund Revenue	37,600	
Capital Surplus Anticipated as Current Fund Revenue	90,000	
Payments to Current Fund	8,815	
	2,037,865	2,037,865
Balance, December 31, 2021		\$ 3,730,472

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

	Balance, December 31, <u>2021</u>
Fund Balance	\$ 412,870
Capital Improvement Fund	41,615
Due to Current Fund	971
Reserve for Improvements to Firehouse	230,765
Reserve for Payment of Serial Bonds	26,295
Reserve for DPW Building Improvements	137,757
Encumbrances Payable	2,002,947
Grants Receivable	(50,000)

## Improvement Authorizations:

## Ordinance

<u>Number</u>	<u>Improvement Description</u>	
17-05-1500	Various Improvements & Equipment	129,174
18-05-1517	Various Improvements & Equipment	164,355
18-18-1530 / 19-03-1535 /		
19-19-1550	Various Improvements Margie Ave Athletic Field	106,811
18-20-1532	Improvement Parking Facility Allen Street	137,754
19-04-1536	Improvements of Piermont Road, Section 3	11,200
19-07-1539	Various Improvements & Equipment	287,031
19-15-1546	Margie Ave. Road Improvements	221,441
19-18-1549	DPW Fueling Station Improvements	32,374
20-02-1552	Various Road Improvements	329,509
20-10-1560	Various Improvements & Equipment	103,634
21-21-1571	Various Public Improvements	(711,743)
21-27-1577 /1581	Renovations to Municipal Building	52,629
21-29-1579	Public Improvements and Equipment	<u>63,083</u>
		<u>\$ 3,730,472</u>

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

Balance, January 1, 2021	\$ 9,757,000
Decreased by:	
2021 Budget Appropriation to Pay Bonds	<u>1,375,000</u>
Balance, December 31, 2021	<u>\$ 8,382,000</u>

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

Ord. No.	Improvement Description	Analysis of Balance, December 31, 2021				
		Balance, January 1, 2021	2021 Authorizations	Balance, December 31, 2021	Financed by Bond Anticipation Notes	Unexpended Improvement Authorizations
	<b>General Improvements</b>					
18-05-1517	Various Improvements & Equipment	\$ 1,121,000		\$ 1,121,000	\$ 1,121,000	
18-18-1530 /						
19-03-1535 /	Various Improvements Merritt Field (Margie Ave.					
19-19-1550	Athletic Field)	1,686,250		1,686,250	1,686,250	
18-20-1532	Parking Facility - Allen Street	1,311,000		1,311,000	1,311,000	
19-04-1536	Improvement of Piermont Road, Section 3	51,278		51,278	51,278	
19-07-1539	Various Improvements & Equipment	1,230,250		1,230,250	1,230,250	
19-15-1546	Margie Ave. Road Improvements	432,500		432,500	432,500	
19-18-1549	DPW Fueling Station Improvements	210,647		210,647	210,647	
20-02-1552	Various Road Improvements	1,553,250		1,553,250	1,553,250	
20-10-1560	Various Improvements & Equipment	753,825		753,825	753,825	
21-21-1571	Various Public Improvements		\$ 1,349,000	1,349,000		\$ 637,257
21-27-1577						
/1581	Renovations to Municipal Building		228,000	228,000	204,250	23,750
21-29-1579	Public Improvements and Equipment	-	1,334,750	1,334,750	1,334,750	-
		<u>\$ 8,350,000</u>	<u>\$ 2,911,750</u>	<u>\$ 11,261,750</u>	<u>\$ 9,889,000</u>	<u>\$ 661,007</u>

Bond Anticipation Notes \$ 9,889,000

Improvement Authorizations - Unfunded	\$ 2,170,828
Less: Unexpended Proceeds	
18-05-1517	164,355
18-18-1530 /	
19-03-1535 /	
19-19-1550	106,811
18-20-1532	137,754
19-04-1536	11,200
19-07-1539	287,031
19-15-1546	221,441
19-18-1549	32,374
20-02-1552	329,509
20-10-1560	103,634
21-27-1577	
/1581	52,629
21-29-1579	63,083
	<u>\$ 661,007</u>

