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<th>Page No.</th>
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<td>Schedule of Meal Count Activity – Not Applicable</td>
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<td>Schedule of Net Cash Resources – Not Applicable</td>
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AUDITOR'S MANAGEMENT REPORT

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

We have audited in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards issued by the Comptroller General of the United States, the basic financial statements of the Rockleigh Board of Education as of and for the fiscal year ended June 30, 2018, and have issued our report thereon dated January 18, 2019.

As part of our audit, we performed procedures required by the Office of School Finance, Department of Education, State of New Jersey and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended solely for the information and use of management, the Board of Trustees, others within the District and the New Jersey State Department of Education. However, this report is a matter of public record and its distribution is not limited.

Fair Lawn, New Jersey
January 18, 2019
GENERAL COMMENTS

Scope of Audit

The audit covered the financial transactions of the Board Secretary/School Business Administrator and Treasurer of School Monies, the activities of the Board of Education, the records of the various funds under the auspices of the Board of Education.

Administrative Practices and Procedures

Insurance

Fire insurance coverage was carried in the amounts as detailed on the Insurance Schedule contained in the District's Comprehensive Annual Financial Report (the “CAFR”).


<table>
<thead>
<tr>
<th>Name</th>
<th>Position</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Jason Roer</td>
<td>School Business Administrator</td>
<td>$85,000</td>
</tr>
<tr>
<td>Gary J. Grembowiec</td>
<td>Treasurer of School Monies</td>
<td>100,000</td>
</tr>
</tbody>
</table>

Financial Planning, Accounting and Reporting

Examination of Claims

An examination of claims paid during the period under review did not reveal any discrepancies with respect to signatures, certifications and proper itemization.

Payroll Account

The net salaries of all employees of the Board were deposited in the Payroll Account. Employees' payroll deductions and employer's share of fringe benefits were deposited in the Payroll Agency Account.

All payrolls tested were certified by the President of the Board, the Board Secretary/School Business Administrator and one other trustee.

Salary withholdings were promptly remitted to the proper agencies.

The required certification (E-CERT1) of compliance with requirements for income tax on compensation of administrators (business administrator) to the NJ Department of Treasury was filed by the due date.
Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30, for goods not yet received or services not yet rendered and it was determined that no blanket purchase orders were included in the balance of the reserves for encumbrances. Also, unpaid purchase orders included in the balance of accounts payable were reviewed for propriety and to determine that goods were received and services were rendered, as of June 30.

Classification of Expenditures

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23-2.2(f) as part of our test of transactions of randomly selected expenditure items. We also reviewed the coding of all expenditures included in our compliance and single audit testing procedures. In addition to randomly selecting a test sample, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.3. As a result of the procedures performed, no errors were noted.

Board Secretary's Records

The financial records, books of account and minutes maintained by the Board Secretary were in good condition.

Bids received, if any, were summarized in the minutes (N.J.S.A.18A:18A-21).

The prescribed contractual order system was followed.

Treasurer's Records


All cash receipts were promptly deposited.

The Treasurer's records were in agreement with the records of the Board Secretary.

Other Special Federal and/or State Projects

There were none.
ROCKLEIGH BOARD OF EDUCATION
ADMINISTRATIVE FINDINGS - FINANCIAL, COMPLIANCE AND PERFORMANCE REPORTING
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

Financial Planning, Accounting and Reporting (Continued)

T.P.A.F. Reimbursements

Our audit procedures included a test of the semi-monthly reimbursement forms required to be filed with the Department of Education for district employees who are members of the Teachers Pension and Annuity Fund. No exceptions were noted.

School Purchasing Programs

Contracts and Agreements Requiring Advertisement for Bids

The bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are $40,000 (with a Qualified Purchasing Agent) and $29,000 (without a Qualified Purchasing Agent), respectively. The law regulating bidding for public school student transportation contracts under N.J.S.A. 18A:39-3 is $19,000 for 2017-18.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the contract year. Where question arises as to whether any contract or agreement might result in violation of the statute, the Solicitor’s opinion should be sought before a commitment is made.

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

The results of our examination indicated that no individual payments, contracts, or agreements were made for the performance of any work or goods or services, in excess of the statutory thresholds where there had been no advertising for bids in accordance with the provision of N.J.S.A.18A:18A-4.

Resolutions were adopted authorizing the awarding of contracts or agreements for "Professional Services" per N.J.S.A. 18A:18A-5.

Application for State School Aid

The District is a non-operating school district and therefore, has no on-roll students.

Pupil Transportation

Our audit procedures included a test of on roll status reported in the 2017-2018 District Report of Transported Resident Students (DRTRS). The information that was included on the DRTRS was verified to the DRTRS Eligibility Summary Report without exception. The results of our procedures are presented in the Schedule of Audited Enrollments.

