

# PERFORMANCE AUDIT

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## East Allegheny School District Allegheny County, Pennsylvania

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September 2014



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania  
Department of the Auditor General  
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**EUGENE A. DePASQUALE**  
**AUDITOR GENERAL**

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, Pennsylvania 17120

Mrs. Gerri McCullough, Board President  
East Allegheny School District  
1150 Jacks Run Road  
North Versailles, Pennsylvania 15137

Dear Governor Corbett and Mrs. McCullough:

We conducted a performance audit of the East Allegheny School District (District) to determine its compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). Our audit covered the period May 13, 2011 through March 17, 2014, except as otherwise indicated in the report. Additionally, compliance specific to state subsidies and reimbursements was determined for the school years ended June 30, 2011 and June 30, 2012. Our audit was conducted pursuant to Section 403 of The Fiscal Code, 72 P.S. § 403, and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit found that the District complied, in all significant respects, with relevant requirements, except as detailed in one (1) finding noted in this report. A summary of the results is presented in the Executive Summary section of the audit report.

Our audit finding and recommendations have been discussed with the District's management, and their responses are included in the audit report. We believe the implementation of our recommendations will improve the District's operations and facilitate compliance with legal and administrative requirements. We appreciate the District's cooperation during the conduct of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale".

Eugene A. DePasquale  
Auditor General

September 4, 2014

cc: **EAST ALLEGHENY SCHOOL DISTRICT** Board of School Directors

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## **Executive Summary**

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### **Audit Work**

The Pennsylvania Department of the Auditor General conducted a performance audit of the East Allegheny School District (District) in Allegheny County. Our audit sought to answer certain questions regarding the District's compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures and to determine the status of corrective action taken by the District in response to our prior audit recommendations.

Our audit scope covered the period May 13, 2011 through March 17, 2014, except as otherwise indicated in the audit scope, objectives, and methodology section of the report. Compliance specific to state subsidies and reimbursements was determined for the 2010-11 and 2011-12 school years.

### **District Background**

The District encompasses approximately five (5) square miles. According to 2010 federal census data, it serves a resident population of 18,055. According to District officials, the District provided basic educational services to 1,715 pupils through the employment of 134 teachers, 65 full-time and part-time support personnel, and eleven (11) administrators during the 2011-12 school year. The District received \$11,370,122 in state funding in the 2011-12 school year.

### **Audit Conclusion and Results**

Our audit found that the District complied, in all significant respects, with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures, except for one (1) compliance related matter reported as a finding.

**Finding: The District Continues to Face a Negative General Fund Balance, as well as Concerning Financial Indicators, and is Potentially in a Financially Declining Position.** Our review of the East Allegheny School District's (District) annual financial reports, independent auditor's reports, and general fund budgets for the school years ended June 30, 2006 through 2013, found the District reported a general fund deficit in each year under review. In addition, we reviewed several financial indicators in an effort to assess the District's financial stability (see page 5).

**Status of Prior Audit Findings and Observations.** With regard to the status of our prior audit finding from an audit of the East Allegheny School District (District) released on January 23, 2012, we found the District continues to have a general fund deficit (see page 14).

## Audit Scope, Objectives, and Methodology

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### Scope

*What is a school performance audit?*

School performance audits allow the Pennsylvania Department of the Auditor General to determine whether state funds, including school subsidies, are being used according to the purposes and guidelines that govern the use of those funds. Additionally, our audits examine the appropriateness of certain administrative and operational practices at each local education agency (LEA). The results of these audits are shared with LEA management, the Governor, the Pennsylvania Department of Education, and other concerned entities.

Our audit, conducted under authority of Section 403 of The Fiscal Code, 72 P.S. § 403, is not a substitute for the local annual audit required by the Public School Code of 1949, as amended. We conducted our audit in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

Our audit covered the period May 13, 2011 through March 17, 2014, except for the verification of professional employee certification, which was performed for the period July 1, 2012 through June 30, 2013.

Testwork on the District's financial status covered the 2005-06 through the 2012-13 school years. Regarding state subsidies and reimbursements, our audit covered the 2010-11 and 2011-12 school years.