**BOROUGH OF CRESSKILL  
STATEMENT OF GRANTS RECEIVABLE**

<u>Ordinance Number</u>	<u>Improvement Description</u>	Balance, January 1, <u>2021</u>	Grant <u>Awards</u>	Cash <u>Received</u>	Balance, December 31, <u>2021</u>
<b>Department of Transportation</b>					
19-04-1536	Improvement - Piermont Road (Section 3)	\$ 50,655			\$ 50,655
19-15-1546	Improvement - Margie Ave.	53,750			53,750
20-02-1552	Improvement - Engle Street	202,000			202,000
21-21-1571	Improvement - Streetscape		\$ 225,000		225,000
<b>County of Bergen -</b>					
18-18-1530	Improvement - Margie Ave. Athletic Field	\$ 50,000	-	-	50,000
		<u>\$ 356,405</u>	<u>\$ 225,000</u>	<u>\$ -</u>	<u>\$ 581,405</u>

Analysis of Balance

Reserve for Receivable \$ 531,405

Pledged to Ordinance 50,000

\$ 581,405

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

Balance, January 1, 2021	\$	44,865
Increased by:		
2021 Budget Appropriation - Capital Improvement Fund		<u>150,000</u>
		194,865
Decreased by:		
Appropriation to Finance Improvement Authorizations		<u>153,250</u>
Balance, December 31, 2021	\$	<u>41,615</u>

**STATEMENT OF ENCUMBRANCES PAYABLE**

Balance, January 1, 2021	\$	391,291
Increased by:		
Charges to Improvement Authorizations		<u>2,002,947</u>
		2,394,238
Decreased by:		
Payments	385,916	
Cancelled Encumbrances	<u>5,375</u>	
		<u>391,291</u>
Balance, December 31, 2021	\$	<u>2,002,947</u>

**BOROUGH OF CRESSKILL  
STATEMENT OF IMPROVEMENT AUTHORIZATIONS**

Ord. No.	Improvement Description	Amount Appropriated	Balance, January 1, 2021		2021 Authorizations		Cancelled Authorizations	Cancelled Encumbrance	Paid or Charged	Balance, December 31, 2021	
			Funded	Unfunded	Deferred Charges Unfunded	Capital Improvement Fund				Funded	Unfunded
<b>General Improvements</b>											
15-04-1472	Acquisition of Police Equipment	\$ 230,000	\$ 26,758				\$ 18,310		\$ 8,448		
15-06-1474	2015 Road Improvement Program	1,200,000	165,310				170,685	\$ 5,375			
15-11-1497	Acquisition of Various Equipment & Vehicles	180,000	75,486				31,569		43,917		
16-08-1487	Various Improvements & Equipment	1,510,000	119,829				119,829				
17-06-1500	Various Improvements & Equipment	1,000,000	129,174							\$ 129,174	
18-05-1517	Various Improvements & Equipment	1,270,000		\$ 225,065					60,710		\$ 164,355
18-18-1530 / 19-03-1535 / 19-19-1550	Various Improvements to Merritt Field (Margie Ave. Athletic Field)	2,525,000		152,865					46,054		106,811
18-20-1532	Improvement Parking Facility Allen Street	1,380,000		159,043					21,289		137,754
19-04-1536	Improvement of Piermont Road, Section 3	175,000		11,200							11,200
19-07-1539	Various Improvements & Equipment	1,295,000		287,448					417		287,031
19-15-1546	Margie Ave. Road Improvements	625,000		224,142					2,701		221,441
19-18-1549	DPW Fueling Station Improvements	225,000	-	32,777					403	-	32,374
20-02-1552	Various Road Improvements	1,635,000		871,840					542,331		329,509
20-10-1560	Various Improvements & Equipment	793,500	-	601,864					498,230	-	103,634
21-21-1571	Various Public Improvements	1,420,000			\$ 1,349,000	\$ 71,000			782,743		637,257
21-27-1577 /1581	Renovations to Municipal Building	240,000				228,000	12,000		163,621		76,379
21-29-1579	Public Improvements and Equipment	1,405,000	-	-	1,334,750	70,250			1,341,917	-	63,083
			<u>\$ 516,557</u>	<u>\$ 2,566,244</u>	<u>\$ 2,911,750</u>	<u>\$ 153,250</u>	<u>\$ 340,393</u>	<u>\$ 5,375</u>	<u>\$ 3,512,781</u>	<u>\$ 129,174</u>	<u>\$ 2,170,828</u>
									Cash Disbursed	\$ 1,509,834	
									Encumbrances Payable	<u>2,002,947</u>	
										<u>\$ 3,512,781</u>	
									Cancelled to Fund Balance	<u>\$ 340,393</u>	



