

**ROCKLEIGH BOARD OF EDUCATION**  
**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Rockleigh, New Jersey**

**ANNUAL COMPREHENSIVE  
FINANCIAL REPORT**

**of the**

**Rockleigh Board of Education**

**Rockleigh, New Jersey**

**For The Fiscal Year Ended June 30, 2022**

**(A Component Unit of the Borough of Rockleigh)**

**Prepared by**

**Business Administrator**

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## **INTRODUCTORY SECTION**

# ROCKLEIGH BOARD OF EDUCATION

**26 ROCKLEIGH ROAD  
ROCKLEIGH, NEW JERSEY 07647**

Dr. Jason Roer,  
School Business Administrator

phone 201-245-1946  
fax 201-845-4206

February 3, 2023

Honorable President and  
Members of the Board of Education  
Rockleigh Board of Education  
Rockleigh, New Jersey 07647

Dear Board Members:

State Department of Education statutes require that all School District's prepare a complete set of financial statements presented in conformity with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the annual comprehensive financial report (ACFR) of the Rockleigh Board of Education for the fiscal year ended June 30, 2022.

This report consists of management's representations concerning the finances of the Rockleigh Board of Education. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the Rockleigh Board of Education has established a comprehensive internal control framework that is designed both to protect the school district's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the Rockleigh Board of Education's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Rockleigh Board of Education's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Rockleigh Board of Education's financial statements have been audited by Lerch, Vinci & Bliss, LLP, a firm of licensed certified public accountants and public school accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Rockleigh Board of Education for the fiscal year ended June 30, 2022, are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the Rockleigh Board of Education's financial statements for the fiscal year ended June 30, 2022, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The District is not required to undergo a single audit in conformity with the provisions of the U.S. Uniform Guidance and the New Jersey State Treasury Circular Letter 15-08.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is



designed to complement MD&A and should be read in conjunction with it. The Rockleigh Board of Education's MD&A can be found immediately following the report of the independent auditors.

**1) REPORTING ENTITY AND ITS SERVICES:** Rockleigh Board of Education is an independent reporting entity within the criteria adopted by the GASB as established by GASB Statement No. 14. All funds of the District are included in this report. The Rockleigh Board of Education constitutes the District's reporting entity.

Although the District has no school, a full range of educational services from grade levels K through 12 are provided as a sending district. The following details the changes in the student enrollment of the District over the last ten years.

<u>Fiscal Year</u>	<u>Student Enrollment</u>	<u>Percent Change</u>
2021-22	32	0%
2020-21	32	0%
2019-20	32	(3.1%)
2018-19	33	3.1%
2017-18	32	(8.6%)
2016-17	35	(2.8%)
2015-16	36	9.1%
2014-15	33	0%
2013-14	33	13.8%
2012-13	29	0%

**2) ECONOMIC CONDITION AND OUTLOOK:** The Rockleigh area is experiencing a period of development which is expected to continue. The increasing number of businesses relocating to the area result in an increase in the employment level which results in an increased tax base in both residential and industrial and an increase in annual daily enrollment. This expansion is expected to continue which suggests that the Rockleigh area will continue to prosper.

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

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

**4) BUDGETARY CONTROLS:** In addition to internal accounting controls, the District maintains budgetary controls. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the voters of the municipality. An annual appropriated budget is adopted for the General Fund. The final budget amount as amended for the fiscal year is reflected in the financial section.

**5) ACCOUNTING SYSTEM AND REPORTS:** The District's financial statements reflect accounting principles generally accepted in the United States of America, as promulgated by the Governmental Accounting Standards

Board (GASB). The accounting system of the District is organized on the basis of funds. These funds are explained in the "Notes to the Financial Statements".

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

7) RISK MANAGEMENT: The Board carries insurance in the form of surety bonds for the Board Secretary and Treasurer. Additionally, the District carries "School Leaders Errors and Omissions" coverage and workers' compensation coverage.

8) OTHER INFORMATION: Independent Audit-State statutes require an annual audit by independent certified public accountants or registered municipal accountants. The accounting firm of Lerch, Vinci, and Bliss, LLP, was selected by the Board. The auditor's report on the basic financial statements and individual fund statements and schedules are included in the financial section of this report.

9) ACKNOWLEDGMENTS:

We would like to express our appreciation to the members of the Rockleigh School Board for their concern in providing fiscal accountability to the citizens and taxpayers of the school district and thereby contributing their full support to the development and maintenance of our financial operation. The preparation of this report could not have been accomplished without the efficient and dedicated services of our financial and accounting staff.

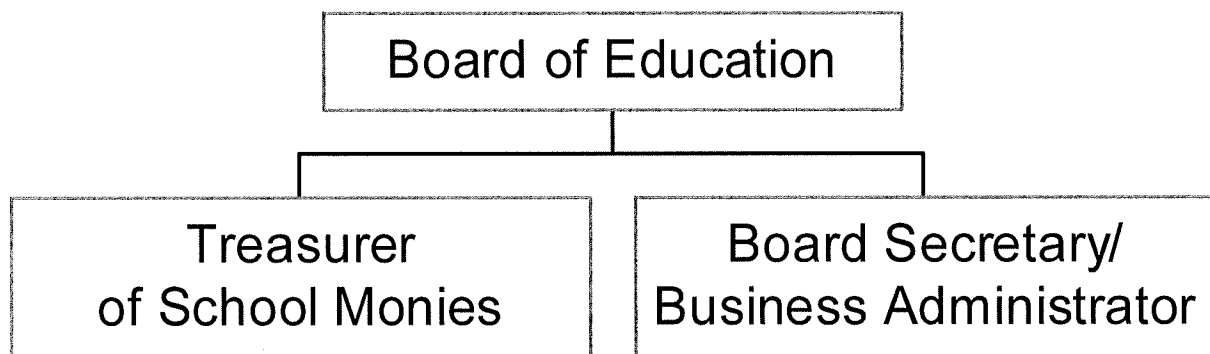
Respectfully submitted,



Dr. Jason Roer  
School Business Administrator

Board of Education  
Borough of Rockleigh, NJ 07647

ORGANIZATIONAL CHART



**ROCKLEIGH BOARD OF EDUCATION**

**ROSTER OF OFFICIALS  
JUNE 30, 2022**

<u>Members of the Board of Education</u>	<u>Term Expires</u>
Rosanne Antine, President	2022
Alison Porto, Vice President	2023
Joella Rakowski	2022
Maria Yuelys	2025
Herminia Venetsanos	2024

Board of School Estimate

Rosanne Antine	Board of Education
Alison Porto	Board of Education
John Mender	Council Member
James Pontone	Council Member
Robert Schaffer	Mayor

Other Officials

Dr. Jason Roer, Business Administrator/Board Secretary  
Gary Grembowiec, Treasurer of School Monies

**ROCKLEIGH BOARD OF EDUCATION  
Consultants and Advisors**

**Audit Firm**

Lerch, Vinci & Bliss, LLP  
17-17 Route 208 N  
Fair Lawn, New Jersey 07410

**Attorney**

Winne Banta Basralian & Kahn, P.C.  
Court Plaza South – East Wing  
21 Main Street, Suite 101  
P.O. Box 647  
Hackensack, NJ 07602

**Official Depository**

PNC Bank

**FINANCIAL SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA

## INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Rockleigh Board of Education  
Rockleigh, New Jersey

### **Report on the Financial Statements**

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rockleigh Board of Education, a component unit of the Borough of Rockleigh as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Board of Education's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of the Rockleigh Board of Education as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States and the audit requirements prescribed by the Office of School Finance, Department of Education, 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 Rockleigh Board of Education and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and 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 Rockleigh Board of Education'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 Office of School Finance, Department of Education, 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 Office of School Finance, Department of Education, 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 Rockleigh Board of Education'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 Rockleigh Board of Education'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.

### ***Required Supplementary Information***

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



### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Rockleigh Board of Education's basic financial statements. The accompanying fund financial statements, schedule of expenditures of federal awards as required by Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance) and schedule of expenditures of state financial assistance as required by New Jersey OMB Circular 15-08, Single Audit Policy for Recipients of Federal Grants, State Grants and State Aid, are presented for purposes of additional analysis and are not a required part of the basic financial statements of the Rockleigh Board of Education.

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

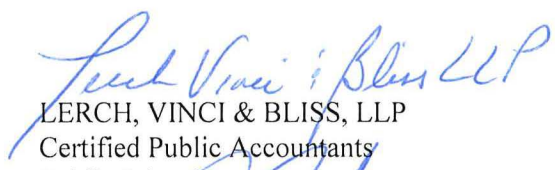
### ***Other Information***

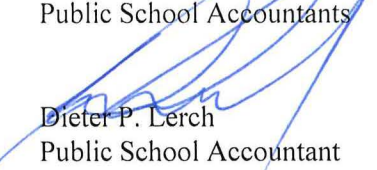
Management is responsible for the other information included in the annual report. The other information comprises the introductory section, financial schedules and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial 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 basic 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 February 3, 2023 on our consideration of the Rockleigh Board of Education's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 Rockleigh Board of Education'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 Rockleigh Board of Education's internal control over financial reporting and compliance.

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

  
Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

**REQUIRED SUPPLEMENTARY INFORMATION – PART I**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**ROCKLEIGH BOARD OF EDUCATION  
ROCKLEIGH, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2022

This discussion and analysis of the Rockleigh Board of Education's financial performance provides an overall review of its financial activities for the fiscal year ended June 30, 2022. The District is considered a nonoperating school district since the District has no facilities and sends all students to other districts. The intent of this is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

Management's Discussion and Analysis (MD&A) is an element of Required Supplementary Information specified in the Governmental Accounting Standards Board's (GASB) Statement No. 34 – Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments. Certain comparative information between the current year (2021-2022) and the prior year (2020-2021) is required to be presented in the MD&A.

**Financial Highlights**

Key financial highlights for 2022 are as follows:

- General revenues accounted for \$537,711 or 87 percent of all revenues. Program specific revenues in the form of state aid accounted for \$81,428 or 3 percent of total revenues of \$619,139.
- The School District had \$661,974 in expenses; only \$81,428 of these expenses are offset by program specific state aid. General revenues (primarily taxes) of \$537,711 were adequate to provide for these programs.
- Among Governmental Funds, the General Fund had \$602,327 in revenues and \$645,162 in expenditures. The General Fund's fund balance decreased by \$42,835 from the fiscal year ended June 30, 2021.

**ROCKLEIGH BOARD OF EDUCATION  
ROCKLEIGH, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2022

**Using this Annual Comprehensive Financial Report (ACFR)**

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so that the reader can understand the District as an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities.

The Statement of Net Position and Statement of Activities provide information about the activities of the entire District, presenting both an aggregate view of the District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements show how services were financed in the short-term as well as what remains for future spending.

**Reporting the School District as a Whole**

**Statement of Net Position and the Statement of Activities**

While this document reports on all funds used by the District to provide programs and activities, the view of the District as a whole looks at all financial transactions and ask the question, "How did we do financially during the fiscal year ended June 30, 2022?" The Statement of Net Position and the Statement of Activities answer that question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector businesses. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the School District's net position and changes in net position. This change is important because it tells the reader that, for the school district as a whole, its financial position improved or diminished. The causes of this change may be the result of many factors. Non-financial factors include the District's property tax base, current laws in New Jersey restricting revenue growth, facility condition, required educational programs and other factors.

In the Statement of Net Position and the Statement of Activities, the District is divided into governmental and business-type activities. The District has no business-type activities.

- Governmental activities – All programs and services are reported here including instruction, support services, and pupil transportation.

**ROCKLEIGH BOARD OF EDUCATION  
ROCKLEIGH, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2022

**Reporting the District's Most Significant Funds**

**Fund Financial Statements**

Fund financial reports provide detailed information about the District's funds. The General Fund and Special Revenue Fund are the District's only governmental funds.

**Governmental Funds**

The District's activities are reported in governmental funds. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps the reader determine whether there are more or fewer financial resources that can be spent in the near future to finance educational programs. The relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds is reconciled in the financial statements.

**The District as a Whole**

The Statement of Net Position provides one perspective of the District as a whole.

Table 1 provides a summary of the District's net position as of June 30, 2022 and 2021

Table 1  
Net Position  
as of June 30, 2022 and 2021

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Assets		
Current and Other Assets	\$ 604,183	\$ 646,945
Total Assets	604,183	646,945
Liabilities		
Payroll Deductions and Withholdings	1,404	1,331
Unearned Revenue	775	775
Total Liabilities	2,179	2,106
Net Position		
Restricted	1,681	1,754
Unrestricted	600,323	643,085
Total Net Position	\$ 602,004	\$ 644,839

The District's net position were \$602,004 and \$644,839 (restated) at June 30, 2022 and 2021, respectively.

**ROCKLEIGH BOARD OF EDUCATION  
ROCKLEIGH, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2022

**The District as a Whole (Continued)**

Table 2 shows changes in net position for the fiscal years ended June 30, 2022 and 2021.

