

CORBIN CITY SCHOOL DISTRICT

Auditors' Management Report on  
Administrative Findings  
Financial Compliance Performance

July 26, 2011 - August 30, 2011

**PREZIOSI • NICHOLSON**  
\_\_\_\_\_  
& ASSOCIATES PA  
\_\_\_\_\_  
Certified Public Accountants

**CORBIN CITY SCHOOL DISTRICT**

**Auditors' Management Report On  
Administrative Findings  
Financial – Compliance – Performance**

**For the Year Ended June 30, 2017**

**Corbin City Board of Education  
County of Atlantic  
Corbin City, New Jersey**

**Tax ID Number 21-6000169**

**AUDITOR'S MANAGEMENT REPORT ON  
ADMINISTRATIVE FINDINGS  
Financial - Compliance - Performance**

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# PREZIOSI • NICHOLSON

& ASSOCIATES PA

Certified Public Accountants

## INDEPENDENT AUDITORS' REPORT

Honorable President and  
Members of the Board of Education  
Corbin City School District  
County of Atlantic  
Corbin City, 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 Board of Education of the Corbin City School District in the County of Atlantic for the year ended June 30, 2017, and have issued our report thereon dated November 17, 2017.

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

This report is intended for the information of the Corbin City School District's management and the New Jersey Department of Education and is not intended to be, and should not be, used by anyone other than these parties.

Respectfully submitted,

**PREZIOSI • NICHOLSON & ASSOCIATES**

Certified Public Accountants



James M. Preziosi  
Certified Public Accountant  
Public School Accountant No. CS 01141

November 17, 2017  
Millville, NJ

**CORBIN CITY SCHOOL DISTRICT  
Administrative Findings  
Financial - Compliance - Performance**

**SCOPE OF AUDIT**

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

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

Insurance

Insurance coverage was carried in the amounts as detailed on the Insurance Schedule (Exhibit J-20) contained in the district's CAFR.

Official Bonds (N.J.S.A. 18A:17-26, 18A:17-32, 18A:13-13)

<u>Name</u>	<u>Position</u>	<u>Amount</u>
Timothy E. Kelley	Board Secretary – School Business Administrator	\$ 5,000.00
Dana Loder	Assistant Business Administrator	\$ 110,000.00

Tuition Charges

The District is a non-operating district, and, therefore, it charges no other district for tuition. In addition, tuition payable amounts were recorded in accordance with negotiated payment schedules.

**FINANCIAL PLANNING, ACCOUNTING AND REPORTING**

Examination of Claims

An examination of claims paid during the period under review did not indicate any discrepancies with respect to signatures, certification or supporting documentation.

Reserve for Encumbrances and Accounts Payable

A review of outstanding issued purchase orders was made as of June 30 for proper classification of orders as reserve for encumbrances and accounts payable. Our review did not indicate any material discrepancies with respect to classification of orders.

Travel

In accordance with internal control policy N.J.A.C. 6A:23A-6.13, the District has approved a board travel policy. No exceptions were noted in our study of compliance for travel expenses.

## Classification of Expenditures

### A. General Classification

The coding of expenditures was tested for proper classification in accordance with N.J.A.C. 6A:23A-16.2(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. As a result of the procedures performed, a transaction error rate of 0.0% was noted and no additional procedures were deemed necessary to test the propriety of expenditure classification.

### B. Administrative Classifications

In addition to testing the general classification of expenditures, our sample selection specifically targeted administrative coding classifications to determine overall reliability and compliance with N.J.A.C. 6A:23A-8.2. As a result of the procedures performed, a transaction error rate of 0.00% was noted and no additional procedures were deemed necessary to test the propriety of administrative classifications.

### Business Administrator - Board Secretary's Records

Our review of the financial and accounting records maintained by the Business Administrator - Board Secretary disclosed the following items:

- Acknowledgement of the Board's receipt of the Board Secretary's monthly financial reports were included in the minutes.
- Budgetary line accounts were not over-expended during the year or at June 30<sup>th</sup>.
- Payments to vendors were made after receipt of goods.
- All required reconciliations were performed.
- All cash receipts were promptly deposited.

### Other Special Federal and/or State Projects

The District did not receive any special projects funds during the year.

## **SCHOOL PURCHASING PROGRAMS**

### Contracts and Agreements Requiring Advertisement for Bids

N.J.S.A. 18A:18A-4 states: Every contract for the provision or performance of any goods or services, the cost of which in the aggregate exceeds the bid threshold, shall be awarded only by resolution of the Board of Education to the lowest responsible bidder after public advertising for bids and bidding therefore, except as is provided otherwise in this chapter or specifically by any other law.