**BOROUGH OF CRESSKILL  
STATEMENT OF SERIAL BONDS**

<u>Purpose</u>	<u>Date of Issue</u>	<u>Original Issue</u>	<u>Maturities of Bonds Outstanding December 31, 2021</u>		<u>Interest Rate</u>	<u>Balance, January 1, 2021</u>	<u>Decreased</u>	<u>Balance, December 31, 2021</u>
			<u>Date</u>	<u>Amount</u>				
General Improvement Bonds of 2008	4/1/2008	\$ 7,047,000	4/1/22-23 4/1/2024	\$ 500,000 497,000	3%-4%	\$ 1,997,000	\$ 500,000	\$ 1,497,000
General Improvement Bonds of 2013	3/1/2013	4,780,000	3/1/2022 3/1/2023	500,000 510,000	1% - 2%	1,510,000	500,000	1,010,000
General Improvement Bonds of 2018	3/1/2018	7,000,000	3/1/22-2023 3/1/2024 3/1/25-2030	375,000 625,000 750,000	2-2.25% 2.25% 3.00%	<u>6,250,000</u>	<u>375,000</u>	<u>5,875,000</u>
						<u>\$ 9,757,000</u>	<u>\$ 1,375,000</u>	<u>\$ 8,382,000</u>
					Paid by Budget Appropriation		<u>\$ 1,375,000</u>	

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

Balance, January 1, 2021	\$ 901
Increased by:	
Interest on Investments and Deposits	<u>8,885</u>
	9,786
Decreased by:	
Cash Disbursements	<u>8,815</u>
Balance, December 31, 2021	<u>\$ 971</u>

EXHIBIT C-13

**STATEMENT OF RESERVE FOR DPW BUILDING IMPROVEMENTS  
HURRICANE IDA**

Increased by:	
Cash Receipts - Insurance Proceeds	\$ 143,457
Decreased by:	
Cash Disbursements	<u>5,700</u>
Balance, December 31, 2021	<u>\$ 137,757</u>

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

Balance, January 1, 2021	\$	37,678
Increased by:		
Lease Payment from Cresskill Board of Education		26,217
		63,895
Decreased by:		
Anticipated as Current Fund Revenue		37,600
Balance, December 31, 2021	\$	26,295

EXHIBIT C-15

**STATEMENT OF RESERVE FOR IMPROVEMENTS TO FIREHOUSE**

Balance, January 1, 2021	\$	230,765
Balance, December 31, 2021	\$	230,765

EXHIBIT C-16

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

Balance, January 1, 2021	\$	991,296
Decreased by:		
Adjustment to Lease Receivable	\$	10,000
Principal Paydown on Ord. 17-03-1497		26,217
		36,217
Balance, December 31, 2021	\$	955,079