Table 2  
Changes in Net Position  
For the Fiscal Years Ended June 30, 2022 and 2021

	Governmental Activities	
	<u>2022</u>	<u>2021</u>
Revenues		
Program Revenues:		
Grants and Contributions	\$ 81,428	\$ 76,200
General Revenues:		
Property Taxes	537,146	662,711
Other	565	178
Total Revenues	<u>619,139</u>	<u>739,089</u>
 Program Expenses		
Instruction	484,308	513,382
Support Services:		
Student and Instruction Related Services	2,794	6,217
General Administration and Business/Central Services	75,028	74,633
Pupil Transportation	<u>99,844</u>	<u>54,690</u>
Total Expenses	<u>661,974</u>	<u>648,922</u>
 Change in Net Position	(42,835)	90,167
 Net Position, Beginning of Year	<u>644,839</u>	<u>554,672</u>
 Net Position, End of Year	<u>\$ 602,004</u>	<u>\$ 644,839</u>

**Governmental Activities**

The nature of funding public education is primarily through property taxes in New Jersey. Property taxes made up of 87 and 90 and 92 percent of revenues for governmental activities for the Rockleigh School District for the fiscal years 2022 and 2021, respectively. The District's total revenues were \$619,139 and \$739,089 for the fiscal years ended June 30, 2022 and 2021, respectively. State and local grants accounted for 7 and 10 percent of revenue for the fiscal years 2022 and 2021, respectively. The total cost of all programs and services was \$661,974 and \$648,922 for the fiscal years ended June 30, 2022 and 2021, respectively. Instruction comprises 75 and 79 percent of District expenses for fiscal years ended June 30, 2022 and 2021, respectively.

**ROCKLEIGH BOARD OF EDUCATION  
ROCKLEIGH, NEW JERSEY**

Management’s Discussion and Analysis  
for the Fiscal Year Ended June 30, 2022

**Governmental Activities**

The Statement of Activities shows the cost of program services and the charges for services and grants offsetting those services. Table 3 shows the total cost of services and the net cost of services for the fiscal years ended June 30, 2022 and 2021. The net cost shows the financial burden that was placed on the District’s taxpayers by each of these functions.

Table 3  
Total and Net Cost of Services  
For the Fiscal Years Ended June 30, 2022 and 2021

	Total Cost of Services		Net Cost (Revenue) of Services	
	2022	2021	2022	2021
Instruction	\$ 484,308	\$ 513,382	\$ 462,152	\$ 498,230
Support Services:				
Student and Instruction Related Services	2,794	6,217	2,794	6,217
General Administration and Business/ Central Services	75,028	74,633	44,462	43,049
Pupil Transportation	<u>99,844</u>	<u>54,690</u>	<u>71,138</u>	<u>25,226</u>
Total Expenses	<u>\$ 661,974</u>	<u>\$ 648,922</u>	<u>\$ 580,546</u>	<u>\$ 572,722</u>

Instruction expenses include activities directly dealing with the teaching of pupils and the interactions between teachers and students.

Student and Instruction Related Sources include the activities involved with assisting staff with the content and process of teaching to students, including curriculum and staff development.

General administration and business/central services include expenses associated with administration and financial supervision of the District.

Pupil transportation includes activities involved with the conveyance of students to and from school, as well as to and from school activities, as provided by State law.

**The District’s Funds**

All governmental funds (i.e., general fund presented in the fund-based statements) are accounted for using the modified accrual basis of accounting. Total revenues amounted to \$602,327 and \$718,764 and expenditures were \$645,162 and \$628,597 for the fiscal years ended June 30, 2022 and 2021, respectively.

As demonstrated by the various statements and schedules included in the financial section of this report, the District continues to meet its responsibility for sound fiscal management.



**ROCKLEIGH BOARD OF EDUCATION  
ROCKLEIGH, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2022

**The District's Funds (Continued)**

The following schedule presents a summary of the governmental funds revenues for the fiscal years ended June 30, 2022 and 2021.

<u>Revenue</u>	<u>Amount</u>		Amount of	Percent
	<u>2022</u>	<u>2021</u>	Increase (Decrease)	Increase (Decrease)
Local Sources	\$ 537,711	\$ 662,889	\$ (125,178)	-18.88%
State Sources	<u>64,616</u>	<u>55,875</u>	<u>8,741</u>	15.64%
Total	<u>\$ 602,327</u>	<u>\$ 718,764</u>	<u>\$ (116,437)</u>	-16.20%

The following schedule represents a summary of governmental funds expenditures for the fiscal years ended June 30, 2022 and 2021.

<u>Expenditures</u>	<u>Amount</u>		Amount of	Percent
	<u>2022</u>	<u>2021</u>	Increase (Decrease)	Increase (Decrease)
Instruction	\$ 484,308	\$ 513,382	\$ (29,074)	-5.66%
Support Services	<u>160,854</u>	<u>115,215</u>	<u>45,639</u>	39.61%
Total	<u>\$ 645,162</u>	<u>\$ 628,597</u>	<u>\$ 16,565</u>	2.64%

**General Fund Budgeting Highlights**

The District's budget is prepared according to New Jersey law, and is based on accounting for certain transactions on the basis of cash receipts, disbursements and encumbrances. The District's only budgetary fund is the General Fund. The 2021/22 budget was approved by the Board of School Estimate.

During the year, the District revised the annual operating budget several times. Revisions in the budget were made to prevent over expenditures in specific line item accounts.

**ROCKLEIGH BOARD OF EDUCATION  
ROCKLEIGH, NEW JERSEY**

Management's Discussion and Analysis  
for the Fiscal Year Ended June 30, 2022

**School District Structure**

The Board of Education, operating as a Type I School District, consists of five members who are appointed by the Mayor of the Borough of Rockleigh. The Board members' terms shall be for a period of five years.

A Board of School Estimate was also established pursuant to N.J.S.A 18A:22-1 et seq. The Board is comprised of two members of the Board of Education appointed by it, two members of the governing body of the Borough appointed by it and the Mayor. The Board of School Estimate shall by April 8 fix and determine the amount of money necessary to operate the school for the ensuing school year. Members of the Board of School Estimate are appointed annually in December.

**For the Future**

Currently, the District is in good financial condition.

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

**Contacting the District's Financial Management**

If you have questions about this report or need additional information, contact the School Business Administrator at the Rockleigh Board of Education, P.O. Box 343, Closter, NJ 07624.

**DISTRICT-WIDE FINANCIAL STATEMENTS**

**ROCKLEIGH BOARD OF EDUCATION  
STATEMENT OF NET POSITION  
AS OF JUNE 30, 2022**

	<b>Governmental Activities</b>	<b>Total</b>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 603,689	\$ 603,689
Receivables, net		
Receivables from Other Governments	494	494
Total Assets	604,183	604,183
<b>LIABILITIES</b>		
Payroll Deductions and Withholdings	1,404	1,404
Unearned Revenue	775	775
Total Liabilities	2,179	2,179
<b>NET POSITION</b>		
Restricted for:		
Unemployment Compensation	1,681	1,681
Unrestricted	600,323	600,323
Total Net Position	\$ 602,004	\$ 602,004

The accompanying Notes to the Financial Statements are an Integral Part of this Statement.

**ROCKLEIGH BOARD OF EDUCATION  
STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position	
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Total
<b>Governmental Activities</b>						
Instruction						
Regular	\$ 386,896				\$ (386,896)	\$ (386,896)
Special Education	97,412		\$ 22,156		(75,256)	(75,256)
Support Services						
Student and Instruction Related Services	2,794				(2,794)	(2,794)
General Administration Services	49,270		28,564		(20,706)	(20,706)
Business/Central Services	25,758		2,002		(23,756)	(23,756)
Pupil Transportation	99,844	-	28,706	-	(71,138)	(71,138)
<b>Total Governmental Activities</b>	<u>661,974</u>	<u>-</u>	<u>81,428</u>	<u>-</u>	<u>(580,546)</u>	<u>(580,546)</u>
<b>Total Primary Government</b>	<u>\$ 661,974</u>	<u>\$ -</u>	<u>\$ 81,428</u>	<u>\$ -</u>	<u>(580,546)</u>	<u>(580,546)</u>
<b>General Revenues</b>						
Property Taxes					537,146	537,146
Miscellaneous Income					565	565
<b>Total General Revenues</b>					<u>537,711</u>	<u>537,711</u>
<b>Change in Net Position</b>					(42,835)	(42,835)
<b>Net Position, Beginning of Year</b>					<u>644,839</u>	<u>644,839</u>
<b>Net Position, End of Year</b>					<u>\$ 602,004</u>	<u>\$ 602,004</u>

**FUND FINANCIAL STATEMENTS**

**ROCKLEIGH BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
BALANCE SHEET  
AS OF JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 602,914	\$ 775	\$ 603,689
Receivables from Other Governments	494	-	494
	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 603,408</u>	<u>\$ 775</u>	<u>\$ 604,183</u>
<b>LIABILITIES</b>			
Payroll Deductions and Withholdings	\$ 1,404		\$ 1,404
Payables to Other Governments	-	\$ 775	775
	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>1,404</u>	<u>775</u>	<u>2,179</u>
<b>FUND BALANCES</b>			
Restricted Fund Balance:			
Excess Surplus - Designated for Subsequent Year's Expenditures	257,519		257,519
Excess Surplus	87,545		87,545
Unemployment Compensation	1,681		1,681
Assigned Fund Balance:			
Designated for Subsequent Year's Expenditures	9,689		9,689
Unassigned Fund Balance	245,570	-	245,570
	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>602,004</u>	<u>-</u>	<u>602,004</u>
	<hr/>	<hr/>	<hr/>
Total Liabilities and Fund Balances	<u>\$ 603,408</u>	<u>\$ 775</u>	<u>\$ 604,183</u>

Amounts reported for governmental activities in the statement of net position (A-1) are the same as the fund statements.

The accompanying Notes to the Financial Statements are an Integral Part of this Statement

**ROCKLEIGH BOARD OF EDUCATION  
GOVERNMENTAL FUNDS  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Total Governmental Funds</u>
<b>REVENUES</b>			
Local Sources			
Property Tax Levy	\$ 537,146		\$ 537,146
Miscellaneous	565	-	565
	<hr/>	<hr/>	<hr/>
Total - Local Sources	537,711	-	537,711
State Sources	64,616	-	64,616
	<hr/>	<hr/>	<hr/>
Total Revenues	602,327	-	602,327
	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>			
Current			
Regular Instruction	386,896		386,896
Special Education Instruction	97,412		97,412
Support Services			
Student and Instruction Related Services	2,794		2,794
General Administration Services	32,458		32,458
Business/Central Services	25,758		25,758
Pupil Transportation	99,844	-	99,844
	<hr/>	<hr/>	<hr/>
Total Expenditures	645,162	-	645,162
	<hr/>	<hr/>	<hr/>
Excess of Revenues Over Expenditures	(42,835)	-	(42,835)
Fund Balance, Beginning of Year	644,839	-	644,839
	<hr/>	<hr/>	<hr/>
Fund Balance, End of Year	<u>\$ 602,004</u>	<u>\$ -</u>	<u>\$ 602,004</u>

The accompanying Notes to the Financial Statements are an Integral Part of this Statement



ROCKLEIGH BOARD OF EDUCATION  
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF  
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
WITH THE DISTRICT-WIDE STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

Total net change in fund balances - governmental funds (Exhibit B-2)	\$ <u>(42,835)</u>
Change in net position of governmental activities (Exhibit A-2)	\$ <u>(42,835)</u>

**NOTES TO THE FINANCIAL STATEMENTS**

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Rockleigh Board of Education (the “Board” or the “District”) is an instrumentality of the State of New Jersey, established to function as an education institution. The District is a Type I school district based upon approval of the Borough voters on April 20, 2004. The Board consists of five elected officials and is responsible for the fiscal control of the District. A School Business Administrator/Board Secretary is appointed by the Board and oversees the business functions of the District. Under existing statutes, the Board's duties and powers include, but are not limited to, the development and adoption of a school program; the establishment, organization and operation of schools; and the acquisition, maintenance and disposition of school property. The Board is a nonoperating school district. The District has no facilities and enters into tuition agreements with other districts to educate the Borough’s children.

The Board also has broad financial responsibilities, including the approval of the annual budget and the establishment of a system of accounting and budgetary controls. The School Business Administrator/Board Secretary is the Chief Financial Officer and is responsible for budgeting, financial accounting and reporting and reports to the Board of Trustees.

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the District. For the Rockleigh Board of Education this includes general operations.

Component units are legally separate organizations for which the District is financially accountable. The District is financially accountable for an organization if the District appoints a voting majority of the organization’s governing board and (1) the District is able to significantly influence the programs or services performed or provided by the organization; or (2) the District is legally entitled to or can otherwise access the organization’s resources; the District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the District in that the District approves the budget, the issuance of debt or the levying of taxes. Based on the foregoing criteria, the District has no component units. Furthermore, the District is not includable in any other reporting entity as a component unit.

**B. New Accounting Standards**

During fiscal year 2022, the District adopted the following GASB statements:

- GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract.
- GASB Statement No. 89, *Accounting for Interest Costs Incurred Before the End of a Construction Period*. The objectives of this Statement is to improve financial reporting by providing users of financial statements with more relevant information about capital assets and the cost of borrowing for a reporting period. The resulting information also will enhance the comparability of information about capital assets and the cost of borrowing for a reporting period for both governmental activities and business-type activities.
- GASB Statement No. 92, *Omnibus 2020*. The objective of this Statement is to enhance comparability in the application of accounting and financial reporting requirements and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

- GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No.84, and a Supersession of GASB Statement No. 32*. The objective of this Statement is to provide more consistent financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans, while mitigating the costs associated with reporting those plans. The requirements also will enhance the relevance, consistency, and comparability of (1) the information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans.
- GASB Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments.

