McBride Shopa & company, P.A.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

Jeffrey E. Edminson
Assistant Superintendent, Chief Operating Officer
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Eden Support Services Center
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We have performed the procedures enumerated below, which were agreed to by the State of Delaware Office of Auditor of Accounts, the State of Delaware Department of Education, and the Christina School District management solely to assist the specified parties in evaluating Christina School District's compliance with 29 Del. C., c. 75, the State of Delaware Budget and Accounting Manual, and the Department of Education's School Construction Technical Assistance Manual for the fiscal year ended June 30, 2005. The Christina School District management is responsible for compliance with State Laws and procedures relative to the school construction projects administered by the district. This agreed-upon procedures engagement was conducted in accordance with *Government Auditing Standards (2003)*, issued by the Comptroller General of the United States of America and the attestation standards established by the American Institute of Certified Public Accountants that have been incorporated by the *Government Auditing Standards (2003)*. The sufficiency of these procedures is solely the responsibility of those specified parties in this report. Consequently, we make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Our procedures and findings are as follows:

1. Determine if the Christina School District complied with the prior fiscal year's recommendations, if applicable, by reviewing these recommendations and verifying through inquiry and observation that the recommendation has been implemented.

   There were several recommendations (Findings 02-01, 04-01 and 04-02) in the prior fiscal year. The current status of those recommendations is addressed on pages 3 through 5.

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2. Determine that prior year and fiscal year 2005 construction project files and records, as indicated in the attached Schedule of Construction Projects Examined, were accurate and expenditures were made in accordance with the intent of the project scope mandated by the General Assembly, the Department of Education and the Christina School District Board of Education by applying the procedures in the Construction Program Checklist prepared by the State of Delaware, Office of Auditor of Accounts.

   Our procedures disclosed no instance of noncompliance that resulted in findings and recommendations.

3. Be alert to situations or transactions that could be indicative of fraud, illegal acts, and violations of provisions of contracts or grant agreements and abuse or misuse of State funds.

   Our procedures disclosed no instance of situations or transactions that could be indicative of fraud, illegal acts and violations of provisions of contracts and abuse or misuse of State funds.

The results of our procedures were discussed at an exit conference with Jeffrey Edminson, Assistant Superintendent and Chief Operating Officer, Christina School District.

We were not engaged to, and did not, conduct an examination, the objective of which would be the expression of an opinion on the school district's compliance with 29 Del C., c. 75, the State of Delaware Budget and Accounting Manual, and the Department of Education's School Construction Technical Assistance Manual. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

Enclosed is a schedule of Construction Projects Examined for the fiscal year ended June 30, 2005. This schedule is for informational purposes only.

This report is intended for the information and use of the School District management and Board Members, Department of Education, Office of the Governor, Office of Controller General, Office of Attorney General, Office of the Budget, Department of Finance, and Office of Auditor of Accounts and is not intended to be and should not be used by anyone other than these specified parties. However, under 29 Del. C., Section 10002(d), this report is a public record and its distribution is not limited.

McBride, Shopa & Co

Wilmington, Delaware
February 23, 2006

1. **FINDING 02-01**

Our examination of construction projects funded by the fiscal year 1996 Bond Bill identified five projects that were completed but had incomplete closeout documentation in their project files.

Bancroft Elementary School Renovations
Gauger-Cobbs Middle School Renovations
Glasglow High School Renovations
Newark High School Renovations
New Leasure School Construction

The State of Delaware School Construction Technical Assistance Manual, Chapter 9, paragraph 15T, identifies the required documentation necessary to close out completed construction projects. We also found no evidence that archival quality copies of the Architectural and Engineering drawing of the buildings were deposited with the Department of State as required by 29 Delaware Code, Section 507(b).

RECOMMENDATION

We recommend that the School District obtain the required documentation to close out the completed construction projects files. We further recommend that archival quality copies of the Architectural and Engineering drawings of the buildings be deposited with the Department of State.

AUDITEE'S RESPONSE 06/30/03

Drawings are placed in archival boxes and are set to go to Dover by November 1, 2004.

CURRENT STATUS

The district has contacted the State of Delaware Archives Office to arrange for the architectural and engineering drawings to be sent at a date subsequent to June 30, 2004.

AUDITEE'S RESPONSE 06/30/04

Arrangements have been made with the Delaware Public Archives, and the district is awaiting the Archives' approval for document pickup. Once approval has been given, the documents identified will be forwarded as required by Delaware Code, Title 29, Section 507(b).

CURRENT STATUS

With the exception of the New Leasure School Construction project, the District sent the architectural and engineering drawings to the State Archives on January 14, 2005. The drawings for the New Leasure project were sent to the Archives on February 28, 2006.