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

<u>Ordinance</u> <u>Number</u>	<u>Purpose</u>	Balance, January 1, <u>2021</u>	2021 <u>Authorizations</u>	Bond Anticipation <u>Notes Issued</u>	Balance, December 31, <u>2021</u>
<b>General Improvements</b>					
21-21-1571	Various Public Improvements		\$ 1,349,000		\$ 1,349,000
21-27-1577/1581	Renovations to Municipal Building		228,000	\$ 204,250	23,750
21-29-1579	Public Improvements and Equipment	-	<u>1,334,750</u>	<u>1,334,750</u>	<u>-</u>
		<u>\$ -</u>	<u>\$ 2,911,750</u>	<u>\$ 1,539,000</u>	<u>\$ 1,372,750</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, 2021	\$ 933	\$ 17,226
Increased by Receipts:		
Membership Fees	\$ 264,219	
Snack Bar Revenues	32,733	
Non-Budget Revenue	19	
Interest on Investments and Deposits	378	\$ 32
Receipts from Swim Pool Utility Capital	10,000	
Budget Appropriation - General Budget Deferred Charge	66,167	-
Swim and Dive Team	<u>4,477</u>	<u>-</u>
	<u>377,993</u>	<u>32</u>
	378,926	17,258
Decreased by Disbursements:		
2021 Budget Appropriations	272,068	
2020 Appropriation Reserves	10,028	
Disbursements to Swim Pool Utility Operating	-	10,000
Reserve for Swim and Dive Team	<u>4,496</u>	<u>-</u>
	<u>286,592</u>	<u>10,000</u>
Balance, December 31, 2021.	<u>\$ 92,334</u>	<u>\$ 7,258</u>

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

		Balance, December 31, <u>2021</u>
Fund Balance		\$ 3,662
Due from Swim Pool Utility Operating Fund		(9,963)
Capital Improvement Fund		8,800
Ordinance		
<u>Number</u>	<u>Improvement Description</u>	
15-01	Renovation to Swim Pool	<u>4,759</u>
		<u>\$ 7,258</u>

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

Balance, January 1, 2021	<u>\$ 781,973</u>
Balance, December 31, 2021	<u>\$ 781,973</u>

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

Balance, January 1, 2021 - Due To	\$	5
Increased by:		
Interest		32
		37
Decreased by:		
Cash Disbursements		10,000
Balance, December 31, 2021 - Due From	\$	(9,963)

**STATEMENT OF DEFERRED CHARGES  
SWIMMING POOL OPERATING FUND**

	Balance, January 1, <u>2021</u>	Added in <u>2021</u>	Revised in <u>2021</u>	Balance, December 31, <u>2021</u>
Operating Deficit	\$ 66,167		\$ 66,167	
Budget Appropriation - Overexpenditure	-	\$ 45,066	-	\$ 45,066
	<u>\$ 66,167</u>	<u>\$ 45,066</u>	<u>\$ 66,167</u>	<u>\$ 45,066</u>

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

<u>Ord. No.</u>	<u>Improvement Description</u>	<u>Ordinance Amount</u>	<u>Balance, January 1, 2021</u>	<u>Balance, December 31, 2021</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. No.</u>	<u>Improvement Description</u>	<u>Ordinance Amount Appropriated</u>	<u>Balance, January 1, 2021</u>		<u>Balance, December 31, 2021</u>	
			<u>Funded</u>	<u>Unfunded</u>	<u>Funded</u>	<u>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>-</u>	<u>\$ 4,759</u>	<u>-</u>
			<u>\$ 4,759</u>	<u>\$ 63,059</u>	<u>\$ 4,759</u>	<u>\$ 63,059</u>

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

Balance, January 1, 2021	<u>\$ 845,973</u>
Balance, December 31, 2021	<u><u>\$ 845,973</u></u>

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

Balance, January 1, 2021	<u>\$ 8,800</u>
Balance, December 31, 2021	<u><u>\$ 8,800</u></u>