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

- GASB Statement No. 96, *Subscription – Based Information Technology Arrangements*, will be effective beginning with the fiscal year ending June 30, 2023. The objective of this Statement will be to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. That definition and uniform guidance will result in greater consistency in practice. Establishing the capitalization criteria for implementation costs also will reduce diversity and improve comparability in financial reporting by governments. This Statement also will enhance the relevance and reliability of a government's financial statements by requiring a government to report a subscription asset and subscription liability for a SBITA and to disclose essential information about the arrangement. The disclosures will allow users to understand the scale and important aspects of a government's SBITA activities and evaluate a government's obligations and assets resulting from SBITAs.
- GASB Statement No. 99, *Omnibus 2022*, the section applicable to the District will be effective beginning with the fiscal year ending June 30, 2023. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees.
- GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*, will be effective beginning with the fiscal year ending June 30, 2024. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.
- GASB Statement No. 101, *Compensated Absences*, will be effective beginning with the fiscal year ending June 30, 2025. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

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

The financial statements include both district-wide financial statements (based on the District as a whole) and fund financial statements (based on specific District activities or objectives). Both the district-wide and fund financial statements categorize activities as governmental activities. While separate district-wide and fund financial statements are presented, they are interrelated. In the district-wide financial statements, the governmental activities column incorporates data from governmental funds. The District currently has no fiduciary and business-type funds.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

**District-Wide Financial Statements**

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

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

As a general rule the effect of interfund activity has been eliminated from the district-wide financial statements.

**Fund Financial Statements**

Separate fund financial statements are provided for governmental activities. The emphasis of fund financial statements is on major individual governmental funds, each reported as separate columns in the fund financial statements. All remaining governmental funds are aggregated and reported as nonmajor funds. The District considers all of its governmental funds to be major funds.

The District reports the following major governmental funds:

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

The *special revenue fund* accounts for the proceeds of specific revenue sources legally restricted to expenditures for specified purposes. This fund accounts for federal, state and local financial programs, with the exception of grants for major capital projects and the child nutrition programs, student activity funds derived from athletic events or other activities of pupil organizations and private donations for scholarship awards.

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

**Reclassifications**

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

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The district-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. All assets, all liabilities and all deferred outflows/inflows of resources associated with these operations (with the exception of the fiduciary funds) are included on the Statement of Net Position. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

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

Property taxes, unrestricted state aid, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Entitlements (formula-type grants and aid) are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants and similar awards (reimbursement-type grants and awards) are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements imposed by the grantor or provider have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the District.

When both restricted and unrestricted resources are available for use, it is the Board's policy to use restricted resources first, then unrestricted resources as they are needed.

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

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

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

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

***2. Receivables***

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

***3. Inventories***

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

ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

4. *Pensions*

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

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

5. *Net Position/Fund Balance*

District-Wide Statements

In the district-wide statements, there is one class of net position:

- **Restricted Net Position** – reports net position when constraints placed on the residual amount of noncapital assets are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted Net Position** – any portion of net position not already classified as either net investment in capital assets or net position – restricted is classified as net position – unrestricted.

Governmental Fund Statements

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

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

*Excess Surplus – Designated for Subsequent Year's Expenditures* - This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2021 audited excess surplus that was appropriated in the 2022/2023 original budget certified for taxes.

*Excess Surplus* – This restriction was created in accordance with NJSA 18A:7F-7 to represent the June 30, 2022 audited excess surplus that is required to be appropriated in the 2023/2024 original budget certified for taxes.

*Unemployment Compensation* – This restriction was created in accordance with R.S. 43:21-7.3 to reserve funds for unemployment compensation claims reimbursable to the State under the District's election for payment in lieu of contributions (benefit reimbursement method). (See Note 4A).

**Assigned Fund Balance** – Amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

*Designated for Subsequent Year's Expenditures* – This designation was created to dedicate the portion of fund balance appropriated in the adopted 2022/2023 District budget certified for taxes.

**Unassigned Fund Balance** – Represents fund balance that has not been restricted, committed or assigned to specific purposes within the governmental funds.

In the general operating fund it is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e., committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

**6. *Fund Balance Policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The Board of Education itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority. The Board of Trustees is the highest level of decision-making authority for the school district that can, by adoption of a resolution or formal Board action prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the resolution remains in place until a similar action is taken (the adoption of another resolution) to remove or revise the limitation. The District has no committed fund balances at year end.

Amounts in the assigned fund balance classification are intended to be used by the Board of Education for specific purposes but do not meet the criteria to be classified as committed. The Board has authorized the School Business Administrator/Board Secretary to assign fund balance. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

**F. Revenues and Expenditures/Expenses**

**1. *Program Revenues***

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

**2. *Property Taxes***

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

**3. *Tuition Expenditures***

Tuition Expenditures - Tuition charges for the fiscal years 2020-2021 and 2021-2022 were based on rates established by the receiving district. These rates are subject to change when the actual costs have been certified by the State Department of Education.



**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 2 STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

**A. Budgetary Information**

In accordance with the requirements of the New Jersey Department of Education (“the Department”), the District annually prepares its operating budget for the forthcoming year. The budget, except for the general fund and special revenue fund, which is more fully explained below and in the notes to the required supplementary information, is prepared in accordance with accounting principles generally accepted in the United States of America and serves as a formal plan for expenditures and the proposed means for financing them. Lease transactions are accounted for on the GAAP basis.

The District shall prepare a budget annually and deliver said copy to each member of the Board of School Estimates on or before March 22 in each year. The Board of School Estimates shall have a public hearing on the budget subsequent to receiving the document between March 22 and March 29. After the public hearing, the Board of School Estimates shall fix and determine by official action taken at a public meeting of the Board the amount of money necessary to be appropriated for use by the District for the ensuing school year. The budget is submitted to the County Superintendent for review and approval prior to adoption.

Budget adoptions and amendments are recorded in the District's board minutes. The budget is amended by the Board of Trustees as needed throughout the year. The budget for revenues, other resources, other uses, and fund balances is prepared by fund source and amount. The budget for expenditures is prepared by fund, program, function, object and amount. The legal level of budgetary control is established at the line item account within each fund. Line item accounts are defined as the lowest (most specific) level of detail as established pursuant to the minimum chart of accounts referenced in N.J.A.C. 6:20-2A.2(m)1. The Board approved several budget transfers during 2021/2022.

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only and the treatment of encumbrances in the special revenue fund as described in the Notes to Required Supplementary Information (RSI). Encumbrance accounting is also employed as an extension of formal budgetary integration in the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

Encumbrance accounting is employed in the governmental funds. Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of resources are recorded to reserve a portion of the applicable appropriation. Open encumbrances in governmental funds other than the special revenue fund are reported as committed and/or assigned fund balances at fiscal year end as they do not constitute expenditures or liabilities but rather commitments related to unperformed contracts for goods and services which are reappropriated and honored during the subsequent fiscal year.

**B. Calculation of Excess Surplus**

In accordance with N.J.S.A. 18A:7F-7, as amended, the restricted fund balance for Excess Surplus is a required calculation pursuant to the New Jersey Comprehensive Educational Improvement and Financing Act of 1996 (CEIFA). New Jersey school districts are required to restrict General Fund fund balance in excess of 4% of budget expenditures at the fiscal year end of June 30 if they did not appropriate a required minimum amount as budgeted fund balance in their subsequent year's budget. The excess fund balance at June 30, 2022 is \$345,064. Of this amount, \$257,519 was designated and appropriated in the 2022/2023 original budget certified for taxes and the remaining amount of \$87,545 will be appropriated in the 2023/2024 original budget certified for taxes.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments**

**Cash Deposits**

The Board's deposits are insured through either the Federal Deposit Insurance Corporation (FDIC), National Credit Union Share Insurance Fund (NCUSIF), Securities Investor Protection Corporation (SIPC) or New Jersey's Governmental Unit Deposit Protection Act (GUDPA). The Board is required to deposit their funds in a depository which is protecting such funds pursuant to GUDPA. The New Jersey Governmental Unit Deposit Protection Act requires all banks doing business in the State of New Jersey to pledge collateral equal to at least 5% of the average amount of its public deposits and 100% of the average amount of its public funds in excess of the lesser of 75% of its capital funds or \$200 million for all deposits not covered by the FDIC and 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 June 30, 2022, the book value of the Board's deposits were \$603,689 and bank and brokerage firm balances of the Board's deposits amounted to \$691,812. The Board's deposits which are displayed on the various fund balance sheets as "cash and cash equivalents" are categorized as:

**Depository Account**

Insured	\$ 687,162
Uninsured and Collateralized	<u>4,650</u>
	<u>\$ 691,812</u>

Custodial Credit Risk – Deposits – Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The Board does not have a policy for custodial credit risk. As of June 30, 2022 \$4,650 of the Board's bank balances were exposed to custodial credit risk.

**Depository Account**

Uninsured and Collateralized:

Collateral held by pledging financial institution's trust department but not in the Board's name	<u>\$ 4,650</u>
	<u>\$ 4,650</u>

**Investments**

The Board is permitted to invest public funds in accordance with the types of securities authorized by N.J.S.A. 18A:20-37. Examples of the allowable investments are bonds or other obligations of the United States or obligations guaranteed by the United States of America; Government Money Market Mutual Funds; 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 school district or bonds or other obligations of the local unit or units within which the school district is located; Bonds or other obligations, having a maturity date of not more than 397 days from the date of purchase, issued by New Jersey school districts, 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 Investment in the Department of the Treasury for investment by school districts; 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 the above statute.

**ROCKLEIGH BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 3 DETAILED NOTES ON ALL FUNDS**

**A. Cash Deposits and Investments (Continued)**

**Investments (Continued)**

As of June 30, 2022, the Board had no outstanding investments.

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

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. 18A:20-37). The District does not have an investment policy that would further limit its investment choices.

Concentration of Credit Risk – The concentration of credit risk is the risk of loss that may be caused by the Board’s investment in a single issuer. The Board places no limit in the amount the District may invest in any one issuer.

**B. Receivables**

Receivables as of June 30, 2022 for the district’s individual major funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	<u>General</u>
Receivables:	
Intergovernmental -	
State	\$ 494
Gross Receivables	494
Less: Allowance for	
Uncollectibles	-
Net Total Receivables	<u>\$ 494</u>

**C. Long-Term Debt**

**Statutory Borrowing Power**

The Board's remaining borrowing power under N.J.S. 18A:24-19, as amended, at June 30, 2022 was as follows:

4% of Equalized Valuation Basis (Municipal)	\$ 8,180,825
Less: Net Debt	<u>-</u>
Remaining Borrowing Power	<u>\$ 8,180,825</u>

**ROCKLEIGH BOARD OF EDUCATION  
 NOTES TO THE FINANCIAL STATEMENTS  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION**

**A. Risk Management**

The District is exposed to various risks of loss related to errors and omissions and injuries to employees. The Board has obtained commercial insurance coverage to guard against these events to minimize the exposure to the District should they occur. A complete schedule of insurance coverage can be found in the statistical section of this Annual Comprehensive Financial Report.

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

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

Fiscal Year Ended <u>June 30,</u>	<u>District Contributions</u>	<u>Employee Contributions</u>	<u>Interest Earnings</u>	<u>Amount Reimbursed</u>	<u>Ending Balance</u>
2022			\$ 1		\$ 1,681
2021			1		1,754
2020			4		1,753

**B. Employee Retirement System and Pension Plans**

**Plan Descriptions and Benefits Provided**

The State of New Jersey sponsors and administers the following contributory defined benefit public employee retirement system (retirement system) covering substantially all Board employees who are eligible for pension coverage:

**Teachers' Pension and Annuity Fund (TPAF)** – Established in January 1955, under the provisions of N.J.S.A. 18A:66 to provide coverage to substantially all full time certified teachers or professional staff of the public school systems in the State. Membership is mandatory for such employees. TPAF is a cost sharing multiple- employer defined benefit pension plan with a special funding situation, which the State is responsible to fund 100% of local employer contributions, excluding any local employer early retirement incentive (ERI) contributions. For additional information about TPAF, please refer to the State Division of Pension and Benefits (Division's) Annual Comprehensive Financial Report (ACFR) 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. 18A:66. TPAF provides retirement, death, and disability benefits. All benefits vest after ten years of service, except for medical benefits, which vest after 25 years of service or under the disability provisions of TPAF. Members are always fully vested for their own contributions and, after three years of service credit, become vested for 2% of related interest earned on the contributions. In the case of death before retirement, members' beneficiaries are entitled to full interest credited to the members' accounts.

The following represent the membership tiers for TPAF:

<u>Tier</u>	<u>Definition</u>
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

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Employee Retirement System and Pension Plans (Continued)**

**Teachers' Pension and Annuity Fund (TPAF) (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 retirement for his/her respective tier. 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 Board employees who are eligible for pension coverage.