The Board of Education may, by resolution approved by a majority of the Board of Education and subject to subsections b. and c. of this section, disqualify a bidder, if the Board of Education finds that it has had prior negative experience with the bidder.

Effective July 1, 2015 and thereafter 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 transportation contracts under N.J.S.A. 18A:39-3 is currently \$18,800.

The Board of Education has the responsibility of determining whether the expenditures in any category will exceed the statutory thresholds within the fiscal 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.

Based on the results of our examination, we did not note any 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, amended.

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

The system of records did not provide for an accumulation of purchases for which the Board of Education used contracts entered into by the State Department of Purchase and Property pursuant to Ch. 114, P.L. 1977, therefore, the extent of such purchases could not reasonably be ascertained. Our examination did not reveal the use of State contracts.

Our review of contracts and agreements did not disclose any areas of statutory noncompliance.

#### **APPLICATION FOR STATE SCHOOL AID**

The District is a sending district. Therefore, no "On-Roll" students are reported on the October 15, 2016 Application for State School Aid (A.S.S.A.).

The District maintained workpapers on the prescribed state forms or their equivalent.

The District has adequate written procedures for the recording of student enrollment data.

#### **PUPIL TRANSPORTATION**

Our audit procedures included a test of on roll status reported in the 2016-2017 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.

#### **FOLLOW-UP ON PRIOR YEAR FINDINGS**

There were no prior year findings.

#### **ACKNOWLEDGMENT**

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

**PREZIOSI • NICHOLSON & ASSOCIATES**  
Certified Public Accountants



James M. Preziosi  
Certified Public Accountant  
Public School Accountant No. CS 01141

**CORBIN CITY SCHOOL DISTRICT  
Administrative Findings  
Financial - Compliance - Performance**

**RECOMMENDATIONS**

**ADMINISTRATIVE PRACTICES AND PROCEDURES**

None

**FINANCIAL PLANNING – ACCOUNTING AND REPORTING**

None

**SCHOOL PURCHASING PROGRAM**

None

**SCHOOL FOOD SERVICE**

None

**STUDENT BODY ACTIVITIES**

None

**APPLICATION FOR STATE SCHOOL AID**

None

**TRANSPORTATION**

None

**MISCELLANEOUS**

None

A corrective action plan, which outlines actions the Board of Education will take to correct any findings that are listed above, will be prepared in accordance with federal and state agency requirements. A copy of the corrective action will be placed on file and made available for public inspection in the Office of the Board Secretary.



**CORBIN CITY SCHOOL DISTRICT**  
 (A Component Unit of Corbin City)  
 Schedule of Audited Enrollments  
 Application For State School Aid Summary  
 Enrollment as of October 15, 2016

	2015-2016 Application For State School Aid						Sample For Verification					
	Reported On A S A		Reported On Workpapers		Errors		Sample Selected From Workpapers		Verified Per Registers		Errors Per Registers On Roll	
	On Roll	Shared	On Roll	Shared	Full	Shared	Full	Shared	On Roll	Shared	Full	Shared
Half Day Preschool												
Full Day Preschool												
Half Day Kindergarten												
Full Day Kindergarten												
One												
Two												
Three												
Four												
Five												
Six												
Seven												
Eight												
Nine												
Ten												
Eleven												
Twelve												
Post-Graduate												
Adult H.S. (15+CR)												
Adult H.S. (1-14CR)												
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0
Special Ed - Elementary												
Special Ed - Middle School												
Special Ed - High School												
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0
Sent to CSSD												
Subtotal	0	0	0	0	0	0	0	0	0	0	0	0
Totals	0	0	0	0	0	0	0	0	0	0	0	0
Percentage Error					0.00%		0.00%		0.00%		0.00%	0.00%

**CORBIN CITY SCHOOL DISTRICT**  
 (A Component Unit of Corbin City)  
 Schedule of Audited Enrollments  
 Application For State School Aid Summary  
 Enrollment as of October 15, 2016