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

<u>Ord. No.</u>	<u>Purpose</u>	Balance, January 1, <u>2021</u>	Balance, December 31, <u>2021</u>
15-01	Renovation to Swim Pool	<u>\$ 16,000</u>	<u>\$ 16,000</u>
		<u><u>\$ 16,000</u></u>	<u><u>\$ 16,000</u></u>

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

Ord. No.	<u>Purpose</u>	Balance, January 1, <u>2021</u>	Balance, December 31, <u>2021</u>
91-05	Renovation of Municipal Swim Pool	\$ <u>63,059</u>	\$ <u>63,059</u>
		\$ <u>63,059</u>	\$ <u>63,059</u>

**BOROUGH OF CRESSKILL  
STATEMENT OF 2020 APPROPRIATION RESERVES  
SWIMMING POOL UTILITY OPERATING FUND**

	Balance, January 1, <u>2021</u>	Balance After <u>Modification</u>	Paid or <u>Charged</u>	Balance <u>Lapsed</u>
Operating				
Salaries and Wages	\$ 259	\$ 259		\$ 259
Other Expenses	9,277	19,227	\$ 10,028	9,199
Statutory Expenditures				
Contribution to Social Security System (O.A.S.I.)	<u>452</u>	<u>452</u>	<u>-</u>	<u>452</u>
	<u>\$ 9,988</u>	<u>\$ 19,938</u>	<u>\$ 10,028</u>	<u>\$ 9,910</u>
Appropriation Reserves		\$ 9,988		
Encumbrances Restored		<u>9,950</u>		
		<u>\$ 19,938</u>		
			<u>\$ 10,028</u>	
		Cash Disbursements		

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

Balance, January 1, 2021	\$ <u>9,139</u>
Increased by:	
Cash Receipts	<u>4,477</u>
	13,616
Decreased by:	
Cash Disbursements	<u>4,496</u>
Balance, December 31, 2021	<u>\$ 9,120</u>

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

Balance, January 1, 2021	\$ 9,950
Increased by:	
Charges to 2021 Budget Appropriations	<u>6,200</u>
	16,150
Decreased by:	
Transfer to Appropriation Reserves	<u>9,950</u>
Balance, December 31, 2021	<u>\$ 6,200</u>

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

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**PART II  
GOVERNMENT AUDITING STANDARDS**

**SINGLE AUDIT**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

### 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, 2021, and the related notes to the financial statements, and have issued our report thereon dated August 22, 2022. 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

#### **Report on 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) as a basis for designing 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.

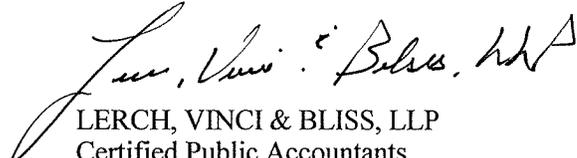
### **Report on Compliance and Other Matters**

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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and audit requirements 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 & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants



Paul J. Lerch  
Registered Municipal Accountant  
RMA Number CR00457

Fair Lawn, New Jersey  
August 22, 2022

**BOROUGH OF CRESSKILL  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR YEAR ENDED DECEMBER 31, 2021**

<u>Federal Funding Department</u>	<u>State Account Number</u>	<u>CFDA Number</u>	<u>Grant Year</u>	<u>Grant Award</u>	<u>Grant Receipts</u>	<u>Balance, January 1, 2021</u>	<u>Revenues</u>	<u>Expended</u>	<u>Balance, December 31, 2021</u>	<u>Cumulative Expenditures</u>
<b><u>US Dept. of Treasury</u></b>										*
American Rescue Plan	022-8030-100-687	21.027	2021	453,634	\$ 453,634	-	-	-	-	*
						-	-	-	-	*
						<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</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, 2021**