**Other Pension Funds**

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

The cost of living increase for TPAF is 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 ("Division"), issues publicly available financial reports that include the financial statements and required supplementary information of each of the above systems. The financial reports may be accessed via the New Jersey, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**Plan Amendments**

The authority to amend the provisions of the above plans rests with legislation passed by the State of New Jersey. Pension reforms enacted pursuant to Chapter 78, P.L. 2011 included provisions creating special Pension Plan Design Committees for TPAF, once a Target Funded Ratio (TFR) is met. The Pension Plan Design Committees will have the discretionary authority to modify certain plan design features, including member contribution rate; formula for calculation of final compensation of final salary; fraction used to calculate a retirement allowance; age at which a member may be eligible and the benefits for service or early retirement; and benefits provided for disability retirement. The committees will also have the authority to reactivate the cost of living adjustment (COLA) on pensions. However, modifications can only be made to the extent that the resulting impact does not cause the funded ratio to drop below the TFR in any one year of a 30-year projection period.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Employee Retirement System and Pension Plans (Continued)**

**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.

**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. 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 reports may be obtained in writing to the State of New Jersey, Department of the Treasury, Division of Investment, P.O. Box 290, Trenton, New Jersey 08625-0290 or at [www.state.nj.us/treasury/doinvest](http://www.state.nj.us/treasury/doinvest).

**Collective Net Pension Liability**

The collective net pension liability of the participating employers for local PERS at June 30, 2021 is \$12.0 billion and the plan fiduciary net position as a percentage of the total pension liability is 70.33%. The collective net pension liability of the State funded TPAF at June 30, 2021 is \$48.2 billion and the plan fiduciary net position as a percentage of total pension liability is 35.52%.

The total pension liabilities were determined based on actuarial valuations as of July 1, 2020 which were rolled forward to June 30, 2021.

**Actuarial Methods and Assumptions**

In the July 1, 2020 TPAF actuarial valuation, 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.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Employee Retirement System and Pension Plans (Continued)**

**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 retirement systems require employee contributions based on 7.50% for TPAF of the employee’s annual compensation for fiscal year 2022.

The TPAF State’s nonemployer contributions are based on actuarially determined amounts, which include the normal cost and unfunded accrued liability. For the fiscal year ended June 30, 2022 for TPAF, which is a cost sharing multiple employer defined benefit pension plan with a special funding situation, the State’s annual pension contribution was less than the actuarial determined amount. TPAF nonemployer contributions are made annually by the State of New Jersey to the pension system on behalf of the Board.

During the fiscal years ended June 30, 2022, 2021, and 2020 the Board the State of New Jersey, as a nonemployer contributing entity, contributed for TPAF for normal cost pension and unfunded accrued liability contributions (including non-contributory group life insurance (NCGI)) the following amounts:

Fiscal Year Ended <u>June 30,</u>	On-behalf <u>TPAF</u>
2022	\$ 7,923
2021	5,587
2020	4,179

The on-behalf TPAF contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB Statement No. 85, *Omnibus 2017* (GASB No. 85).

Also, in accordance with N.J.S.A. 18A:66-66 the State of New Jersey reimbursed the Board \$1,978 during the fiscal year ended June 30, 2022 for the employer’s share of social security contributions for TPAF members as calculated on their base salaries. This amount has been recognized in the district-wide financial statements (accrual basis) and the governmental fund financial statements (modified accrual basis) as both a revenue and expense/expenditure in accordance with GASB No. 85.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Employee Retirement System and Pension Plans (Continued)**

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

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

GASB No. 68, requires participating employers in TPAF to recognize their proportionate share of the collective net pension liability, collective deferred outflows of resources, collective deferred inflows of resources and collective pension expense. The non-employer allocation percentages presented are based on the ratio of the State's contributions made as an employee and non-employer adjusted for unpaid early retirement incentives to total contributions to TPAF during the measurement period July 1, 2020 through June 30, 2021. Non-employer allocation percentages have been rounded for presentation purposes.

The contribution policy for TPAF is set by N.J.S.A. 18A:66 and requires contributions by active members and non-employer contributions by the State. State legislation has modified the amount that is contributed by the State. The State's pension contribution is based on an actuarially determined amount, which includes the employer portion of the normal cost and an amortization of the unfunded accrued liability. For the fiscal year ended June 30, 2021, the State's pension contribution was less than the actuarial determined amount.

In accordance with GASB No. 68, the District is not required to recognize a net pension liability for TPAF. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to TPAF on behalf of the District. Accordingly, the District's proportionate share percentage determined under Statement No. 68 is zero percent and the State's proportionate share is 100% of the net pension liability attributable to the District for TPAF. Therefore, in addition, the District does not recognize any portion of the TPAF collective deferred outflows of resources and deferred inflows of resources.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) pension expense of \$2,133 for TPAF. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State's proportionate share of the net pension liability attributable to the District is \$90,668. The net pension liability was measured as of June 30, 2021 and was determined by an actuarial valuation as of July 1, 2020. The nonemployer allocation percentages are based on the ratio of the State's contributions made as a nonemployer attributable to the District adjusted for unpaid early retirement incentives relative to total contributions to TPAF during the year ended June 30, 2021. At June 30, 2021, the State's share of the net pension liability attributable to the District was .00019 percent, which was the same as its proportionate share measured as of June 30, 2020 of .00019 percent.



**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Employee Retirement System and Pension Plans (Continued)**

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

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

**Actuarial Assumptions**

The total pension liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of July 1, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

	<u>TPAF</u>
Inflation Rate:	
Price	2.75%
Wage	3.25%
Salary Increases:	
Through 2026	1.55-4.55%
	Based on Years of Service
Thereafter	2.75%-5.65%
	Based on Years of Service
Investment Rate of Return	7.00%

***Mortality Rates***

Pre-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Employee mortality table with a 93.9% adjustment for males and 85.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Post-retirement mortality rates were based on the Pub-2010 Teachers Above-Median Income Healthy Retiree mortality table with a 114.7% adjustment for males and 99.6% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Disability mortality rates were based on the Pub-2010 Non-Safety Disabled Retiree mortality table with a 106.3% adjustment for males and 100.3% adjustment for females, and with future improvement from the base year of 2010 on a generational basis. Mortality improvement is based on Scale MP-2021.

The actuarial assumptions used in the July 1, 2020 valuation were based on the results of an actuarial experience study for the period July 1, 2015 to June 30, 2018.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Employee Retirement System and Pension Plans (Continued)**

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

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

**Long-Term Expected Rate of Return**

In accordance with State statute, the long-term expected rate of return on plan investments (7% at June 30, 2021) is determined by the State Treasurer, after consultation with the Directors of the Division of Investment and Division of Pensions and Benefits, the board of trustees and actuaries. 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 TPAF's target asset allocation as of June 30, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Risk Mitigation Strategies	3.00%	3.35%
Cash Equivalents	4.00%	0.50%
U.S. Treasuries	5.00%	0.95%
Investment Grade Credit	8.00%	1.68%
US Equity	27.00%	8.09%
Non-US Developed Markets Equity	13.50%	8.71%
Emerging Markets Equity	5.50%	10.96%
High Yield	2.00%	3.75%
Real Assets	3.00%	7.40%
Private Credit	8.00%	7.60%
Real Estate	8.00%	9.15%
Private Equity	13.00%	11.30%

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**B. Employee Retirement System and Pension Plans (Continued)**

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

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

***Discount Rate***

The discount rate used to measure the total pension liability for TPAF was 7.00% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be based on 100% of the actuarially determined contributions for the State. Based on those assumptions, the plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all projected benefit payments in determining the total pension liability.

***Sensitivity of Net Pension Liability***

The following presents the State's proportionate share of the TPAF net pension liability attributable to the District calculated using the discount rate of 7.00%, as well as what the State's proportionate share of the TPAF net pension liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00% percent) or 1-percentage-point higher (8.00% percent) than the current rate:

	<b>1% Decrease <u>(6.00%)</u></b>	<b>Current Discount Rate <u>(7.00%)</u></b>	<b>1% Increase <u>(8.00%)</u></b>
State's Proportionate Share of the TPAF Net Pension Liability Attributable to the District	\$ <u>107,275</u>	\$ <u>90,668</u>	\$ <u>76,719</u>

The sensitivity analysis was based on the State's proportionate share of the net pension liability attributable to the District as of the measurement date of June 30, 2021. A sensitivity analysis specific to the State's proportionate share of the net pension liability attributable to the District at June 30, 2021 was not provided by the pension system.

***Pension Plan Fiduciary Net Position***

Detailed information about the TPAF pension plan's fiduciary net position is available in the separately issued financial report from the State of New Jersey, Department of the Treasury, Division of Pension and Benefits. The financial 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).

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

**C. Post-Retirement Medical Benefits**

The State of New Jersey sponsors and administers the post-retirement health benefit program plan for school districts.

As a result of implementing GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other than Pension Plans*, the post-retirement health benefit program plan is reported in a Custodial Fund in the New Jersey Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In addition, the plan is administered on a pay-as-you-go basis. Therefore, the plan has no assets accumulated in a qualified trust. In accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pension* (GASB No. 75), the plan is classified as a multiple-employer defined benefit OPEB plan with a special funding situation that is not administered through a trust that meets the criteria in paragraph 4 of GASB No. 75.

**Plan Description and Benefits Provided**

The State of New Jersey sponsors and administers the following post-retirement health benefit program plan covering certain local school district employees, including those Board employees and retirees eligible for coverage.

**State Health Benefit Program Fund – Local Education Retired Employees Plan** (including Prescription Drug Program Fund) – N.J.S.A. 52:14-17.32f provides medical coverage, prescription drug benefits and Medicare Part B reimbursement to qualified retired education employees and their covered dependents. The State of New Jersey provides employer-paid coverage to members of the TPAF who retire from a board of education or county college with 25 years of service or on a disability retirement. Under the provisions of Chapter 126, P.L. 1992, the State also provides employer-paid coverage to members of the PERS and Alternate Benefits Program (ABP) who retire from a board of education or county college with 25 years of service or on a disability retirement if the member’s employer does not provide this coverage. Retirees who are not eligible for employer paid health coverage at retirement can continue in the program if their employer participates in this program or if they are participating in the health benefits plan of their former employer and are enrolled in Medicare Parts A and B by paying the cost of the insurance for themselves and their covered dependents.

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 of 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 accessed via the State of New Jersey, Department of the Treasury, Division of Pensions and Benefits, website at [www.state.nj.us/treasury/pensions](http://www.state.nj.us/treasury/pensions).

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Plan Membership**

Membership of the defined benefit OPEB plan consisted of the following at June 30, 2020:

Active Plan Members	216,804
Inactive Plan Members or Beneficiaries Currently Receiving Benefits	<u>149,304</u>
Total	<u>366,108</u>

**Measurement Focus and Basis of Accounting**

The financial statements of the post-employment health benefit plans 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 post-employment health benefit plans. 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 value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**Collective Net OPEB Liability**

The collective net OPEB liability of the State, as the non-employer contributing entity, of the plan at June 30, 2021 is \$60.0 billion, and the plan fiduciary net position as a percentage of the total OPEB liability is zero percent.

The total OPEB liabilities were determined based on actuarial valuations as of June 30, 2020 which were rolled forward to June 30, 2021.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**Post-Retirement Medical Benefits Contributions (Continued)**

**Actuarial Methods and Assumptions**

In the June 30, 2020 OPEB actuarial valuation, 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 Plan selected economic and demographic assumptions and prescribed them for use for purposes of compliance with GASB Statement No. 75. The Actuary provided guidance with respect to these assumptions, and it is their belief that the assumptions represent reasonable expectations of anticipated plan experience.

**Post-Retirement Medical Benefits Contributions**

The funding policy of the OPEB plan is pay as you go basis; therefore, there is no prefunding of the liability. Contributions to pay for the health benefit premiums of participating employees in the OPEB plan are made by the State, as a non-employer contributing entity, under a special funding situation in accordance with State statutes as previously disclosed. The State as a non-employer contributing entity made contributions of \$1.23 billion to the OPEB plan in fiscal year 2021.

The State sets the contribution rate based on a pay as you go basis rather than the actuarial determined contribution amount actuarially determined in accordance with the parameters of GASB Statement 75. The actuarial determined contribution represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and any unfunded actuarial liabilities (or funding excess) of the plan using a systematic and rational method over a closed period equal to the average of the expected remaining service lives of all employees that are provided with OPEB through the Plan. The State's contributions, as a nonemployer contributing entity, to the State Health Benefits Program Fund – Local Education Retired Employees Plan for retirees' post-retirement benefits on behalf of the School District for the fiscal years ended June 30, 2022, 2021 and 2020 were \$1,851, \$1,751 and \$1,550, respectively, which equaled the required contributions for each year. The State's contributions to the State Health Benefits Program Fund – Local Education Retired Employees Plan for PERS retirees' post-retirement benefits on behalf of the School District was not determined or made available by the State of New Jersey. The on-behalf OPEB contributions are recognized in the governmental fund financial statements (modified accrual basis) as both a revenue and expenditure in accordance with GASB No. 85.

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB**

GASB Statement No. 75 requires participating employers in the State Health Benefit Program Fund – Local Education Retired Employees Plan to recognize their proportionate share of the collective OPEB liability, collective deferred outflows of resources, collective deferred inflows of resources and collective OPEB expense. The nonemployer allocation percentages presented are based on the ratio of the State's contributions made as a nonemployer toward the actuarially determined contribution amount to total contributions to the plan during the measurement period July 1, 2020 through June 30, 2021. Nonemployer allocation percentages have been rounded for presentation purposes.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

In accordance with GASB No. 75, the District is not required to recognize an OPEB liability for the post-employment health benefit plan. The State of New Jersey, as a nonemployer contributing entity, is the only entity that has a legal obligation to make employer contributions to the plan on behalf of the District. Accordingly, the District’s proportionate share percentage determined under Statement No. 75 is zero percent and the State’s proportionate share is 100% of the OPEB liability attributable to the District. Therefore, in addition, the District does not recognize any portion of the collective deferred outflows of resources and deferred inflows of resources related to the plan.

