Economic Development Authority
Educational Facilities Construction and Financing Program
Temporary Classroom Units

July 1, 2000 to October 11, 2002

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President of the Senate

The Honorable Richard J. Codey  
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The Honorable Albio Sires  
Speaker of the General Assembly

Mr. Albert Porroni  
Executive Director  
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Enclosed is our report on the audit of the Economic Development Authority, Educational Facilities Construction and Financing Program, Temporary Classroom Units for the period July 1, 2000 to October 11, 2002. If you would like a personal briefing, please call me at (609) 292-3700.

October 31, 2002
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Scope

We have completed an audit of the Economic Development Authority, Educational Facilities Construction and Financing Program, Temporary Classroom Unit expenditures for the period July 1, 2000 to October 11, 2002. Our audit included the expenditure activity accounted for in the authority’s accounting system.

Total expenditures for the Temporary Classroom Units during the audit period were $31.4 million relating to 16 school districts. The prime responsibility of the Education Facilities Construction and Financing Program, Temporary Classroom Units was to provide needed classroom space for three and four year old preschool students.

Objectives

The objectives of our audit were to determine whether expenditure transactions were related to the installation of the Temporary Classroom Units, were reasonable, and were recorded properly in the accounting systems. This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section 1, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States.

In preparation for our testing, we studied legislation, administrative code, and policies of the authority. Provisions that we considered significant were documented and compliance with those requirements was verified by interview, observation, and through our samples of expenditure transactions. We also reviewed financial trends and interviewed agency personnel to obtain an understanding of the program and the internal controls.
A nonstatistical sampling approach was used. Our samples of the expenditure transactions were designed to provide conclusions about the validity of transactions as well as internal control and compliance attributes. Sample transactions were judgmentally selected.

**Conclusions**

We found that the expenditure transactions included in our testing were related to the program, were reasonable, and were recorded properly in the accounting systems.