	Private Schools For Disabled			Resident Low Income		Sample For Verification			
	Reported on A.S.S.A. Schools	Sample for Verification	Sample Verified	Sample Errors	Reported On A.S.S.A. as Low Income	Reported Workpaper as Low Income	Sample Selected From Workpapers	Verified to Application and Register	Sample Errors
Half Day Preschool									
Full Day Preschool									
Half Day Kindergarten									
Full Day Kindergarten									
One									
Two									
Three									
Four									
Five									
Six									
Seven									
Eight									
Nine									
Ten									
Eleven									
Twelve									
Post-Graduate									
Adult H.S. (15+CR)									
Adult H.S. (1-14CR)									
Subtotal	0	0	0	0	0	0	0	0	0
Special Ed - Elementary									
Special Ed - Middle School									
Special Ed - High School									
Subtotal	0	0	0	0	0	0	0	0	0
Sent to CSSU									
Co. Voc. - Post Sec									
Subtotal	0	0	0	0	0	0	0	0	0
Totals	0	0	0	0	0	0	0	0	0
Percentage Error				0.00%					0.00%

**CORBIN CITY SCHOOL DISTRICT**  
 (A Component Unity of Corbin City)  
 Schedule of Audited Enrollments  
 Application For State School Aid Summary  
 Enrollment as of October 15, 2016

	Resident LEP Low Income		Sample For Verification		Resident LEP NOT Low Income		Sample For Verification	
	Reported On A.S.A. as LEP Low Income	Reported On Workpapers as LEP Low Income	Sample Selected From Workpapers	Sample Verified	Reported On A.S.A. as NOT Low Income	Reported Workpapers as NOT Low Income	Sample Selected From Workpapers	Sample Verified to Application and Register
Half Day Preschool								
Full Day Preschool								
Half Day Kindergarten								
Full Day Kindergarten								
One								
Two								
Three								
Four								
Five								
Six								
Seven								
Eight								
Nine								
Ten								
Eleven								
Twelve								
Post-Graduate								
Adult H.S. (15+CR)								
Adult H.S. (1-14CR)								
Subtotal	0	0	0	0	0	0	0	0
Special Ed - Elementary								
Special Ed - Middle School								
Special Ed - High School								
Subtotal	0	0	0	0	0	0	0	0
Sent to CSSD								
Co. Voc. - Post Sec								
Subtotal	0	0	0	0	0	0	0	0
Totals	0	0	0	0	0	0	0	0
Percentage Error								

**CORBIN CITY SCHOOL DISTRICT**  
 (A Component Unit of Corbin City)  
 Schedule of Audited Enrollments  
 Application For State School Aid Summary  
 Enrollment as of October 15, 2016

		Transportation			
	Reported on DRTRS by DOE/County	Reported on DRTRS by District	Tested	Verified	Errors
Regular - Public Schools	59	59	30	30	0
Vocational School Students	2	2	2	2	0
ALL Non-Public	6	6	4	4	0
Special Education	7	7	4	4	0
<b>Totals</b>	<b>74</b>	<b>74</b>	<b>40</b>	<b>40</b>	<b>0</b>
<b>Percentage Error</b>					<b>0.00%</b>

	Reported	Recalculated
Average Mile	10.10	10.10
Regular Including Grade PK Students	10.10	10.10
Regular Excluding Grade PK Students	9.60	9.60

**CORBIN CITY SCHOOL DISTRICT**  
(A Component Unit of Corbin City)  
**Excess Surplus Calculation**  
**2% Calculation of Excess Surplus**  
For The Fiscal Year Ended June 30, 2017

Total General Fund Expenditures	\$	1,229,329.89	
Increased By			
Transfer to Food Service Fund			
Transfer from Capital Outlay to Capital Projects			
Transfer from Capital Reserve to Capital Projects			
Decreased By			
On-Behalf State Aid Payments			
Assets Acquired Under Capital Leases			
Adjusted General Fund Expenditures		1,229,329.89	
Applicable Excess Surplus Percentage		2.00%	
Subtotal	(A) \$	<u>24,586.60</u>	
Greater of (A) or \$250,000.00	\$	250,000.00	
Increased By			
Allowable Adjustment			
Nonpublic School Transportation Reimbursement		1,044.00	
Additional Adjustment Aid			
Maximum Unrestricted Fund Balance	\$		251,044.00
Total General Fund Balance	\$	695,017.11	
Decreased By			
Restricted Balances			
Emergency Reserve		(250,000.00)	
Tuition Reserve		(178,780.00)	
Excess Surplus - Designated for Subsequent Year's Expenditures		(18,859.37)	
Assigned Balances			
Designated for Subsequent Year's Expenditures		-	
Total Unrestricted Fund Balance			<u>247,377.74</u>
Restricted Fund Balance - Excess Surplus			<u>\$ -</u>
<b>Recapitulation of Excess Surplus</b>			
<b>June 30, 2017</b>			
Designated for Subsequent Year's Expenditures	\$		18,859.37
Current Year			-
Total Restricted Excess Surplus	\$		<u>18,859.37</u>