While all districts have the same school years, some have different fiscal years. Therefore, for the purposes of our audit work and to be consistent with Pennsylvania Department of Education (PDE) reporting guidelines, we use the term *school year* rather than fiscal year throughout this report. A school year covers the period July 1 to June 30.

### Objectives

*What is the difference between a finding and an observation?*

Our performance audits may contain findings and/or observations related to our audit objectives. Findings describe noncompliance with a statute, regulation, policy, contract, grant requirement, or administrative procedure. Observations are reported when we believe corrective action should be taken to remedy a potential problem not rising to the level of noncompliance with specific criteria.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws and defined business practices. Our audit focused on assessing the District's compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures. However, as we conducted our audit procedures, we sought to determine answers to the following questions, which serve as our audit objectives:

- ✓ Were professional employees certified for the positions they held?
- ✓ In areas where the District received state subsidies and reimbursements based on pupil membership (e.g., basic education, special education, and vocational education), did it follow applicable laws and procedures?

- ✓ Did the District, and any contracted vendors, ensure that current bus drivers were properly qualified, and did they have written policies and procedures governing the hiring of new bus drivers?
- ✓ Did the District have sufficient internal controls to ensure that the membership data it reported to PDE through the Pennsylvania Information Management System was complete, accurate, valid, and reliable?
- ✓ Were there any declining fund balances that may pose a risk to the District's fiscal viability?
- ✓ Did the District take appropriate steps to ensure school safety?
- ✓ Did the District have a properly executed and updated Memorandum of Understanding with local law enforcement?
- ✓ Were there any other areas of concern reported by independent auditors, citizens, or other interested parties?
- ✓ Did the District take appropriate corrective action to address recommendations made in our prior audit?

## Methodology

### *What are internal controls?*

Internal controls are processes designed by management to provide reasonable assurance of achieving objectives in areas such as:

- Effectiveness and efficiency of operations.
- Relevance and reliability of operational and financial information.
- Compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures.

*Government Auditing Standards* require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our results and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our results and conclusions based on our audit objectives.

The District's management is responsible for establishing and maintaining effective internal controls to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, as they relate to the District's compliance with relevant requirements that we consider to be significant within the context of our audit objectives. We assessed whether those controls were properly designed and implemented. Any deficiencies in

internal controls that were identified during the conduct of our audit and determined to be significant within the context of our audit objectives are included in this report.

In order to properly plan our audit and to guide us in possible audit areas, we performed analytical procedures in the areas of state subsidies and reimbursements, pupil transportation, pupil membership, and comparative financial information.

Our audit examined the following:

- Records pertaining to pupil transportation, pupil membership, bus driver qualifications, professional employee certification, state ethics compliance, financial stability, reimbursement applications, tuition receipts, and deposited state funds.
- Items such as board meeting minutes and policies and procedures.

Additionally, we interviewed select administrators and support personnel associated with the District's operations.

To determine the status of our audit recommendations made in a prior audit report released on January 23, 2012, we performed additional audit procedures targeting the previously reported matters.

## Findings and Observations

### Finding

### The District Continues to Face a Negative General Fund Balance, as well as Concerning Financial Indicators, and is Potentially in a Financially Declining Position

*Criteria relevant to the finding:*

Section 609 of the Public School Code provides, in part:

No work shall be hired to be done, no materials purchased, and no contracts made by any board of the school directors which will cause the sums appropriated to specific purposes in the budget to be exceeded.

The Pennsylvania Association of School Business Officials in its testimony, at a public hearing on fiscally distressed school districts, to the Senate Education Committee on January 24, 2012, provided a number of indicators that should be disclosed annually. These indicators require the following:

1. An Unqualified Opinion on the independent auditors audit report;

Best Business Practices and/or general financial statement analysis tools require the following:

1. The trend of current ratios should be at least 2 to 1 or increasing. Anything less calls into question the school District's ability to meet its current obligations with existing resources;

Our review of the East Allegheny School District's (District) annual financial reports, independent auditor's reports, and general fund budgets for the school years ended June 30, 2006 through 2012 (see chart below) found the District reported a general fund deficit each year. In addition, we reviewed several financial indicators in an effort to assess the District's financial stability. Our review found that the District is potentially in a financially declining position.