AUDITEE'S RESPONSE 06/30/05

Please be advised the as-built drawings for the Leasure School, constructed in 1997, are scheduled to be archived at the Delaware State Archive. These documents include as-built drawings showing architectural, site, mechanical, and electrical work for that school. These documents are currently assembled and we are waiting for an appointment from the State Archives Office for a delivery date. We will notify your office when we have successfully delivered these documents. This finding is still applicable.

FINDING 04-01

We noted during our agreed-upon procedures that the archival-quality copies of the architectural and engineering drawings of the Stubbs and Pyle Elementary School buildings had not been deposited with the Department of State (State Archives). Per the Delaware Code, Title 29, Section 507, "Complete copies of as-builts drawings and specifications for all buildings and other public works that are built on state property, including alterations thereto, shall be deposited with the Delaware Public Archives for preservation and safekeeping".

RECOMMENDATION

We recommend that copies of the archival-quality copies of the architectural and engineering drawings be sent to the State Archives per the applicable section of the Delaware Code

AUDITEE'S RESPONSE

Arrangements have been made with Delaware Public Archives and the District is awaiting the Archives approval for document pick-up. Once approval has been given, documents will be forwarded as required by Delaware Code, Title 29, Section 507(b).

CURRENT STATUS

The District sent the architectural and engineering drawings for the Stubbs and Pyle Elementary School buildings to the State Archives on January 14, 2005. This finding is no longer applicable.

FINDING 04-02

We noted during our agreed-upon procedures that unencumbered monies for three school construction projects had not reverted to the State as directed by the Delaware Code, Title 29, Section 7515, which states, "Any sum of money which has been appropriated or allocated to any school district by the State under any school construction bond authorization act which remains unexpended 1 year after pupil occupancy of any school building constructed under the school construction bond authorization act authorizing the construction shall revert to the State and shall be deposited to a special account to be applied against future school construction bond requirements." The project is as follows:

School Project	Fiscal Year	Appropriation	Certificate of Occupancy	Unencumbered Fund Balance
Glasgow Elementary	1997	6713	NA	$ 50
Stubbs Elementary	1998	6812	NA	$ 1
Pyle Elementary	1998	6814	NA	$ 1

RECOMMENDATION

We recommend that the school district management immediately take the steps to revert the unencumbered funds disclosed above to the state reversion fund. In addition, we recommend that the school district management adopt a policy that unencumbered school construction funds remaining in excess of one fiscal year after occupancy be reverted to the State as required by the Delaware Code, Title 29, Section 7515.

AUDITEE'S RESPONSE

As noted during the out briefing, the remaining $52.00 in Appropriations 6713 (Glasgow Elementary), 6812 (Stubbs Elementary) and 6814 (Pyle Elementary) will revert to the state.

CURRENT STATUS

We noted per our review of the DFMS Cumulative Budgetary Activity Report that the unencumbered fund balance for the Glasgow, Stubbs and Pyle Elementary schools reverted to the State Budget Office as of June 30, 2005. This finding is no longer applicable.

CHRISTINA SCHOOL DISTRICT
SCHEDULE OF CONTRUCTION PROJECTS EXAMINED
FISCAL YEAR ENDED JUNE 30, 2005

Project Name	Funding Year	Original Funding Amount	De / Re Authorization Funding	Total Project Funding Life to Date	Expended Current FY	Expended Prior FY	Total Project Expenditures Life to Date	Total Unspent Fund Balance June 30, 2005
Thurgood Marshall	91	$ 7,300,000		$ 7,300,000	$ 191,097	$ 7,108,903	$ 7,300,000	$ -
Bancroft Renovations	96	6,942,981	(3,775)	6,939,206	-	6,939,206	6,939,206	-
	04	559,300	-	559,300	310,523	-	310,523	248,777
	05	5,033,300	-	5,033,300	13,990	-	13,990	5,019,310
Newark HS								
Renovations	96	10,103,363	(4,426)	10,098,937	-	10,098,937	10,098,937	-
	04	731,000	-	731,000	379,835	-	379,835	351,165
	05	6,579,200	-	6,579,200	431,679	-	431,679	6,147,521
Gauger-Cobbs								
Renovations	96	4,028,966	(117)	4,028,849	11,898	4,016,672	4,028,570	279
Leasure Elementary	96	8,381,389	-	8,381,389	-	8,381,389	8,381,389	-
Keene (Glasgow) Elementary								
Land Acquisition	96	728,000	-	728,000	2,160	725,840	728,000	-
Construction	97	8,753,800	(616)	8,753,184	-	8,753,184	8,753,184	-
Glasgow HS								
Renovations	96	7,187,166	(11,410)	7,175,756	-	7,175,756	7,175,756	-
	04	454,700		454,700	86,112	-	86,112	368,588
Shue-Medill								
Renovations	96	3,328,500	-	3,328,500	-	3,328,500	3,328,500	-
	97	2,222,000	-	2,222,000	5,177	2,216,823	2,222,000	-
Christiana HS	97	10,034,700	(52,343)	9,982,357	-	9,982,357	9,982,357	-
	05	1,028,700	-	1,028,700	1,028,700	-	1,028,700	-
Stubbs Elementary								
Renovations	98	4,947,700		4,947,700		4,947,700	4,947,700	-
Bayard Elementary								
Renovations	98	4,224,500	(7,463)	4,217,037	-	4,217,037	4,217,037	-
Pyle Elementary								
Renovations	98	2,001,600		2,001,600	-	2,001,600	2,001,600	-
	05	4,015,700		4,015,700	2,527,818	-	2,527,818	1,487,882