For the fiscal year ended June 30, 2022, the District recognized in the district-wide statement of activities (accrual basis) OPEB expense of \$74,453. This amount has been included in the district-wide statement of activities (accrual basis) as both a revenue and expense in accordance with GASB No. 85.

At June 30, 2022 the State’s proportionate share of the OPEB liability attributable to the District is \$190,822. The nonemployer allocation percentages are based on the ratio of the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021 to the total OPEB liability of the State Health Benefit Program Fund – Local Education Retired Employees Plan at June 30, 2021. At June 30, 2021, the state’s share of the OPEB liability attributable to the District was 0.00 percent, which was unchanged from its proportionate share measured as of June 30, 2020 of 0.00 percent.

**Actuarial Assumptions**

The OPEB liability for the June 30, 2021 measurement date was determined by an actuarial valuation as of June 30, 2020, which was rolled forward to June 30, 2021. This actuarial valuation used the following actuarial assumptions, applied to all periods in the measurement.

Inflation Rate	2.50%	
Salary Increases*	<u>PERS</u>	<u>TPAF</u>
Initial Fiscal Year Applied Through	2026	2026
Rate	2.00% to 6.00%	1.55% to 4.45%
Rate Thereafter	3.00% to 7.00%	2.75% to 5.65%

\*Salary increases are based on the defined benefit pension plan that the member is enrolled in and the members years of service.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

Preretirement mortality rates were based on the Pub-2010 Health “Teachers” (TPAF) and “General” (PERS) classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Postretirement mortality rates were based on the Pub-2010 “General” classification headcount-weighted mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021. Disability mortality was based on the Pub-2010 “General” classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021 for current disabled retirees. Future disabled retirees was based on the Pub-2010 “General” (PERS) and “Teachers” (TPAF) classification headcount-weighted disabled mortality table with fully generational mortality improvement projections from the central year using Scale MP-2021.

The actuarial assumptions used in the June 30, 2020 valuation were based on the results of the TPAF and PERS actuarial experience studies for the period July 1, 2015 to June 30, 2018 and July 1, 2014 to June 30, 2018, respectively.

100% of active members are considered to participate in the plan upon retirement.

**Health Care Trend Assumptions**

For pre-Medicare medical benefits, the trend rate is initially 5.65% and decreases to a 4.50% long-term trend rate after seven years. For post-65 medical benefits, the actual fully-insured Medicare Advantage trend rates for fiscal year 2022 through 2023 are reflected. For PPO the trend is initially 5.74% in fiscal year 2024, increasing to 12.93% in fiscal year 2025 and decreases to 4.50% after 11 years. For HMO the trend is initially 6.01% in fiscal year 2024, increasing to 15.23% in fiscal year 2025 and decreases to 4.5% after 11 years. For prescription drug benefits, the initial trend rate is 6.75% and decreases to a 4.50% long-term trend rate after seven years. For the Medicare Part B reimbursement, the trend rate is 5.00%

**Discount Rate**

The discount rate for June 30, 2021 was 2.16%. This represents the municipal bond return rate as chosen by the Division. The source is the Bond Buyer Go 20-Bond Municipal Bond Index, which includes tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher. As the long-term rate of return is less than the municipal bond rate, it is not considered in the calculation of the discount rate, rather the discount rate is set at the municipal bond rate.



**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Changes in the Total OPEB Liability**

The change in the State’s proportionate share of the OPEB liability attributable to the District for the fiscal year ended June 30, 2022 (measurement date June 30, 2021) is as follows:

	Total OPEB Liability <u>(State Share 100%)</u>
Balance, June 30, 2020 Measurement Date	\$ <u>201,957</u>
Changes Recognized for the Fiscal Year:	
Service Cost	17,130
Interest on the Total OPEB Liability	4,950
Changes of Benefit Terms	(203)
Differences Between Expected and Actual Experience	(29,428)
Changes of Assumptions	188
Gross Benefit Payments	(3,899)
Contributions from the Member	127
<b>Net Changes</b>	<u>\$ (11,135)</u>
Balance, June 30, 2021 Measurement Date	<u>\$ 190,822</u>

Changes of assumptions and other inputs reflect a change in the discount rate from 2.21% in 2020 to 2.16% in 2021.

The change in the total OPEB liability was based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 4 OTHER INFORMATION (Continued)**

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

**OPEB Liabilities, OPEB Expenses and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (Continued)**

**Sensitivity of OPEB Liability**

*Sensitivity of the total OPEB liability to changes in the discount rate.* The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using the discount rate of 2.16%, as well as what the State’s proportionate share of the OPEB liability attributable to the District that would be if it were calculated using a discount rate that is 1-percentage-point lower (1.16 percent) or 1-percentage-point higher (3.16 percent) than the current rate:

	<b>1% Decrease <u>(1.16%)</u></b>	<b>Current Discount Rate <u>(2.16%)</u></b>	<b>1% Increase <u>(3.16%)</u></b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>228,575</u>	\$ <u>190,822</u>	\$ <u>161,094</u>

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates.* The following presents the State’s proportionate share of the OPEB liability attributable to the District calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

	<b>1% Decrease</b>	<b>Healthcare Cost Trend Rates</b>	<b>1% Increase</b>
State's Proportionate Share of the OPEB Liability Attributable to the District	\$ <u>154,471</u>	\$ <u>190,822</u>	\$ <u>239,639</u>

The sensitivity analyses were based on the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021. Sensitivity analyses specific to the State’s proportionate share of the OPEB liability attributable to the District at June 30, 2021 were not provided by the pension system.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 5 INFECTIOUS DISEASE OUTBREAK – COVID-19 RECENT DEVELOPMENTS**

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the “Pandemic”) by the World Health Organization and has been affecting many parts of the world, including the United States and the State of New Jersey. On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President’s Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States. As governments monitor the outbreaks, they have taken various steps to control them through requiring social distancing, masks and business closures and limited openings. As the virus appears to be under control in many areas, many of these restrictions have been lifted although the situation is monitored, sometimes restrictions are reinstated. Several vaccines have been developed and have been administered. Mutant variants have emerged in various places around the world and now are prevalent in the United States. Certain workers are being required to be vaccinated. Companies have developed booster shots, and current vaccines have proven substantially effective against all currently know variants. New treatments are also being developed to avert the worst outcomes. The assessment of the impact of the virus and the ability to control it and its mutant strains is ongoing.

In the State, Governor Phil Murphy has issued multiple Executive Orders since March 16, 2020 including but not limited to aggressive social distancing measures, restrictions on local elections, restrictions on foreclosure and evictions, suspension of all elective surgeries, closing of schools and child care centers, the commandeering of property such as medical supplies, the cessation of all non-essential construction projects, extending insurance premium grace periods, the temporary reprieve to certain at-risk inmates and the extension of the permitted statutory grace period from May 11, 2020 to June 1, 2020 for quarterly property taxes due May 1, 2020. On June 4, 2021, the Governor signed legislation enabling the end of the public health emergency and keeping certain executive orders in place until January 1, 2022, though such executive orders may be modified or rescinded prior to that day by the Governor. The Board expects ongoing actions be taken by State, federal and local governments and private entities to mitigate the spread and impacts of COVID-19. The Pandemic has negatively affected travel, commerce, and financial markets globally, and may continue to negatively affect economic growth and financial markets worldwide. These negative impacts could reduce or negatively affect property values within the School District.

Since the pandemic began, the federal government had enacted rescue legislation to address the pandemic and alleviate its economic and health effects, including significant support for education. The legislation includes various forms of financial relief including direct stimulus payments 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. Federal aid for public education has been provided under three 5 separate laws: The Coronavirus Aid, Relief, and Economic Security Act in March 2020 (CARES Act), and the Coronavirus Response and Relief Supplemental Appropriations Act in December 2020 (CRRSA) and the American Rescue Plan Act in March 2021 (ARP). The Elementary and Secondary School Emergency Relief (ESSER) Fund is the main source of funding for public elementary and secondary education under each law. The School District has been awarded up to \$775 to address certain expenses incurred as a result of the pandemic. Because of the evolving nature of the outbreak and federal, state and local responses, the Board cannot predict how the outbreak will impact the financial condition or operations of the Board, or if there will be any impact on the assessed values of property within the School District or deferral of tax payments to municipalities. The School District cannot predict costs associated with this or any other potential infectious disease outbreak including whether there will be any reduction in State funding or an increase in operational costs incurred to clean, sanitize and maintain its facilities either before or after an outbreak of an infectious disease. To date the School District has not been materially and adversely affected financially due to the virus.

**REQUIRED SUPPLEMENTARY INFORMATION - PART II**

**BUDGETARY COMPARISON SCHEDULES**

**ROCKLEIGH BOARD OF EDUCATION**  
**GENERAL FUND**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	Original Budget	Budget Transfers	Final Budget	Actual	Variance Final Budget To Actual
<b>REVENUES</b>					
Local Sources					
Local Tax Levy	\$ 537,146		\$ 537,146	\$ 537,146	
Miscellaneous	232	-	232	565	\$ 333
Total Local Sources	537,378	-	537,378	537,711	333
State Sources					
Transportation Aid	28,708		28,708	28,708	
Special Education Aid	13,554		13,554	13,554	
Security Aid	2,002		2,002	2,002	
Extraordinary Aid					-
Non Public Transportation Aid					-
On-behalf TPAF Pension Payments - Normal Costs (Non-Budget)				7,813	7,813
On-behalf TPAF Pension Payments - NCGI Premium (Non-Budget)				110	110
On-behalf TPAF Payments - Post Retirement Medical Benefits (Non-Budget)				1,851	1,851
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	1,978	1,978
Total State Sources	44,264	-	44,264	56,016	11,752
Total Revenues	581,642	-	581,642	593,727	12,085
<b>EXPENDITURES</b>					
Undistributed Expenditures					
Instruction					
Tuition to Other LEAs Within State - Regular	402,932		402,932	386,896	16,036
Tuition to Other LEAs Within State - Special	58,797		58,797	30,853	27,944
Tuition to Private Schools for the Disabled Outside the State	74,708	\$ (4,300)	70,408	66,559	3,849
Total Instruction	536,437	(4,300)	532,137	484,308	47,829
Other Support Services-Students-Extra Services					
Purchased Professional/Educational Services	7,500	-	7,500	2,794	4,706
Total Other Support Services - Students - Extra Svc	7,500	-	7,500	2,794	4,706
Support Services General Administration					
Salaries	3,028		3,028	3,027	1
Legal Services	3,000		3,000	-	3,000
Audit Fees	6,200		6,200	5,900	300
Miscellaneous Purchased Services	8,000		8,000	4,833	3,167
General Supplies	2,674		2,674	74	2,600
Miscellaneous Expenditures	6,550	4,300	10,850	6,467	4,383
BOE Membership Dues and Fees	450	-	450	405	45
Total Support Services General Administration	29,902	4,300	34,202	20,706	13,496

**ROCKLEIGH BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Budget Transfers</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Final To Actual</u>
Central Services					
Salaries	\$ 22,825	-	\$ 22,825	\$ 22,824	\$ 1
Total Central Services	<u>22,825</u>	<u>-</u>	<u>22,825</u>	<u>22,824</u>	<u>1</u>
Administrative Information Technology					
Purchased Technical Services	3,600	-	3,600	2,000	1,600
Total Administrative Information Services	<u>3,600</u>	<u>-</u>	<u>3,600</u>	<u>2,000</u>	<u>1,600</u>
Student Transportation Services					
Contract Services - Aid in lieu of Payments - NonPublic	5,000	-	5,000	1,000	4,000
Contract Services(Between Home and School) - Vendors	75,121	-	75,121	75,121	-
Contract Services(Between Home and School) - Joint Agreement	9,000	-	9,000	6,138	2,862
Contract Services (Spl. Ed. Stds.)-Joint Agreements	<u>28,379</u>	<u>-</u>	<u>28,379</u>	<u>17,585</u>	<u>10,794</u>
Total Student Transportation Services	<u>117,500</u>	<u>-</u>	<u>117,500</u>	<u>99,844</u>	<u>17,656</u>
Unallocated Expenditures - Employee Benefits					
Social Security Contributions	2,035	-	2,035	494	1,541
Workmen's Compensation	750	-	750	367	383
Unemployment Compensation (Non-Budget)	-	-	-	73	(73)
Total General Administration - Employee Benefits	<u>2,785</u>	<u>-</u>	<u>2,785</u>	<u>934</u>	<u>1,851</u>
On-behalf TPAF Pension Payments - Normal Costs (Non-Budget)				7,813	(7,813)
On-behalf TPAF Pension Payments - NCGI Premium (Non-Budget)				110	(110)
On-behalf TPAF Payments - Post Retirement Medical Benefits (Non-Budget)				1,851	(1,851)
On-behalf TPAF Social Security Payments (Non-Budget)	-	-	-	1,978	(1,978)
Total Undistributed Expenditures	<u>720,549</u>	<u>-</u>	<u>720,549</u>	<u>645,162</u>	<u>75,387</u>
Total Expenditures - Current Expenditures	<u>720,549</u>	<u>-</u>	<u>720,549</u>	<u>645,162</u>	<u>75,387</u>
Excess (Deficiency) of Revenues Over/(Under) Expenditures	(138,907)	-	(138,907)	(51,435)	87,472
Fund Balance, Beginning of Year	<u>657,869</u>	<u>-</u>	<u>657,869</u>	<u>657,869</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 518,962</u>	<u>\$ -</u>	<u>\$ 518,962</u>	<u>\$ 606,434</u>	<u>\$ 87,472</u>
<b>Recapitulation of Fund Balance</b>					
Restricted Fund Balance:					
Excess Surplus - Designated for Subsequent Year's Expenditures				\$ 257,519	
Excess Surplus				87,545	
Unemployment Compensation				1,681	
Assigned Fund Balance:					
Designated for Subsequent Year's Expenditures				9,689	
Unassigned Fund Balance				<u>250,000</u>	
				606,434	
Reconciliation to Governmental Funds Statements (GAAP):					
Less: State Aid Payments Not Recognized on GAAP Basis				<u>(4,430)</u>	
Fund Balance Per Governmental Funds (GAAP)				<u>\$ 602,004</u>	

**ROCKLEIGH BOARD OF EDUCATION  
SPECIAL REVENUE FUND  
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
BUDGET (NON-GAAP) AND ACTUAL  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NO ACTIVITY**

**NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PART II**



**ROCKLEIGH BOARD OF EDUCATION  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE -  
 BUDGET AND ACTUAL  
 NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION  
 FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

Formal budgetary integration into the accounting system is employed as a management control device during the year. For governmental funds there are no substantial differences between the budgetary basis of accounting and accounting principles generally accepted in the United States of America, with the exception of the legally mandated revenue recognition of certain state aid payments for budgetary purposes only. Encumbrance accounting is also employed as an extension of formal budgetary integration of the governmental fund types. Unencumbered appropriations lapse at fiscal year end.