<b>Trend: Negative General Fund Balance</b>	
<u>Year End</u> <u>June 30</u>	<u>Fund</u> <u>Balance</u>
2006	\$ (574,260)
2007	(370,851)
2008	(15,296)
2009	(1,589,242)
2010	(2,628,735)
2011	(2,040,532)
2012	(1,965,608)
2013	(1,158,236)

We reviewed 22 financial benchmarks based on best business practices established by several agencies, including the Pennsylvania Association of School Business Officials, the Colorado State Auditor, and the National Forum on Education Statistics. The following were among the general areas we evaluated: (1) the level of the general fund – fund balance (assigned and unassigned), (2) the amount of total debt service, (3) the current ratio (current assets ÷ current liabilities) of all governmental funds, and (4) the trend of annual changes in financial position for all governmental funds.



2. A quick asset ratio or trend of ratios approaching one (1) or less indicates a declining ability to cover obligations with the most liquid assets;
3. A debt-to-asset ratio or trend of ratios increasing towards one (1) to one (1) or greater is an indication that the School District's liabilities are approaching the level of the District's assets. This indicates the District has a debt level that may be too great for the District to adequately function;
4. The costs for a school district student attending a charter school is paid out of the sending District's operating funds. This results in a reduction of the funds available for use in providing educational services to the District's students that remained in the traditional public school. This scenario continues until the number of students attending charter schools is so large that the District can reduce costs by closing a school building and reduces the number of staff employed by the District.
5. The trend of effective tax rates as compared to levied tax rates should be stable or increasing to ensure the school district has sufficient tax revenues to maintain its educational services at an appropriate level.

Our testing found the District scored negatively on the following benchmarks:

- **Decreasing General Fund Current Ratio:** For the trend period 2006 to 2013, the general fund current ratio (current assets ÷ current liabilities) was decreasing. A decreasing trend towards one-to-one or even lower indicates that the District's financial solvency is decreasing toward a point where the District may not be able to pay its current debts without an infusion of cash. Potential creditors use this ratio to measure a District's ability to pay its short-term debts. A declining trend may also prevent the District from obtaining any new debt, such as loans, or increase the interest rate on the debt it can obtain, thereby costing the District more money.

The following chart documents the District's decreasing current ratio:

<b>Decreasing Current Ratio</b> <i>(Assets ÷ Liabilities)</i>			
Year End <u>June 30</u>	Current <u>Assets</u>	÷	Current <u>Liabilities</u> = <u>Current Ratio</u>
2006	\$ 28,635,395	÷	\$ 6,155,755 <b>4.65</b>
2007	23,157,272	÷	7,951,488 <b>2.91</b>
2008	11,831,870	÷	7,174,601 <b>1.65</b>
2009	9,993,068	÷	6,439,073 <b>1.55</b>
2010	9,860,396	÷	7,062,025 <b>1.40</b>
2011	8,938,134	÷	6,182,667 <b>1.45</b>
2012	8,639,988	÷	4,570,059 <b>1.89</b>
2013	9,868,317	÷	11,026,553 <b>0.89</b>

- **Decreasing General Fund Quick Ratio:** For the trend period 2006 to 2012, the general fund quick ratio ((cash + investments) ÷ current liabilities) was decreasing. This test assesses an organization's short-term solvency. As a result, a decreasing trend can be an indicator of the District's inability to pay its current debts without the disposal of other current assets. As with the current ratio, potential creditors also use this ratio to measure a District's ability to pay its short-term debts. Therefore, a declining general fund quick ratio could also make it more difficult for the District to obtain a loan or other debt instruments at a reasonable interest rate.