CHRISTINA SCHOOL DISTRICT
SCHEDULE OF CONTRUCTION PROJECTS EXAMINED
FISCAL YEAR ENDED JUNE 30, 2005

Project Name	Funding Year	Original Funding Amount	De / Re Authorization Funding	Total Project Funding Life to Date	Expended Current FY	Expended Prior FY	Total Project Expenditures Life to Date	Total Unspent Fund Balance June 30, 2005
Douglass Kindergarten								
Renovations	98	1,201,600	(14,643)	1,186,957	8,831	1,178,126	1,186,957	-
Brookside Elementary								
Renovations	03	474,700	-	474,700	71,978	390,914	462,892	11,808
	04	5,905,200	-	5,905,200	3,471,558	21,753	3,493,311	2,411,889
West Park Element								
Renovations	03	514,300	-	514,300	64,757	448,477	513,234	1,066
	04	6,421,700	(200,000)	6,221,700	5,030,727	941,022	5,971,749	249,951
Kirk Middle								
Renovations	03	439,500	-	439,500	82,613	351,844	434,457	5,043
	04	5,468,200	-	5,468,200	4,740,987	-	4,740,987	727,213
Pulaski Elementary								
Renovations	03	275,300	-	275,300	29,075	203,627	232,702	42,598
	04	3,424,300	(213,000)	3,211,300	2,043,442	51,749	2,095,191	1,116,109
Palmer Elementary								
Renovations	03	158,700	-	158,700	33,033	112,416	145,449	13,251
	04	1,974,200	213,000	2,187,200	891,651	-	891,651	1,295,549
840 Elementary (Porter Road)								
Land	03	927,000	-	927,000	1,000		1,000	926,000
Construction	03	1,107,300	-	1,107,300	150,540	10,500	161,040	946,260
	05	3,751,700		3,751,700	2,410,847	-	2,410,847	1,340,853
	05	1,974,100		1,974,100	2,196	-	2,196	1,971,904
1000 Middle (Astro Middle)								
Land	03	1,442,000	-	1,442,000	1,442,000	-	1,442,000	-
Renovation	04	1,892,800	-	1,892,800	77,360	-	77,360	1,815,440
	05	5,516,700	-	5,516,700	3,038,622	-	3,038,622	2,478,078
Jones Elementary	03	472,700	-	472,700	67,412	389,256	456,668	16,032
	04	5,879,800	200,000	6,079,800	5,109,068	608,419	5,717,487	362,313
Portable Classroom	03	1,114,000	-	1,114,000	462,846	579,321	1,042,167	71,833
	04	1,147,400	-	1,147,400	164,249	2,470	166,719	980,681
Smith Elementary	04	938,000	-	938,000	584,351	-	584,351	353,649
	05	8,441,500		8,441,500	124,410	-	124,410	8,317,090
Gallaher Elementary	04	673,800	-	673,800	515,828	-	515,828	157,972
	05	6,064,500	-	6,064,500	18,376	-	18,376	6,046,124

CHRISTINA SCHOOL DISTRICT
SCHEDULE OF CONTRUCTION PROJECTS EXAMINED
FISCAL YEAR ENDED JUNE 30, 2005

Project Name	Funding Year	Original Funding Amount	De / Re Authorization Funding	Total Project Funding Life to Date	Expended Current FY	Expended Prior FY	Total Project Expenditures Life to Date	Total Unspent Fund Balance June 30, 2005
McVey Elementary	04	723,000	-	723,000	436,154	-	436,154	286,846
	05	6,506,700	-	6,506,700	885	-	885	6,505,815
MacClary ES/ILC	05	790,000		790,000	790,000	-	790,000	-
Wilson Elementary	05	737,500		737,500	737,500	-	737,500	-
Downes Elementary	05	736,200		736,200	736,200	-	736,200	-
		$ 175,680,965	$ (94,793)	$ 175,586,172	$38,327,485	$ 85,183,798	$ 123,511,283	$ 52,074,889

See Accountant's Report