The following presents a reconciliation of the General and Special Revenue Funds from the budgetary basis of accounting as presented in the Budgetary Comparison Schedule - General Fund to the GAAP basis of accounting as presented in the Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds.

	<u>General Fund</u>	<u>Special Revenue Fund</u>
<b>Sources/inflows of resources</b>		
Actual amounts (budgetary basis) "revenue" from the budgetary comparison schedule	(C-1) \$ 593,727	(C-2) \$ -
Difference - Budget to GAAP:		
State Aid payment recognized for GAAP Statements, not recognized for budgetary purposes (prior year)	13,030	
State Aid payments recognized for budgetary purposes, not recognized for GAAP statements (current year)	<u>(4,430)</u>	<u>-</u>
 Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds.	 (B-2) \$ <u>602,327</u>	 (B-2) \$ <u>-</u>
<b>Uses/outflows of resources</b>		
Actual amounts (budgetary basis) "expenditures" from the budgetary comparison schedule	(C-1) \$ <u>645,162</u>	(C-1) \$ <u>-</u>
 Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	 (B-2) \$ <u>645,162</u>	 (B-2) \$ <u>-</u>

**REQUIRED SUPPLEMENTARY INFORMATION - PART III**  
**PENSION AND POST-EMPLOYMENT BENEFITS INFORMATION**

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

**Public Employees Retirement System**

**Not Applicable**

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

**Public Employees Retirement System**

**Not Applicable**

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

**Teachers Pension and Annuity Fund**

**Last Nine Fiscal Years\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's Proportion of the Net Position Liability (Asset)	0%	0%	0%	0%	0%	0%	0%	0%	0%
District's Proportionate Share of the Net Pension Liability (Asset)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	<u>\$ 90,668</u>	<u>\$ 123,249</u>	<u>\$ 113,424</u>	<u>\$ 116,342</u>	<u>\$ 122,372</u>	<u>\$ 142,019</u>	<u>\$ 113,049</u>	<u>\$ 96,252</u>	<u>\$ 90,206</u>
Total	<u>\$ 90,668</u>	<u>\$ 123,249</u>	<u>\$ 113,424</u>	<u>\$ 116,342</u>	<u>\$ 122,372</u>	<u>\$ 142,019</u>	<u>\$ 113,049</u>	<u>\$ 96,252</u>	<u>\$ 90,206</u>
District's Covered Payroll	<u>\$ 22,824</u>	<u>\$ 22,148</u>	<u>\$ 20,848</u>	<u>\$ 20,240</u>	<u>\$ 19,648</u>	<u>\$ 19,068</u>	<u>\$ 18,694</u>	<u>\$ 18,324</u>	<u>\$ 17,964</u>
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%	0%	0%	0%	0%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	35.52%	26.95%	26.95%	26.49%	25.41%	22.33%	28.71%	33.64%	33.76%

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

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

**ROCKLEIGH BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF NET PENSION LIABILITY  
AND SCHEDULE OF DISTRICT CONTRIBUTIONS  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Change of Benefit Terms:** None.

**Change of Assumptions:** Assumptions used in calculating the net pension liability and statutorily required contributions are presented in Note 4B.

**ROCKLEIGH BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF  
TOTAL OPEB LIABILITY**

**Postemployment Health Benefit Plan**

**Last Five Fiscal Years\***

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
<b>Total OPEB Liability</b>					
Service Cost	\$ 17,130	\$ 9,752	\$ 10,558	\$ 11,675	\$ 14,496
Interest on Total OPEB Liability	4,950	4,083	4,418	4,622	3,554
Changes in Benefit Terms	(203)				
Differences Between Expected and Actual Experience	(29,428)	46,048	(9,975)	(15,092)	-
Changes of Assumptions	188	36,891	1,619	(12,073)	(15,694)
Gross Benefit Payments	(3,899)	(3,516)	(3,333)	(2,813)	(4,696)
Contributions from the Member	127	107	99	97	173
<b>Net Change in Total OPEB Liability</b>	(11,135)	93,365	3,386	(13,584)	(2,167)
<b>Total OPEB Liability - Beginning</b>	<u>201,957</u>	<u>108,592</u>	<u>105,206</u>	<u>118,790</u>	<u>120,957</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 190,822</u>	<u>\$ 201,957</u>	<u>\$ 108,592</u>	<u>\$ 105,206</u>	<u>\$ 118,790</u>
District's Proportionate Share of OPEB Liability	\$0	\$0	\$0	\$0	\$0
State's Proportionate Share of OPEB Liability	<u>190,822</u>	<u>201,957</u>	<u>108,592</u>	<u>105,206</u>	<u>118,790</u>
<b>Total OPEB Liability - Ending</b>	<u>\$ 190,822</u>	<u>\$ 201,957</u>	<u>\$ 108,592</u>	<u>\$ 105,206</u>	<u>\$ 118,790</u>
District's Covered Payroll	<u>\$ 22,824</u>	<u>\$ 22,148</u>	<u>\$ 20,848</u>	<u>\$ 20,240</u>	<u>\$ 19,648</u>
District's Proportionate Share of the Total OPEB Liability as a Percentage of its Covered Payroll	0%	0%	0%	0%	0%

Note: No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB 75.

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

This schedule is presented to illustrate the requirement to show information for 10 years in accordance with GASB Statement No. 75. However, until a full 10-year trend is compiled, the District will only present information for those years for which information is available.

**ROCKLEIGH BOARD OF EDUCATION  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULE OF CHANGES IN THE DISTRICT'S PROPORTIONATE SHARE OF THE OPEB LIABILITY  
AND SCHEDULE OF DISTRICT PROPORTIONATE SHARE OF THE OPEB LIABILITY  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**Changes in Benefit Terms:**

None.

**Changes of Assumptions**

Assumptions used in calculating the OPEB liability are presented in Note 4C.



**SCHOOL LEVEL SCHEDULES**

**(General Fund)**

**NOT APPLICABLE**

**SPECIAL REVENUE FUND**

**NO ACTIVITY**

**CAPITAL PROJECTS FUND**

**NOT APPLICABLE**

**ENTERPRISE FUND**

**NOT APPLICABLE**

**FIDUCIARY FUNDS**

**NOT APPLICABLE**

**LONG-TERM DEBT**

**NOT APPLICABLE**

## STATISTICAL SECTION

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

### Contents

### Exhibits

#### **Financial Trends**

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

J-1 to J-5

#### **Revenue Capacity**

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

J-6 to J-9

#### **Debt Capacity**

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

J-10 to J-13

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

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

J-14 and J-15

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs. J-16 to J-20

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

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
								(Restated)		
Governmental activities										
Restricted								\$ 1,753	\$ 1,754	\$ 1,681
Unrestricted	\$ 161,400	\$ 155,741	\$ 314,785	\$ 344,639	\$ 426,335	\$ 475,651	\$ 505,720	552,919	643,085	600,323
Total governmental activities net position	<u>\$ 161,400</u>	<u>\$ 155,741</u>	<u>\$ 314,785</u>	<u>\$ 344,639</u>	<u>\$ 426,335</u>	<u>\$ 475,651</u>	<u>\$ 505,720</u>	<u>\$ 554,672</u>	<u>\$ 644,839</u>	<u>\$ 602,004</u>
District-wide										
Restricted								\$ 1,753	\$ 1,754	\$ 1,681
Unrestricted	\$ 161,400	\$ 155,741	\$ 314,785	\$ 344,639	\$ 426,335	\$ 475,651	\$ 505,720	552,919	643,085	600,323
Total district net position	<u>\$ 161,400</u>	<u>\$ 155,741</u>	<u>\$ 314,785</u>	<u>\$ 344,639</u>	<u>\$ 426,335</u>	<u>\$ 475,651</u>	<u>\$ 505,720</u>	<u>\$ 554,672</u>	<u>\$ 644,839</u>	<u>\$ 602,004</u>

Note - The June 30, 2020 net position has been restated to reflect the implementation of GASB 84 "Fiduciary Activities".



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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Expenses</b>										
<b>Governmental activities</b>										
Instruction										
Regular	\$ 376,400	\$ 463,047	\$ 452,123	\$ 547,384	\$ 543,939	\$ 480,207	\$ 482,871	\$ 456,852	\$ 421,411	\$ 386,896
Special education	190,531	175,325	133,257	131,890	85,377	128,679	191,766	212,926	91,971	97,412
Support Services:										
Student and instruction related services	6,990	6,360	1,500	4,320					6,217	2,794
General administration services	16,221	14,330	14,646	14,344	15,164	16,782	16,649	16,823	34,451	49,270
Business / Central Services	23,813	23,846	29,012	31,354	35,749	47,280	43,855	42,914	40,182	25,758
Pupil transportation	68,352	81,151	44,624	48,896	44,519	51,241	84,776	73,091	54,690	99,844
Total governmental activities expenses	<u>682,307</u>	<u>764,059</u>	<u>675,162</u>	<u>778,188</u>	<u>724,748</u>	<u>724,189</u>	<u>819,917</u>	<u>802,606</u>	<u>648,922</u>	<u>661,974</u>
Total district expenses	<u>\$ 682,307</u>	<u>\$ 764,059</u>	<u>\$ 675,162</u>	<u>\$ 778,188</u>	<u>\$ 724,748</u>	<u>\$ 724,189</u>	<u>\$ 819,917</u>	<u>\$ 802,606</u>	<u>\$ 648,922</u>	<u>\$ 661,974</u>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
Operating grants and contributions	\$ 38,778	\$ 41,011	\$ 55,423	\$ 29,455	\$ 36,637	\$ 51,839	\$ 61,882	\$ 64,032	\$ 76,200	\$ 81,428
Total governmental activities program revenues	<u>38,778</u>	<u>41,011</u>	<u>55,423</u>	<u>29,455</u>	<u>36,637</u>	<u>51,839</u>	<u>61,882</u>	<u>64,032</u>	<u>76,200</u>	<u>81,428</u>
Total district program revenues	<u>\$ 38,778</u>	<u>\$ 41,011</u>	<u>\$ 55,423</u>	<u>\$ 29,455</u>	<u>\$ 36,637</u>	<u>\$ 51,839</u>	<u>\$ 61,882</u>	<u>\$ 64,032</u>	<u>\$ 76,200</u>	<u>\$ 81,428</u>
<b>Net (Expense)/Revenue</b>										
Governmental activities	<u>\$(643,529)</u>	<u>\$(723,048)</u>	<u>\$(619,739)</u>	<u>\$(748,733)</u>	<u>\$(688,111)</u>	<u>\$(672,350)</u>	<u>\$(758,035)</u>	<u>\$(738,574)</u>	<u>\$(572,722)</u>	<u>\$(580,546)</u>
Total district-wide net expense	<u>\$(643,529)</u>	<u>\$(723,048)</u>	<u>\$(619,739)</u>	<u>\$(748,733)</u>	<u>\$(688,111)</u>	<u>\$(672,350)</u>	<u>\$(758,035)</u>	<u>\$(738,574)</u>	<u>\$(572,722)</u>	<u>\$(580,546)</u>
<b>General Revenues and Other Changes in Net Position</b>										
<b>Governmental activities:</b>										
Property taxes levied for general purposes, net	\$ 654,046	\$ 712,860	\$ 777,847	\$ 777,847	\$ 769,181	\$ 720,363	\$ 786,514	\$ 784,498	\$ 662,711	\$ 537,146
Unrestricted state aid			333	370	370	370	113			
Miscellaneous income	524	4,529	603	370	256	933	1,477	1,275	178	565
Total governmental activities	<u>654,570</u>	<u>717,389</u>	<u>778,783</u>	<u>778,587</u>	<u>769,807</u>	<u>721,666</u>	<u>788,104</u>	<u>785,773</u>	<u>662,889</u>	<u>537,711</u>
Total district-wide	<u>\$ 654,570</u>	<u>\$ 717,389</u>	<u>\$ 778,783</u>	<u>\$ 778,587</u>	<u>\$ 769,807</u>	<u>\$ 721,666</u>	<u>\$ 788,104</u>	<u>\$ 785,773</u>	<u>\$ 662,889</u>	<u>\$ 537,711</u>
<b>Change in Net Position</b>										
Governmental activities	<u>\$ 11,041</u>	<u>\$ (5,659)</u>	<u>\$ 159,044</u>	<u>\$ 29,854</u>	<u>\$ 81,696</u>	<u>\$ 49,316</u>	<u>\$ 30,069</u>	<u>\$ 47,199</u>	<u>\$ 90,167</u>	<u>\$ (42,835)</u>
Total district	<u>\$ 11,041</u>	<u>\$ (5,659)</u>	<u>\$ 159,044</u>	<u>\$ 29,854</u>	<u>\$ 81,696</u>	<u>\$ 49,316</u>	<u>\$ 30,069</u>	<u>\$ 47,199</u>	<u>\$ 90,167</u>	<u>\$ (42,835)</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>Fiscal Year Ending June 30,</u>		<u>2020</u>	<u>2021</u>	<u>2022</u>	
					<u>2017</u>	<u>2018</u>	<u>2019</u>	(Restated)		
General Fund										
Restricted			\$ 10,111	\$ 49,199	\$ 179,630	\$ 224,773	\$ 251,258	\$ 302,093	\$ 392,586	\$ 346,745
Assigned	\$ 59,117	\$ 59,117	59,117	52,229	1,670	1,735	6,523	5,973	5,594	9,689
Unassigned	102,283	96,624	245,557	243,211	245,035	249,143	247,939	246,606	246,659	245,570
Total general fund	<u>\$ 161,400</u>	<u>\$ 155,741</u>	<u>\$ 314,785</u>	<u>\$ 344,639</u>	<u>\$ 426,335</u>	<u>\$ 475,651</u>	<u>\$ 505,720</u>	<u>\$ 554,672</u>	<u>\$ 644,839</u>	<u>\$ 602,004</u>