The following chart documents the District's decreasing quick ratio:

<b>Decreasing Quick Ratio</b> (Cash + Investments) ÷ Liabilities			
Year End	Total Cash +	Current	<b>Quick</b>
<u>June 30</u>	<u>Investments</u>	÷ <u>Liabilities</u>	= <u>Ratio</u>
2006	\$ 24,195,944	\$ 6,155,755	<b>3.93</b>
2007	17,873,236	7,951,488	<b>2.25</b>
2008	5,943,728	7,174,601	<b>0.83</b>
2009	3,403,897	6,439,073	<b>0.53</b>
2010	2,271,366	7,062,025	<b>0.32</b>
2011	1,349,444	6,182,667	<b>0.22</b>
2012	1,091,777	4,570,059	<b>0.24</b>
2013	1,412,142	11,026,552	<b>0.13</b>

**Increasing Debt-To-Asset Ratio:** For the trend period 2006 to 2012, the general fund debt-to-asset ratio (current liabilities ÷ current assets) is increasing. An increasing trend towards one-to-one or more is an indication that the District's may not be able to pay its current liabilities with current assets on hand. This trend could require the District to liquidate non-current assets or wait for an inflow of revenues. As a result, the District might have to increase the time it holds invoices prior to making payment. This action could impede the District's ability to obtain a loan or other debt instrument. It could also result in a higher cost for any new debt that is obtained.

The following chart documents the District's increasing debt-to-asset ratio:

<b>Increasing Debt-to-Asset Ratio</b> (Current Liabilities ÷ Current Assets)			
Year End	Current	Current	<b>Debt-to-</b>
<u>June 30</u>	<u>Liabilities</u>	÷ <u>Assets</u>	= <u>Asset Ratio</u>
2006	\$ 6,155,755	\$ 28,635,395	<b>0.21</b>
2007	7,951,488	23,157,272	<b>0.34</b>
2008	7,174,601	11,831,870	<b>0.61</b>
2009	6,439,073	9,993,068	<b>0.64</b>
2010	7,062,025	9,860,396	<b>0.72</b>
2011	6,182,667	8,938,134	<b>0.69</b>
2012	4,570,059	8,639,988	<b>0.53</b>
2013	11,026,552	9,868,317	<b>1.12</b>

- **Increase in Charter School Students:** During the trend period 2006 to 2012, the number of District students

attending charter schools has increased by over two (2) percent. At the same time, the cost of students attending charter schools increased. Further, the charter school costs as a percentage of revenues increased. Consequently, the amount of District funds available for in-house educational services has been reduced. This could cause the District to reduce services to the students that remained in the District's schools. Specifically, unless the number of students attending charter schools is significant enough to reduce the number of staff or the number of school buildings, the District cannot reduce its operating costs, even though it is receiving less money.

The following charts document the District's increasing charter school attendance, increasing charter school costs, and increasing charter school costs as a percentage of total revenues over the trend period, respectively:

<b>Trend: Charter School Enrollment</b>			
<i>(As a Percentage of Total District Enrollment)</i>			
<u>Year End</u> <u>June 30</u>	<u>Charter School</u> <u>ADM<sup>1</sup></u>	<u>÷</u> <u>District</u> <u>ADM</u>	<u>=</u> <u>Charter Enrollment/</u> <u>District Enrollment</u>
2006	34.602	1,997.554	<b>1.73%</b>
2007	40.236	1,926.116	<b>2.09%</b>
2008	60.363	1,935.268	<b>3.12%</b>
2009	68.089	1,945.266	<b>3.50%</b>
2010	76.688	1,928.519	<b>3.98%</b>
2011	113.469	1,976.864	<b>5.74%</b>
2012	114.517	1,985.303	<b>5.77%</b>
2013	164.975	1,929.499	<b>8.55%</b>

<sup>1</sup> ADM (Average Daily Membership) is the average number of students in membership during the reporting period (aggregate days membership divided by days in session). *Glossary of Child Accounting Terms, Pennsylvania Department of Education, pg. 1-8, September 2004.*

<b>Trend: Charter School Costs</b>			
<i>(As a Percentage of Total District Expenditures)</i>			
<u>Year End</u> <u>June 30</u>	<u>Tuition Paid to</u> <u>Charter Schools</u>	$\div$	<u>Total District</u> <u>Expenditures</u> = <u>Charter Costs</u> <u>Total Costs</u>
2006	\$ 317,202		\$ 21,775,367 = <b>1.40%</b>
2007	392,391		22,346,776 = <b>1.56%</b>
2008	580,434		23,668,799 = <b>2.19%</b>
2009	602,667		26,056,409 = <b>2.31%</b>
2010	858,991		26,465,912 = <b>3.25%</b>
2011	1,310,407		26,201,965 = <b>5.00%</b>
2012	1,368,132		25,127,026 = <b>5.44%</b>
2013	1,091,792		25,667,970 = <b>4.25%</b>