<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, 2021</u>	<u>Revenue Realized</u>	<u>Expended</u>	<u>Balance, December 31, 2021</u>	<u>Cumulative Expenditures</u>
<b>Department of Environmental Protection</b>									
Recycling Tonnage Grant	042-4900-752-001	2021	\$ 14,923	\$ 14,923	\$ -	\$ 14,923	\$ 10,946	\$ 3,977	* \$ 10,946
		2020	9,656		9,656			9,656	*
		2019	9,656		9,656			9,656	*
		2017	11,311		11,311			11,311	*
		2016	9,498		9,498			9,498	*
		2015	10,291		10,291			10,291	*
		2014	12,174		12,174			12,174	*
		2013	9,628		9,628			9,628	*
		2012	11,164		11,164			11,164	*
		2011	24,503		7,223			7,223	* 17,280
									*
<b>Clean Communities Program</b>	042-4900-765-004	2021	18,124	18,124	-	18,124	14,918	3,206	* 14,918
		2020	17,031		10,379			10,379	* 6,652
		2019	18,889		12,889			12,889	* 6,000
		2018	16,924		4,356			4,356	* 12,568
		2017	17,690		2,800			2,800	* 14,890
		2016	20,822		5,462			5,462	* 15,360
		2015	18,210		3,869			3,869	* 14,341
		2013	15,977		6,165			6,165	* 9,812
		2012	13,888		9,889			9,889	* 3,999
									*
<b>Municipal Drug &amp; Alcohol Alliance Program</b> (Passed thru Bergen County Dept. of Health)	N/A	2021	3,126	1,564	-	3,126	1,954	1,172	* 1,954
		2020	5,501		5,501			5,501	* -
		2019	9,876		4,511			4,511	* 5,365
		2018	9,876		2,186			2,186	* 7,690
		2017	9,876		7,312			7,312	* 2,564
									*
<b>Department of Law &amp; Public Safety- Division of Criminal Justice</b>									*
Body Armor Replacement Fund	066-1020-718-001	2021	1,850	1,850		1,850	1,850	-	* 1,850
									*
<b>Judiciary Municipal Courts</b>									*
Alcohol Education and Rehabilitation	098-9735-760-001	2016	121		121			121	* -
		2014	177		177			177	* -
		2013	317		317			317	* -
		2012	108		108			108	* -
		2011	324		324			324	* -
		2010	603		603			603	* -
		2009	324		324			324	* -
<b>Drunk Driving Enforcement Fund</b>	1110-448-031020-22	2014	2,662		2,662			2,662	* -
		2017	8,288		2,266			2,266	* 6,022
<b>State Department of Transportation</b>									
Local Municipal Aid Program									
2021 Road Program-Ord #21-21 - Streetscape	078-6320-480-xxx	2021	225,000		-	225,000	-	225,000	*
					<u>\$ 172,822</u>	<u>\$ 263,023</u>	<u>\$ 29,668</u>	<u>\$ 406,177</u>	*

This schedule is not subject to Single Audit in accordance with NJ OMB Circular 15-08.

**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, 2021**

**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		\$ 38,023	\$ 38,023
General Capital Fund	-	225,000	225,000
	<u>\$ -</u>	<u>\$ 263,023</u>	<u>\$ 263,023</u>

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

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

**BOROUGH OF CRESSKILL  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED DECEMBER 31, 2021**

*Part I – Summary of Auditor's Results*

**Financial Statements**

Type of auditors' report issued on financial statements      Modified, Presentation of Unaudited LOSAP Fund

Internal control over financial reporting:

1) Material weakness(es) identified                                      \_\_\_\_\_ yes        X   no

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

Noncompliance material to the financial  
statements noted?                                      \_\_\_\_\_ yes        X   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, 2021**

