

CORBIN CITY SCHOOL DISTRICT

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

For the Fiscal Year Ended June 30, 2015

CORBIN CITY SCHOOL DISTRICT

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Administrative Findings
Financial – Compliance – Performance**

For the Fiscal Year Ended June 30, 2015

**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, 2015, and have issued our report thereon dated October 26, 2015.

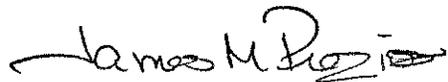
As part of our audit, we performed procedures required by the New Jersey Department of Education, and the findings and results thereof are disclosed on the following pages, as listed in the accompanying table of contents.

This report is intended for the information of the Corbin City School District's management and the New Jersey Department of Education. However, this report is a matter of public record and its distribution is not limited.

Respectfully submitted,

PREZIOSI · NICHOLSON & ASSOCIATES

Certified Public Accountants



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

October 26, 2015
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>
Pasquale Yacovelli	Board Secretary – School Business Administrator	\$ 300,000.00
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.

District Internal Control Policies

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.

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.

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

The financial and accounting records maintained by the Business Administrator - Board Secretary were found to be in good condition.

Acknowledgement of the Board's receipt of the Board Secretary's monthly financial reports were included in the minutes.

The Board Secretary prepared cash reconciliations per N.J.S.A. 18A:17-36.

All cash receipts were promptly deposited.

Elementary and Secondary Education Act (E.S.E.A.)/Improving America's School Act (IASA) as reauthorized by the No Child Left Behind Act of 2001

The District did not receive No Child Left Behind funds in 2014-2015.

Other Special Federal and/or State Projects

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

The District is a non-operating district.

T.P.A.F. Reimbursement

There are no District employees who are members of the Teachers Pension and Annuity Fund and, therefore, our audit procedures did not include a test of the biweekly reimbursements filed with the Department of Education.

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, 2010 and thereafter the bid thresholds in accordance with N.J.S.A. 18A:18A-2 and 18A:18A-3(a) are \$36,000 (with a Qualified Purchasing Agent) and \$26,000 (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 \$17,500.

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.

SCHOOL FOOD SERVICE

The District has no School Food Service.

STUDENT BODY ACTIVITIES

The District has no Student Body Activities.

APPLICATION FOR STATE SCHOOL AID

The District is a sending district. Therefore, no "On-Roll" students are reported on the October 15, 2014 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 2014-2015 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.

FACILITIES AND CAPITAL ASSETS

There were no SDA grant agreements or any other open capital projects for the year ending June 30, 2015.

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
(A Component Unit of Corbin City)
Schedule of Meal Count Activity
Food Services - Enterprise Fund
Number of Meals Served
(Over) Underclaim
For The Fiscal Year Ended June 30, 2015

INFORMATION NOT REQUIRED							
Program	Meal Category	Meals			Difference	Rate	(Over) Under Claim
		Claimed	Tested	Verified			
National School Lunch (Regular Rate)	Paid						\$ -
	Reduced Free						
		-	-	-	-		-
School Breakfast (Regular Rate)	Paid						
	Reduced Free						
		-	-	-	-		-
Special Milk	Paid						
	Free						
		-	-	-	-		-
							\$ -

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, 2014

	2015-2016 Application For State School Aid			Sample For Verification					
	Reported On A.S.S.A. On Roll		Reported On Workpapers	Sample Selected From Workpapers		Verified Per Registers On Roll	Errors Per Registers On Roll		
	Full	Shared	Full	Shared	Full	Shared	Full	Shared	
Half Day Preschool	0	0	0	0	0	0	0	0	0
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 CSSD									
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 Unit of Corbin City)
 Schedule of Audited Enrollments
 Application For State School Aid Summary
 Enrollment as of October 15, 2014

	Private Schools For Disabled			Resident Low Income		Sample For Verification		
	Reported on A.S.S.A. Schools	Sample Verification	Sample Verified	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
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				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, 2014

		Transportation			
	Reported on DRTS by DOE/County	Reported on DRTS by District	Tested	Verified	Errors
Regular - Public Schools, Col. 1	56	56	41	41	
Regular - Special Education, Col. 4	3	3	3	3	
Transported - Non-Public, Col. 3	11	11	11	11	
Special Education, Col. 6					
Totals	70	70	55	55	0
Percentage Error					0.00%

	Reported	Recalculated
Average Mile		
Regular Including Grade PK Students (Part A)	10.90	10.90
Regular Excluding Grade PK Students (Part B)	11.00	11.00
Special Education With Special Needs	11.60	11.60

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, 2014

	Resident LEP Low Income		Sample For Verification		Resident LEP NOT Low Income		Sample For Verification	
	Reported On A.S.S.A. as LEP Low Income	Reported On Workpapers as LEP Low Income	Sample Selected From Workpapers	Sample Verified	Reported On A.S.S.A. as NOT Low Income	Reported Workpaper as NOT Low Income	Sample Selected From Workpapers	Sample Verified to Application and Register
	Errors	Errors	Errors	Errors	Errors	Errors	Errors	Errors
Half Day Preschool	0	0	0	0	0	0	0	0
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)
Excess Surplus Calculation
2% Calculation of Excess Surplus
For The Fiscal Year Ended June 30, 2015

Total General Fund Expenditures	\$	1,281,567.47	
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		1,281,567.47	
Applicable Excess Surplus Percentage		2.00%	
Subtotal	(A)	<u>\$ 25,631.35</u>	
Greater of (A) or \$250,000.00	\$	250,000.00	
Increased By			
Allowable Adjustment			
Nonpublic School Transportation Reimbursement		1,392.00	
Additional Adjustment Aid			
Maximum Unrestricted Fund Balance			\$ 251,392.00
Total General Fund Balance	\$	763,659.81	
Decreased By			
Restricted Balances			
Emergency Reserve		(250,000.00)	
Tuition Reserve		(169,845.00)	
Excess Surplus - Designated for Subsequent Year's Expenditures		(56,483.30)	
Assigned Balances			
Designated for Subsequent Year's Expenditures		<u>(26,182.70)</u>	
Total Unrestricted Fund Balance			<u>261,148.81</u>
Restricted Fund Balance - Excess Surplus			<u>\$ 9,756.81</u>
 Recapitulation of Excess Surplus			
June 30, 2015			
Designated for Subsequent Year's Expenditures			\$ 56,483.30
Current Year			<u>9,756.81</u>
Total Restricted Excess Surplus			<u>\$ 66,240.11</u>