<b>Trend: Charter School Costs</b>			
<i>(As a Percentage of Total District Revenues)</i>			
<u>Year End</u> <u>June 30</u>	<u>Tuition Paid to</u> <u>Charter Schools</u>	$\div$	<u>Total District</u> <u>Revenues</u> = <u>Charter Costs</u> <u>Total Revenues</u>
2006	\$ 317,202		\$ 24,012,007 = <b>1.32%</b>
2007	392,391		25,331,028 = <b>1.55%</b>
2008	580,434		26,850,176 = <b>2.01%</b>
2009	602,667		27,502,658 = <b>2.19%</b>
2010	858,991		28,293,989 = <b>3.04%</b>
2011	1,310,407		28,856,201 = <b>4.54%</b>
2012	1,368,132		27,766,885 = <b>4.93%</b>
2013	1,091,792		28,246,366 = <b>3.87%</b>

In addition, the District is facing growing financial pressure as a result of the elimination of the state reimbursement paid to all districts for a portion of their charter costs. So while the District's charter costs have risen—nearly 250 percent over eight (8) years—the issue is compounded by the fact that, since 2011, the Commonwealth has not funded the school district reimbursement for charter school tuition costs. If this reimbursement were still in place, the District would have received at least \$180,000 in additional revenue for 2010-11, 2011-12, and 2012-13.

<b>Trend: State Reimbursement Paid to District for Charter Costs</b>		
<b><u>Year End</u></b> <b><u>June 30</u></b>	<b>Charter Tuition Paid</b> <b><u>by District</u></b>	<b>State</b> <b><u>Reimbursement</u></b> <b><u>Paid to District</u></b>
2006	\$ 317,202	\$ 90,776
2007	392,391	119,095
2008	580,434	165,910
2009	602,667	169,767
2010	858,991	181,309
2011	1,310,407	No Funding
2012	1,368,132	No Funding
2013	1,091,792	No Funding

### **Recommendations**

The *East Allegheny School District* should:

1. Provide the Board of School Directors standard monthly updates on key financial benchmarks so that policy changes can be made before the District's financial condition worsens.
2. Maintain and monitor budgetary controls so that expenditures do not exceed revenues.
3. Open a dialogue with the District's communities, including Wilmerding, Wall, East McKeesport, and North Versailles, to keep stakeholders informed of the financial status and health of the school district.
4. Conduct a survey of parents sending children to a charter school to determine the reason why the District is losing more students to charter schools.

### **Management Response**

Management stated the following:

“Management was already aware of the problem and in its written response to our observation detailed the causes of the deficits, as well as the corrective actions being taken, as follows:

The fund balance deficit at the end of 2011-2012 fiscal years is the culmination of many factors, including but not limited to:

1. The continuous disregard of tax payers not paying their current and delinquent real estate school taxes, which results in low collection rates.
2. Fixed costs increase in employee salaries per contracts, healthcare, retirement, which is doubling, utilities, and fuel costs, respectively. Also included, retiree healthcare payments as per contracted ERIP.[Early Retirement Incentive Package]
3. The School Board of Directors not raising mills an adequate amount in order to plan for future fiscal expenditures.
4. The restraints of Act I<sup>2</sup> for mill increases to be no more than the district index makes it very difficult to budget local real estate tax revenues to support expenditures.
5. Long term spending of fund balance to soften impact of \$1 million less tax increases.
6. Lower interest rates for investments.
7. High costs in special education services and tuition placements.
8. Extremely high costs in charter school tuition with no state reimbursement.
9. Lack of commercial and residential development in the district.
10. East Allegheny does not get paid the full tuition amount for the Duquesne City School District students.

**Corrective Action:**

1. Recommend to the Board of Education to raise mills by index each fiscal year.
2. Continue the aggressive pursuit of delinquent tax revenue utilizing collection group services.
3. Continue to investigate and apply for grants when opportunity presents.
4. Diligence in reducing the use of electricity as a result of 2013 energy reduction project put in place from electric and heating upgrades, by turning off any lighting that does not need to be on continually, and combining errands to reduce the cost of fuel for vehicles.
5. Team cleaning during the summer months to allow for the buildings to be shut down for the remaining months.
6. When retirements or resignations occur, the District has not replaced the individual who retired/resigned.