*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, 2021**

*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, 2021**

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**

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**PART III**

**SUPPORTING DATA**

**LETTER OF COMMENTS AND RECOMMENDATIONS**

**YEAR ENDED DECEMBER 31, 2021**

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

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

	<u>Year 2021</u>			<u>Year 2020</u>	
	<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED					
Fund Balance Utilized	\$ 2,500,000	4.26	%	\$ 2,200,000	3.80
Miscellaneous - From Other Than Local					%
Property Tax Levies	2,488,155	4.24		2,567,965	4.44
Collection of Delinquent Taxes and Tax Title Liens	668,238	1.14		766,781	1.33
Collection of Current Tax Levy	52,486,812	89.42		51,759,134	89.51
Other Credits to Income	<u>551,074</u>	<u>0.93</u>		<u>531,132</u>	<u>0.92</u>
 Total Income	 <u>58,694,279</u>	 <u>100.00</u>	 %	 <u>57,825,012</u>	 <u>100.00</u>
 EXPENDITURES					
Budget Expenditures					
Municipal Purposes	20,457,227	36.15	%	19,692,916	35.58
County and Open Space Taxes	5,741,158	10.15		5,811,316	10.50
Local School Taxes	30,343,995	53.62		29,827,768	53.90
Other Expenditures	<u>46,554</u>	<u>0.08</u>		<u>9,346</u>	<u>0.02</u>
 Total Expenditures	 <u>56,588,934</u>	 <u>100.00</u>	 %	 <u>55,341,346</u>	 <u>100.00</u>
 Excess in Revenue	 2,105,345			 2,483,666	
Fund Balance, January 1	<u>2,995,536</u>			<u>2,711,870</u>	
	5,100,881			5,195,536	
Less Utilization as Anticipated Revenue	<u>2,500,000</u>			<u>2,200,000</u>	
Fund Balance, December 31	<u>\$ 2,600,881</u>			<u>\$ 2,995,536</u>	

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

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

	<u>Year 2021</u>		<u>Year 2020</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
REVENUE AND OTHER INCOME REALIZED				
Fund Balance Utilized	\$ -	21.74 %	\$ 43,000	21.74 %
Collection of Membership Fees	264,219	85.98	143,346	72.45
Miscellaneous - From Other Than Membership Fees	<u>43,053</u>	<u>14.01</u>	<u>11,487</u>	<u>5.81</u>
Total Income	<u>307,272</u>	<u>121.74 %</u>	<u>197,833</u>	<u>100.00 %</u>
EXPENDITURES				
Budget Expenditures				
Operating	267,066	77.13 %	243,000	92.05 %
Deferred Charges and Statutory Expenditures	<u>79,167</u>	<u>22.87</u>	<u>21,000</u>	<u>7.95</u>
Total Expenditures	<u>346,233</u>	<u>100.00 %</u>	<u>264,000</u>	<u>100.00 %</u>
Deficit in Revenue	<u>(38,961)</u>		<u>(66,167)</u>	
Adjustment to Income Before Fund Balance				
Realized from General Budget for Anticipated Deficit	66,167			
Expenditures who to be Raised by Future Revenue	<u>45,066</u>			
Operating Deficit to be Raised in Budget of Succeeding Year	111,233		<u>\$ 66,167</u>	
Statutory Excess to Fund Balance	72,272			
Fund Balance, January 1	<u>38,028</u>		<u>81,028</u>	
	110,300		81,028	
Less Utilization as Anticipated Revenue	<u>-</u>		<u>43,000</u>	
Fund Balance, December 31	<u>\$ 110,300</u>		<u>\$ 38,028</u>	

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

**Comparative Schedule of Tax Rate Information**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
<u>Tax Rate</u>	<u>\$2.442</u>	<u>\$2.432</u>	<u>\$2.407</u>
<u>Apportionment of Tax Rate</u>			
Municipal	.740	.726	.716
Municipal Open Space Preservation	.010	.010	.010
County (including Open Space Tax)	.252	.256	.256
Local School	1.405	1.401	1.389
Library	.035	.036	.036

Assessed Valuation

2021	<u>\$2,188,583,500</u>	
2020		<u>\$2,157,684,600</u>
2019		<u>\$2,135,686,900</u>