Our procedures also included a review of transportation-related contracts and purchases. Based on our review, the district complied with proper bidding procedures and award of contracts. No exceptions were noted in our review of transportation related purchases of goods and services.
SCHEDULE OF MEAL COUNT ACTIVITY

NOT APPLICABLE

SCHEDULE OF NET CASH RESOURCES

NOT APPLICABLE
### ROCKLEIGH BOARD OF EDUCATION
### APPLICATION FOR STATE SCHOOL AID SUMMARY
### SCHEDULE OF AUDITED ENROLLMENTS
### ENROLLMENT AS OF OCTOBER 13, 2017

<table>
<thead>
<tr>
<th>2018-19 Application for State School Aid</th>
<th>Sample for Verification</th>
<th>Private Schools for Disabled</th>
</tr>
</thead>
<tbody>
<tr>
<td>Reported on A.S.S.A.</td>
<td>Reported on Workpapers</td>
<td>Sample Selected from Workpapers</td>
</tr>
<tr>
<td>On Roll</td>
<td>Full</td>
<td>Shared</td>
</tr>
</tbody>
</table>

- **Half Day Preschool - 3 yr**
- **Full Day Preschool - 3 yr**
- **Half Day Preschool - 4 yr**
- **Full Day Preschool - 4 yr**
- **Half Day Kindergarten**
- **Full Day Kindergarten**
- **Grade 1**
- **Grade 2**
- **Grade 3**
- **Grade 4**
- **Grade 5**
- **Grade 6**
- **Grade 7**
- **Grade 8**
- **Grade 9**
- **Grade 10**
- **Grade 11**
- **Grade 12**
- **Post-Graduate**
- **Adult H.S.(15+CR.)**
- **Adult H.S. (1-14CR.)**

**Subtotal**

- **Sp Ed - Elementary**
- **Sp Ed - Middle**
- **Sp Ed - High School**

**Subtotal**

- **Co.Voc. - Regular**
- **Co.Voc. Ft. Post Sec.**

**Totals**

| Percentage Error | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

- **Total Errors** 0.00%
ROCKLEIGH BOARD OF EDUCATION
APPLICATION FOR STATE SCHOOL AID SUMMARY
SCHEDULE OF AUDITED ENROLLMENTS
ENROLLMENT AS OF OCTOBER 13, 2017

<table>
<thead>
<tr>
<th>Low Income</th>
<th>Sample for Verification</th>
<th>Resident LEP Low Income</th>
<th>Sample for Verification</th>
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<tbody>
<tr>
<td>Low Income</td>
<td>Workpapers as A.S.A. as</td>
<td>Workpapers as A.S.A. as</td>
<td>Workpapers as A.S.A. as</td>
</tr>
<tr>
<td>Low Income</td>
<td>Sample Selected from Application</td>
<td>Sample Selected from Application</td>
<td>Sample Selected from Application</td>
</tr>
<tr>
<td>Low Income</td>
<td>Errors</td>
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<td>Errors</td>
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<tr>
<td>Half Day Preschool - 3 yr</td>
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<tr>
<td>Full Day Preschool - 3 yr</td>
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</tr>
<tr>
<td>Subtotal</td>
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</tr>
<tr>
<td>Sp Ed - Elementary</td>
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<tr>
<td>Co.Voc. Ft. Post Sec.</td>
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<tr>
<td>Totals</td>
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Percentage Error 0.00% 0.00% 0.00% 0.00%

Transportation

<table>
<thead>
<tr>
<th>Reg.- Public Schools</th>
<th>Reported on DRTRS by DOE</th>
<th>Reported on DRTRS by District</th>
<th>Errors</th>
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<tbody>
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<td>Reg.- Special Ed</td>
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<tr>
<td>Totals</td>
<td>35</td>
<td>35</td>
<td>-</td>
<td>31</td>
<td>31</td>
<td>-</td>
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</tbody>
</table>

Percentage Error 0.00% 7 0.00%
ROCKLEIGH BOARD OF EDUCATION
GENERAL FUND
CALCULATION OF EXCESS SURPLUS
FOR THE FISCAL YEAR ENDED JUNE 30, 2018

SECTION 1A - 2% Calculation of Excess Surplus

2017-2018 Total General Fund Expenditures per the CAFR $ 703,846

Decreased by:
   On-Behalf TPAF Pension & Social Security 6,293

Adjusted 2017-2018 General Fund Expenditures $ 697,553

2% of Adjusted 2017-2018 General Fund Expenditures $ 13,951

Enter Greater of 2% of Adjusted 2017-18 General Fund Expenditures
   or $250,000 $ 250,000

Increased by:
   Allowable Adjustment 6,523

Maximum Unassigned/Undesignated-Unreserved Fund Balance $ 256,523

SECTION 2

Total General Fund - Fund Balance at June 30, 2018 $ 483,031
(Per CAFR Budgetary Comparison Schedule/Statement)

Decreased by:
   Restricted- Excess Surplus-Designated for Subsequent Year's Expenditures 140,542
   Assigned-Designated for Subsequent Year's Expenditures 1,735

Total Unassigned Fund Balance $ 340,754

SECTION 3

Restricted Fund Balance - Excess Surplus $ 84,231

Recapitulation of Excess Surplus as of June 30, 2018

   Excess Surplus-Designated for Subsequent Year's Expenditures $ 140,542
   Excess Surplus $ 84,231

$ 224,773

Detail of Allowable Adjustments

   Nonpublic Transportation Aid $ 1,107
   Extraordinary Aid 5,416

$ 6,523
RECOMMENDATIONS

I. Administrative Practices and Procedures
   There are none.

II. Financial Planning, Accounting and Reporting
   There are none.

III. School Purchasing Program
   There are none.

IV. School Food Services
   Not Applicable

V. Student Body Activities
   Not Applicable

VI. Application for State School Aid
   There are none.

VII. Pupil Transportation
   There are none.

VIII. Facilities and Capital Assets
   Not Applicable.

IX. Miscellaneous
   There are none.

X. Status of Prior Years' Audit Findings/Recommendations
   There were no prior year audit recommendations.
ACKNOWLEDGMENT

We received the complete cooperation of all the officials of the school district and we greatly appreciate the courtesies extended to us.

Respectfully submitted,

LERCH, VINCI & HIGGINS, LLP

[Signature]

Gary W. Higgins
Public School Accountant
Certified Public Accountant