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<sup>2</sup> Act 1 of 2005-Taxpayer Relief Act, places limits on the levels of taxation that a district can pass without a taxpayer referendum.

7. For 2011-2012, reducing full day kindergarten to half-day kindergarten.
8. Continue requiring employee to pay into their healthcare coverage-For 2012-2013 and 2013-2014, all professional employees pay \$70; all support staff members pay 1% of salary, capped at \$60 per month, plus will pay ½ of the difference of the fiscal year premium and any increase in premiums.
9. Cutting operational costs in areas of supplies, repairs and services when at all possible and pursuing the best available pricing.
10. Utilizing [an electronic mailing] system for bulk mailings, reducing the overall cost, when possible.
11. Eliminating the dependency on local printers and utilizing printing to the copiers, which require a code for printing, thus providing a tracking of paper usage.
12. Reduced the usage of the Westinghouse building to only those organizations that pay rent. In 2012, listing the school to be sold. There is an interested party and possible sale in 2014.
13. Eliminate the burden of field trip costs from the District and requiring as a prerequisite for approval that a group or other organization pay all costs, including substitute costs.
14. Encourage students who attend cyber charter schools to return to East Allegheny and attend our own cyber school. Will conduct a survey with parents as to why they are sending their children to charter schools.
15. Reduce the tuition paid for placements by providing alternative education for disruptive students.
16. Investigate other avenues for investments that will provide a better interest rate.
17. Work together with the communities of East McKeesport, North Versailles, Wilmerding and Wall and keep communication open.
18. Investigate with [Gas Company vendor] for possible drilling of gas on school sites.”

### **Auditor Conclusion**

We are encouraged that the District is taking action to address its financial situation. The purpose of this finding is to provide the District with information about its financial instability and to give it the opportunity to consider our recommendations in its financial planning. The District’s management should continue to monitor

these financial benchmarks in order to track how the District is performing in the areas where we noted a negative outcome. Finally, the District must work to implement its corrective action steps, in order to improve its overall financial position.



## Status of Prior Audit Findings and Observations

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Our prior audit of the East Allegheny School District (District) released on January 23, 2012, resulted in one (1) finding. The finding pertained to the District's general fund deficit status. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior audit recommendations. We performed audit procedures and interviewed District personnel regarding the prior finding.

### Auditor General Performance Audit Report Released on January 23, 2012

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**Finding:** **District Again Reports General Fund Deficit for the Fiscal Year Ended June 30, 2010**

Finding Summary: Our prior audit found the District's general fund deficit increased to \$2,628,735 for the fiscal year ending June 30, 2010.

Recommendations: Our audit finding recommended that the District should:

1. Monitor and maintain budgetary control over expenditures in compliance with the Public School Code.
2. Use monthly budget status reports to scrutinize proposed expenditures for current operations and limit them to revenues received and the amount appropriated.
3. Adopt budgets estimating beginning fund balances based on historical indicators and realistic expectations of the amount that will actually be available for the budgetary period.
4. Provide for systematic reduction of the general fund deficit.

Current Status: During our current audit, we examined the District's financial standing through a series of financial indicators. One of those indicators is the general fund balance, which continued to have a negative balance (see on the current finding, page 5).

## **Distribution List**

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This report was initially distributed to the Superintendent of the District, the Board of School Directors, our website at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us), and the following stakeholders:

The Honorable Tom Corbett  
Governor  
Commonwealth of Pennsylvania  
Harrisburg, PA 17120

The Honorable Carolyn Dumaesq  
Acting Secretary of Education  
1010 Harristown Building #2  
333 Market Street  
Harrisburg, PA 17126

The Honorable Robert M. McCord  
State Treasurer  
Room 129 - Finance Building  
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This report is a matter of public record and is available online at [www.auditorgen.state.pa.us](http://www.auditorgen.state.pa.us). Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 231 Finance Building, Harrisburg, PA 17120; via email to: [news@auditorgen.state.pa.us](mailto:news@auditorgen.state.pa.us).