Note - The June 30, 2020 fund balance has been restated to reflect the implementation of GASB 84 "Fiduciary Activities".

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

	Fiscal Year Ending June 30,									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>Revenues</b>										
Tax levy	\$ 654,046	\$ 712,860	\$ 777,847	\$ 777,847	\$ 769,181	\$ 720,363	\$ 786,514	\$ 784,498	\$ 662,711	\$ 537,146
Miscellaneous	524	4,529	603	370	256	933	1,477	1,275	178	565
State sources	38,778	41,011	51,544	24,368	28,377	31,866	47,521	51,199	55,875	64,616
<b>Total revenue</b>	<u>693,348</u>	<u>758,400</u>	<u>829,994</u>	<u>802,585</u>	<u>797,814</u>	<u>753,162</u>	<u>835,512</u>	<u>836,972</u>	<u>718,764</u>	<u>602,327</u>
<b>Expenditures</b>										
<b>Instruction</b>										
Regular instruction	376,400	463,047	452,123	547,384	543,939	480,207	482,871	456,852	421,411	386,896
Special education instruction	190,531	175,325	133,257	131,890	85,377	128,679	191,766	212,926	91,971	97,412
<b>Support Services:</b>										
Student and instruction related services	6,990	6,360	1,500	4,320					6,217	2,794
General administration services	16,221	14,330	14,646	14,344	15,164	15,071	15,315	15,613	30,184	32,458
Business/Central services	23,813	23,846	24,800	25,897	27,119	28,648	30,715	31,291	24,124	25,758
Pupil transportation	68,352	81,151	44,624	48,896	44,519	51,241	84,776	73,091	54,690	99,844
<b>Total expenditures</b>	<u>682,307</u>	<u>764,059</u>	<u>670,950</u>	<u>772,731</u>	<u>716,118</u>	<u>703,846</u>	<u>805,443</u>	<u>789,773</u>	<u>628,597</u>	<u>645,162</u>
<b>Excess (Deficiency) of revenues over (under) expenditures</b>	<u>11,041</u>	<u>(5,659)</u>	<u>159,044</u>	<u>29,854</u>	<u>81,696</u>	<u>49,316</u>	<u>30,069</u>	<u>47,199</u>	<u>90,167</u>	<u>(42,835)</u>
<b>Net change in fund balances</b>	<u>\$ 11,041</u>	<u>\$ (5,659)</u>	<u>\$ 159,044</u>	<u>\$ 29,854</u>	<u>\$ 81,696</u>	<u>\$ 49,316</u>	<u>\$ 30,069</u>	<u>\$ 47,199</u>	<u>\$ 90,167</u>	<u>\$ (42,835)</u>
<b>Debt service as a percentage of noncapital expenditures</b>	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

N/A - Not Applicable

**ROCKLEIGH BOARD OF EDUCATION  
GENERAL FUND OTHER LOCAL REVENUES BY SOURCE\*  
LAST TEN FISCAL YEARS  
(Unaudited)**

<b><u>Fiscal Year Ended June 30</u></b>	<b><u>Interest</u></b>	<b><u>Miscellaneous</u></b>	<b><u>Total</u></b>
2013	\$ 524		\$ 524
2014		\$ 4,529	4,529
2015		603	603
2016		370	370
2017		256	256
2018		933	933
2019	1,448	29	1,477
2020	1,251	24	1,275
2021	178		178
2022	68	497	565

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

Fiscal Year Ended June 30,	Vacant Land	Residential	Farm Reg.	Qfarm	Commercial	Industrial	Apartment	Total Assessed Value	Public Utilities	Net Valuation Taxable	Estimated Actual (County Equalized) Value	Total Direct School Tax Rate <sup>a</sup>
2013	\$ 7,706,342	\$ 112,289,500			\$ 94,671,400			\$ 214,667,242		\$ 214,667,242	\$ 245,674,478	\$ 0.332
2014	8,046,342	110,198,600			94,671,400			212,916,342		212,916,342	220,231,964	0.366
2015	8,046,342	110,995,600			96,075,700			215,117,642		215,117,642	209,932,341	0.361
2016	8,369,700	115,538,000		\$ 642	97,748,000			221,656,342		221,656,342	207,183,882	0.347
2017	8,039,700	116,418,600		642	103,954,500			228,413,442		228,413,442	188,026,659	0.316
2018	8,039,700	112,226,940		7,932	103,954,500			224,229,072		224,229,072	236,733,211	0.351
2019	6,764,700	114,301,940		7,932	103,954,500			225,029,072		225,029,072	256,922,808	0.349
2020	6,764,700	118,561,540		7,932	99,105,800			224,439,972		224,439,972	226,806,820	0.295
2021	6,440,700	122,020,240		7,932	99,105,800			227,574,672		227,574,672	227,574,672	0.237
2022	6,440,700	115,258,700		642	94,882,100	4,223,700		220,805,842		220,805,842	198,496,314	0.210

N/A - Not Available

Source: County Abstract of Ratables

a Tax rates are per \$100

**ROCKLEIGH BOARD OF EDUCATION  
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
PER \$100 OF ASSESSED VALUATION  
LAST TEN YEARS  
(Unaudited)**

<b>Calendar Year</b>	<b>Total Direct School Tax Rate</b>	<b>Overlapping Rates</b>		<b>Total</b>
		<b>Municipality</b>	<b>County</b>	
2013	\$ 0.332	\$ 0.414	\$ 0.260	\$ 1.006
2014	0.366	0.400	0.235	1.001
2015	0.361	0.394	0.234	0.989
2016	0.347	0.379	0.230	0.956
2017	0.316	0.349	0.208	0.873
2018	0.351	0.336	0.259	0.946
2019	0.349	0.332	0.278	0.959
2020	0.295	0.325	0.251	0.871
2021	0.237	0.320	0.218	0.775
2022	0.210	0.314	0.216	0.740

Source: Tax Collector

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

	2022		2013	
	Taxable Assessed Value	% of Total District Net Assessed Value	Taxable Assessed Value	% of Total District Net Assessed Value
8 King Rd, LLC	23,844,200	10.80%	\$ 15,500,000	7.22%
Takasago International	10,328,300	4.68%	10,328,300	4.81%
26 Rockleigh Rd, LLC	12,578,600	5.70%	9,309,100	4.34%
22 Link Drive Rockleigh, LLC	8,170,800	3.70%	8,170,800	3.81%
7 Volvo Drive, Rockleigh, LLC	6,383,000	2.89%	6,838,000	3.19%
15 Volvo Drive, Rockleigh, LLC	6,199,000	2.81%	6,199,000	2.89%
6 Volvo Drive, Rockleigh, LLC	6,056,300	2.74%	5,117,400	2.38%
Volvo Cars of NA, Ford Motor	4,982,500	2.26%	4,982,500	2.32%
True World Group, LLC	4,868,700	2.20%	4,848,700	2.26%
Bromley Rockleigh		0.00%	4,223,700	1.97%
1 Pond Road, LLC	4,223,700	1.91%		
	<u>\$ 87,635,100</u>	<u>39.69%</u>	<u>\$ 75,517,500</u>	<u>35.19%</u>

Source: Municipal Tax Assessor

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

Fiscal Year Ended June 30,	Local School District Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years
		Amount	Percentage of Levy	
2013	\$ 654,046	\$ 654,046	100.00%	
2014	712,860	712,860	100.00%	
2015	777,847	777,847	100.00%	
2016	777,847	777,847	100.00%	
2017	769,181	769,181	100.00%	
2018	720,363	720,363	100.00%	
2019	786,514	786,514	100.00%	
2020	784,498	784,498	100.00%	
2021	662,711	662,711	100.00%	
2022	537,146	537,146	100.00%	



**ROCKLEIGH BOARD OF EDUCATION  
RATIOS OF OUTSTANDING DEBT BY TYPE  
(Unaudited)**

**NOT APPLICABLE**

**ROCKLEIGH BOARD OF EDUCATION  
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING  
(Unaudited)**

**NOT APPLICABLE**

**ROCKLEIGH BOARD OF EDUCATION  
COMPUTATION OF DIRECT AND OVERLAPPING OUTSTANDING BONDED DEBT  
FOR THE YEAR ENDED DECEMBER 31, 2021  
(Unaudited)**

	<u>Gross Debt</u>	<u>Deductions</u>	<u>Net Debt</u>
Net Direct Debt of School District Borough of Rockleigh (1)	\$ 609,868	\$ -	\$ 609,868
	<u>\$ 609,868</u>	<u>\$ -</u>	609,868
Overlapping Debt Apportioned to the Municipality:			
County of Bergen (1)			<u>1,568,729</u>
Total Direct and Overlapping Debt			<u>\$ 2,178,597</u>

Sources:

- (1) Borough of Rockleigh 2021 Annual Debt Statement
- (2) The debt for this entity was apportioned to the Borough by dividing the municipality's 2021 equalized value by the total equalized value for Bergen County for 2021

**ROCKLEIGH BOARD OF EDUCATION  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS  
(Unaudited)**

**Legal Debt Margin Calculation for Fiscal Year 2022**

Equalized valuation basis		
2021	\$	200,153,625
2020		190,607,195
2019		222,801,061
		<u>\$ 613,561,881</u>
Average equalized valuation of taxable property		<u>\$ 204,520,627</u>
Debt limit (4% of average equalization value)		8,180,825
Total Net Debt Applicable to Limit		-
Legal debt margin		<u>\$ 8,180,825</u>

	Fiscal Year									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 10,298,585	\$ 9,318,090	\$ 8,867,400	\$ 8,249,441	\$ 7,731,918	\$ 8,182,205	\$ 8,906,533	\$ 9,493,044	\$ 8,868,330	\$ 8,180,825
Total net debt applicable to limit	-	-	-	-	-	-	-	-	-	-
Legal debt margin	<u>\$ 10,298,585</u>	<u>\$ 9,318,090</u>	<u>\$ 8,867,400</u>	<u>\$ 8,249,441</u>	<u>\$ 7,731,918</u>	<u>\$ 8,182,205</u>	<u>\$ 8,906,533</u>	<u>\$ 9,493,044</u>	<u>\$ 8,868,330</u>	<u>\$ 8,180,825</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

Source: Annual Debt Statements

**ROCKLEIGH BOARD OF EDUCATION  
DEMOGRAPHIC STATISTICS  
LAST TEN YEARS  
(Unaudited)**

<u>Year Ended December 31,</u>	<u>Unemployment Rate</u>	<u>Per Capita Income</u>	<u>Population</u>
2013	5.2%	\$ 71,773	530
2014	4.7%	71,286	527
2015	4.5%	73,883	530
2016	3.9%	77,323	530
2017	3.8%	78,836	530
2018	3.2%	81,024	532
2019	3.1%	85,191	529
2020	7.2%	88,241	523
2021	5.4	91,972 *	397
2022	5.4 *	91,972 *	397 *

\* = Estimate

Source: New Jersey Department of Labor, Bergen County  
United States Bureau of Census  
School District Records

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

Employer	2022		2013	
	Employees	Percentage of Total Municipal Employment	Employees	Percentage of Total Municipal Employment

INFORMATION NOT AVAILABLE

**ROCKLEIGH BOARD OF EDUCATION  
 FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY FUNCTION/PROGRAM  
 LAST TEN FISCAL YEARS  
 (Unaudited)**

<u>Function/Program</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Support Services:										
Central services	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5	0.5
Total	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>	<u>0.5</u>

Source: District Personnel Records

ROCKLEIGH BOARD OF EDUCATION  
 OPERATING STATISTICS  
 LAST TEN FISCAL YEARS  
 (Unaudited)

Fiscal Year	Enrollment <sup>a</sup>	Operating Expenditures <sup>b</sup>	Cost Per Pupil <sup>c</sup>	Percentage Change	Teaching Staff	Pupil/Teacher Ratio			Average Daily Enrollment (ADE)	Average Daily Attendance (ADA)	% Change in Average Daily Enrollment	Student Attendance Percentage
						Elementary	Middle School	Senior High School				
2013	29	\$ 682,307	\$ 23,527	13.29%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2014	33	764,059	23,153	-1.59%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2015	33	670,950	20,332	-12.19%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2016	36	772,731	21,465	5.57%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2017	35	716,118	20,461	-4.68%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2018	32	703,846	21,995	7.50%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2019	33	805,443	24,407	10.97%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2020	32	775,773	24,243	-0.67%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2021	32	628,597	19,644	-18.97%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A
2022	32	645,162	20,161	2.64%	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

Sources: District records

- Note:
- a Enrollment based on annual October district count.
  - b Operating expenditures equal total expenditures less debt service and capital outlay.
  - c Cost per pupil represents operating expenditures divided by enrollment.