**Comparison of Tax Levies and Collection Currently**

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

<u>Year</u>	<u>Tax Levy</u>	<u>Cash Collections</u>	<u>Percentage of Collection</u>
2021	\$ 53,489,685	\$ 52,486,812	98.13%
2020	52,610,947	51,759,134	98.37%
2019	51,531,589	50,616,396	98.21%

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

**Delinquent Taxes and Tax Title Liens**

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

<u>December 31 Year</u>	<u>Amount of Delinquent Taxes</u>	<u>Tax Title Liens</u>	<u>Total Delinquent</u>	<u>Percentage of Tax Levy</u>
2021	\$ 919,715	\$ 120,148	\$ 1,039,863	1.94%
2020	680,491	112,695	793,186	1.51%
2019	767,039	108,016	875,055	1.70%

**Property Acquired by Tax Title Lien Liquidation**

No properties have been acquired in 2021 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>
2021	\$38,600
2020	38,600
2019	38,600

**Comparative Schedule of Fund Balances**

	<u>Year</u>	<u>Balance, December 31</u>	<u>Utilized In Budget of Succeeding Year</u>
Current Fund	2021	\$2,600,881	\$2,316,000
	2020	2,995,536	2,500,000
	2019	2,711,870	2,200,000
Swimming Pool Utility Operating Fund	2021	\$110,300	\$-0-
	2020	38,028	-0-
	2019	81,028	43,000

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

**OFFICIALS IN OFFICE AND SURETY BONDS**

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

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

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

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

**GENERAL COMMENTS**

**Prior Year Unresolved**

There are none.

**Current Year Comments**

Our audit of purchasing revealed that change orders are not being approved in the minutes and by the governing body. It is recommended that all contract change orders be approved in the minutes by the governing body.

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

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

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

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

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

**2021 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.

**Collection of Interest on Delinquent Taxes and Assessments**

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

The Governing Body on January 2, 2021 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.

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

**GENERAL COMMENTS (Continued)**

**Collection of Interest on Delinquent Taxes and Assessments (Continued)**

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**

There was no tax sale in 2021.

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>
2021	5
2020	5
2019	6

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

**Suggestion to Management**

- Old improvement ordinances that were previously closed out be removed from the internal accounting software.
- Fixed assets should be updated annually by either an external reporting company or handled internally.
- The employee personnel manual should be reviewed for compliance with current statutes; specifically the payment of unused sick days at year-end.
- A forecast should be completed by the Swim Pool Committee to project future revenue requirements and membership levels
- Old inactive Trust Fund reserve balances should be reviewed for validity and then cancelled if warranted.
- Contracts with amounts between \$17,500 and \$44,000 be approved in the minutes by the governing body.
- The Borough should monitor its COAH administrative expenses to ensure they do not exceed the maximum allowable 20% threshold of development fee income.

**APPRECIATION**

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

**BOROUGH OF CRESSKILL  
SUPPORTING DATA**

**RECOMMENDATIONS**

It is recommended that all contract change orders be approved in the minutes by the governing body.

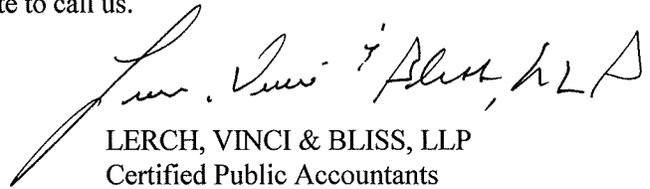
Status of Prior Years' Audit Findings/Recommendations

A review was performed on all prior years' recommendations and corrective action was taken on all.

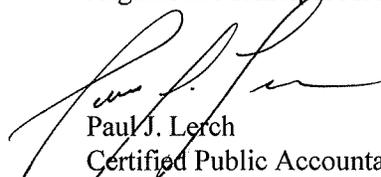
\* \* \* \* \*

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 & BLISS, LLP  
Certified Public Accountants  
Registered Municipal Accountants



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Certified Public Accountant  
RMA Number CR00457