N/A - not applicable



**ROCKLEIGH BOARD OF EDUCATION  
SCHOOL BUILDING INFORMATION  
(Unaudited)**

**NOT APPLICABLE**

**ROCKLEIGH BOARD OF EDUCATION  
GENERAL FUND  
SCHEDULE OF REQUIRED MAINTENANCE FOR SCHOOL FACILITIES  
(Unaudited)**

**NOT APPLICABLE**

ROCKLEIGH BOARD OF EDUCATION  
SCHEDULE OF INSURANCE  
JUNE 30, 2022  
(Unaudited)

	<u>Coverage</u>	<u>Deductible</u>
Educators Management & Employment Practices Liability	\$ 3,000,000	\$ 10,000
Official Bonds		
School Business Administrator	85,000	
Treasurer of School Monies	100,000	

Source: School District's Records

**SINGLE AUDIT SECTION**



# LERCH, VINCI & BLISS, LLP

CERTIFIED PUBLIC ACCOUNTANTS  
REGISTERED MUNICIPAL ACCOUNTANTS

EXHIBIT K-1

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

ELIZABETH A. SHICK, CPA, RMA, PSA  
ROBERT W. HAAG, CPA, RMA, PSA  
DEBRA GOLLE, CPA  
MARK SACO, CPA  
ROBERT LERCH, CPA  
CHRISTOPHER VINCI, CPA, PSA  
CHRISTINA CUIFFO, CPA, PSA

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

### INDEPENDENT AUDITOR'S REPORT

Honorable President and Members  
of the Board of Education  
Rockleigh Board of Education  
Rockleigh, New Jersey

We have audited, in accordance with the auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States and audit requirements prescribed by the Office of School Finance, Department of Education, State of New Jersey, the financial statements of the governmental activities and each major fund of the Rockleigh Board of Education as of and for the fiscal year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the Rockleigh Board of Education's basic financial statements and have issued our report thereon dated February 3, 2023.

#### **Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Rockleigh Board of Education'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 opinions on the financial statements but not for the purpose of expressing an opinion on the effectiveness of the Rockleigh Board of Education's internal control. Accordingly, we do not express an opinion on the effectiveness of the Rockleigh Board of Education's internal control.

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


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

## Report on Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Rockleigh Board of Education's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 as prescribed by the Office of School Finance, Department of Education, State of New Jersey.

### 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 Rockleigh Board of Education's internal control or on compliance. This report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Rockleigh Board of Education's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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



Dieter P. Lerch  
Public School Accountant  
PSA Number CS00756

Fair Lawn, New Jersey  
February 3, 2023

**REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL AND STATE PROGRAM;  
REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT  
ON THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE  
U.S. UNIFORM GUIDANCE AND SCHEDULE OF EXPENDITURES OF STATE FINANCIAL  
ASSISTANCE AS REQUIRED BY NEW JERSEY OMB CIRCULAR 15-08**

**INDEPENDENT AUDITOR'S REPORT**

**NOT APPLICABLE**

**ROCKLEIGH BOARD OF EDUCATION**  
**Schedule of Expenditures of Federal Awards**  
**for the Fiscal Year ended June 30, 2022**

Federal Grantor/Pass-Through Grantor/ Program Title	Federal AL Number	Federal FAIN Number	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021			Carryover Amount			Total Budgetary Expenditures	Balance at June 30, 2022			Memo GAAP Receivable
					From	To	Accounts Receivable	Unearned Revenue	Due to Grantor	Accounts Receivable	Deferred Revenue	Cash Received		Accounts Receivable	Unearned Revenue	Due to Grantor	
<b>U.S. Department of Education</b>																	
<b>Passed-through State Department of Education</b>																	
Special Revenue Fund:																	
Coronavirus Relief Fund	21.019	N/A	N/A	\$ 775	3/1/20	12/31/21		\$ 775								\$ 775	*
Total Coronavirus Relief Fund Cluster							-	775	-	-	-	-	-	-	-	775	*
Total Special Revenue Fund							-	775	-	-	-	-	-	-	-	775	*
<b>Sub-Total Federal Financial Awards</b>							<u>\$ -</u>	<u>\$ 775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 775</u>	<u>* \$ -</u>

This schedule was not subject to an audit in accordance with U.S. Uniform Guidance.



**ROCKLEIGH BOARD OF EDUCATION**  
**Schedule of Expenditures of State Financial Assistance**  
**for the Fiscal Year ended June 30, 2022**

State Grantor/Program Title	Grant or State Project Number	Program or Award Amount	Grant Period		Balance at June 30, 2021			Budgetary Expenditures Pass through Funds	Balance at June 30, 2022			MEMO			
			From	To	Unearned Revenue (Accts Receivable)	Due to Grantor	Cash Received		Intergovernmental (Accounts Receivable)	Unearned Revenue/ Interfund Payable	Due to Grantor	GAAP Receivable	Cumulative Total Expenditures		
<b>State Department of Education</b>															
<b>General Fund:</b>															
Special Education Categorical Aid	21-495-034-5120-089	\$ 10,261	7/1/20	6/30/21	\$ (1,026)		\$ 1,026								
Special Education Categorical Aid	22-495-034-5120-089	13,554	7/1/21	6/30/22			12,197	\$ 13,554	\$ (1,357)					\$ 13,554	
Security Aid	21-495-034-5120-084	2,002	7/1/20	6/30/21	(200)		200								
Security Aid	22-495-034-5120-084	2,002	7/1/21	6/30/22	-		1,802	2,002	(200)					2,002	
<b>Total State Aid Public Cluster</b>					<b>(1,226)</b>		<b>15,225</b>	<b>15,556</b>	<b>(1,557)</b>					<b>15,556</b>	
Transportation Aid	21-495-034-5120-014	28,708	7/1/20	6/30/21	(2,871)		2,871								
Transportation Aid	22-495-034-5120-014	28,708	7/1/21	6/30/22			25,835	28,708	(2,873)					28,708	
Additional Nonpublic Transportation Aid	21-495-034-5120-014	756	7/1/20	6/30/21	(756)		756								
<b>Total Transportation Aid Cluster</b>					<b>(3,627)</b>		<b>29,462</b>	<b>28,708</b>	<b>(2,873)</b>					<b>28,708</b>	
Extraordinary Aid	21-495-034-5120-044	8,933	7/1/20	6/30/21	(8,933)		8,933								
<b>Total Extraordinary Aid Cluster</b>					<b>(8,933)</b>		<b>8,933</b>								
Reimbursed Social Security Tax	21-495-034-5094-003	1,919	7/1/20	6/30/21	(480)		480								
Reimbursed Social Security Tax	22-495-034-5094-003	1,978	7/1/21	6/30/22			1,484	1,978	(494)				494	1,978	
<b>Total Reimbursed Social Security Tax Cluster</b>					<b>(480)</b>		<b>1,964</b>	<b>1,978</b>	<b>(494)</b>				<b>494</b>	<b>1,978</b>	
On-Behalf Teachers' Pension and Annuity Fund	22-495-034-5094-002	7,813	7/1/21	6/30/22			7,813	7,813						7,813	
On-Behalf Teachers' Pension & Annuity Fund – Non-contributory Insurance	22-495-034-5094-004	110	7/1/21	6/30/22			110	110						110	
On-Behalf Teachers' Pension and Annuity Fund – Post Retirement Medical	22-495-034-5094-001	1,851	7/1/21	6/30/22			1,851	1,851						1,851	
<b>On-Behalf Teachers' Pension and Annuity Fund Cluster</b>							<b>9,774</b>	<b>9,774</b>						<b>9,774</b>	
<b>Total General Fund</b>					<b>(14,266)</b>		<b>65,358</b>	<b>56,016</b>	<b>(4,924)</b>				<b>494</b>	<b>56,016</b>	
<b>Total State Financial Assistance</b>					<b>\$ (14,266)</b>	<b>\$ -</b>	<b>\$ 65,358</b>	<b>\$ 56,016</b>	<b>\$ (4,924)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 494</b>	<b>\$ 56,016</b>	
Less: On-Behalf TPAF Pension System Contributions															
On-Behalf Teachers' Pension and Annuity Fund	22-495-034-5094-002							(7,813)							
On-Behalf Teachers' Pension & Annuity Fund – Non-contributory Insurance	22-495-034-5094-004							(110)							
On-Behalf Teachers' Pension and Annuity Fund – Post Retirement Medical	22-495-034-5094-001							(1,851)							
<b>Total for State Financial Assistance-Major Program Determination</b>								<b>\$ 46,242</b>							

This schedule was not subject to an audit in accordance with N.J. OMB Circular 15-08.

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

**NOTE 1 GENERAL**

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

**NOTE 2 BASIS OF ACCOUNTING**

The accompanying schedules are prepared and presented using the budgetary basis of accounting. These basis of accounting are described in Notes 1(C) to the Board's financial statements. The information in these schedules is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (U.S. Uniform Guidance) and New Jersey OMB Circular 15-08, "Single Audit Policy for Recipients of Federal Grants, State Grants, and State Aid". Therefore, some amounts presented in these schedules may differ from the amounts presented in, or used in the preparation of, the financial statements.

**NOTE 3 RELATIONSHIP TO FINANCIAL STATEMENTS**

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

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

The net adjustment to reconcile from the budgetary basis to the GAAP basis is an increase of \$8,600 for the general fund. See the Notes to Required Supplementary Information for a reconciliation of the budgetary basis to the modified accrual basis of accounting for the general and special revenue funds. Awards and financial assistance revenues are reported in the Board's financial statements on a GAAP basis as presented as follows:

	<u>State</u>
General Fund	\$ <u>64,616</u>

**ROCKLEIGH BOARD OF EDUCATION  
NOTES TO THE SCHEDULES OF EXPENDITURES OF  
FEDERAL AWARDS AND STATE FINANCIAL ASSISTANCE  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

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

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

**NOTE 5 OTHER INFORMATION**

Revenues and expenditures reported under the Food Distribution Program as non-cash assistance represent current year value received and current year distributions, respectively. TPAF Social Security contributions in the amount of \$1,978 represents the amount reimbursed by the State for the employer's share of social security contributions for TPAF members for the fiscal year ended June 30, 2022. The amount reported as TPAF Pension System Contributions in the amount of \$7,923 and TPAF Post-Retirement Medical Benefits Contributions in the amount of \$1,851 represents the amount paid by the State on behalf of the District for the fiscal year ended June 30, 2022.

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

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

**ROCKLEIGH BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Part I – Summary of Auditor’s Results*

**Financial Statement Section**

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

**Federal Awards Section - Not Applicable**



**ROCKLEIGH BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Part 2 - Schedule of Financial Statement Findings*

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

THERE ARE NONE

**ROCKLEIGH BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Part 3 - Schedule of Federal and State Award Findings and Responses*

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 Uniform Guidance and New Jersey OMB's Circular 15-08.

**CURRENT YEAR FEDERAL AWARDS**

NOT APPLICABLE

**ROCKLEIGH BOARD OF EDUCATION  
SCHEDULE OF FINDINGS AND RESPONSES (CONT'D)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

*Part 3 - Schedule of Federal and State Award Findings and Responses*

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's Circular 15-08.

**CURRENT YEAR STATE AWARDS**

NOT APPLICABLE



**ROCKLEIGH BOARD OF EDUCATION  
SUMMARY SCHEDULE OF PRIOR-YEAR AUDIT FINDINGS  
AND RESPONSES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2022**

This section identifies the status of prior-year findings related to the basic financial statements and federal and state awards that are required to be reported in accordance with Chapter 6.12 of *Government Auditing Standards*, U.S. Uniform Guidance and New Jersey OMB's Circular 15-08.

**STATUS OF PRIOR YEAR FINDINGS**

THERE WERE NONE