

ABINGTON SCHOOL DISTRICT
MONTGOMERY COUNTY, PENNSYLVANIA
PERFORMANCE AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2006, 2005, 2004 AND 2003,
AND IN CERTAIN AREAS EXTENDING BEYOND JUNE 30, 2006

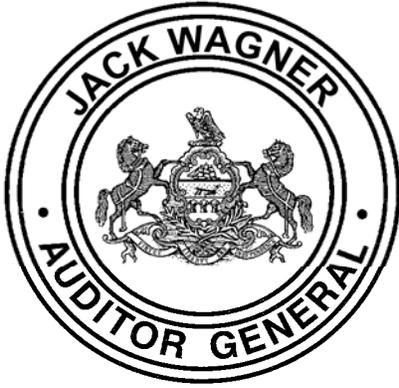


ABINGTON SCHOOL DISTRICT
MONTGOMERY COUNTY, PENNSYLVANIA
PERFORMANCE AUDIT REPORT

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ABINGTON SCHOOL DISTRICT
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The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

Dear Governor Rendell:

We have conducted a performance audit of the Abington School District for the years ended June 30, 2006, 2005, 2004 and 2003, and in certain areas extending beyond June 30, 2006. Our audit was conducted pursuant to 72 P.S. § 403 and in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

The objective of our audit was to determine if the Abington School District complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

To plan and perform our audit of the Abington School District, we considered the district's internal controls pertinent to our audit objectives. Based on our consideration of these internal controls we determined audit procedures for the purpose of reporting on our audit objectives, but not to provide assurance on the effectiveness of the district's internal controls. However, any significant internal control deficiencies found during our audit were included in our report.

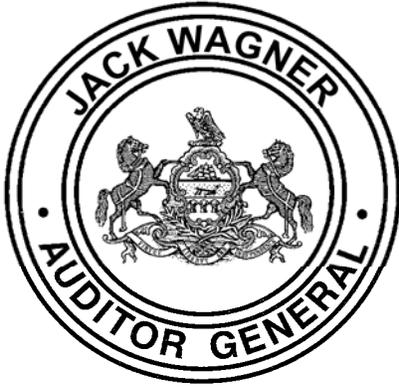
The results of our tests indicated that, in all significant respects, the Abington School District was in compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

The accompanying supplementary information is presented for purposes of additional analysis. We did not audit the information and, accordingly, express no form of assurance on it.

Sincerely

September 14, 2007

/s/
JACK WAGNER
Auditor General



ABINGTON SCHOOL DISTRICT
PERFORMANCE AUDIT REPORT
BACKGROUND

Background

The Abington School District is located in Montgomery County and encompasses an area of approximately 15 square miles. The school district has a population of 58,680, according to the 2000 federal census. The administrative offices are located at 970 Highland Avenue, Abington, Pennsylvania.

According to school district administrative officials, during the 2005-06 school year, the district provided basic educational services to 7,525 pupils through the employment of 46 administrators, 484 teachers, and 526 full-time and part-time support personnel. Special education was provided by the district and the Montgomery County Intermediate Unit #23. Occupational training and adult education in various vocational and technical fields were provided by the district and the Eastern Center for Arts and Technology.

Generally, state subsidies and reimbursements are paid in the year subsequent to the year in which the school district incurs the cost that qualifies it for the applicable subsidy or reimbursement. While the Pennsylvania Department of Education (DE) makes partial payments to the school district throughout the year, final payments are normally made in June. Refer to the Supplementary Information on pages 7 through 10 of this report for a listing of the state revenue the district received during the 2005-06, 2004-05, 2003-04 and 2002-03 school years and for descriptions of the state revenue received by category.

In July of each year, the Commonwealth's Labor, Education and Community Services, Comptroller's Office confirms the payments that were made by DE throughout the prior fiscal year. School district annual financial reports and the related certified audits of the payments are not available before October 31st of the following fiscal year.

ABINGTON SCHOOL DISTRICT
PERFORMANCE AUDIT REPORT
OBJECTIVE, SCOPE AND METHODOLOGY

OBJECTIVE AND SCOPE

Our audit objective was to determine if the Abington School District complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

The scope of our audit covered the years ended June 30, 2006, 2005, 2004 and 2003, and in certain areas extending beyond June 30, 2006.

METHODOLOGY

Our audit was conducted under authority of 72 P.S. § 403, and does not supplant the local annual audit as required by the Public School Code of 1949, as amended (Public School Code).

The proper administration of a school district requires school board members to establish and maintain internal controls to provide reasonable assurance that specific school district objectives will be achieved. School board members are responsible for the adoption and use of policies and procedures that promote the economical and efficient conduct of assigned duties and responsibilities. In completing our audit, we obtained an understanding of the school district's internal controls as they relate to the district's compliance with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit. We evaluated and tested documents, files, reports, agreements, and systems, and performed analytical procedures to the extent necessary to satisfy our audit objectives. Additionally, we interviewed selected administrators and operations personnel.

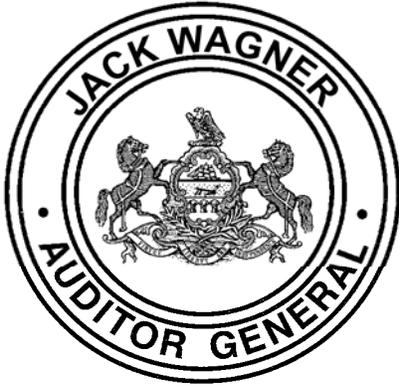
As noted in the Background section of this report, the Department of Education generally pays state subsidies and reimbursements in the fiscal year subsequent to the fiscal year in which the district incurs the qualifying cost. Because we use the payment confirmations, annual financial reports and certified audit data as supporting documentation of actual payments received in the performance of our audit, we cannot begin the field work of a school district's operations for a given year until after this information becomes available.

ABINGTON SCHOOL DISTRICT
PERFORMANCE AUDIT REPORT
OBJECTIVE, SCOPE AND METHODOLOGY

CONCLUSION

The objective of our audit was to determine if the Abington School District complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.

The results of our tests indicate that with respect to the items tested, the Abington School District complied with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.



ABINGTON SCHOOL DISTRICT
PERFORMANCE AUDIT REPORT

SUPPLEMENTARY INFORMATION
[UNAUDITED]

Schedule of State Revenue

The district reported state revenue of \$13,696,891, \$14,164,758, \$12,994,262 and \$12,198,041, respectively, for the years ended June 30, 2006, 2005, 2004 and 2003, as detailed in the following schedule:

	<u>2006</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>
STATE REVENUE				
Basic Education	\$ 5,143,625	\$ 5,027,953	\$ 4,884,543	\$ 4,667,428
Read to Succeed	-	-	*(1,980)	47,910
Charter Schools	149,006	88,340	13,243	13,243
Tuition for Orphans and Children Placed in Private Homes	301,653	261,634	283,927	297,844
Educational Empowerment/School Improvement	-	-	-	24,946
Staff and Program Development			5,500	2,802
Homebound Instruction	2,690	2,146	1,733	1,000
Alternative Education	-	39,006	34,652	109,259
Special Education	3,073,941	3,099,731	3,041,362	3,158,622
Transportation	1,310,572	1,250,815	1,237,852	1,223,376
Rental and Sinking Fund Payments	158,731	305,134	492,170	165,385
Health Services	186,533	188,243	189,769	190,731
Safe Schools	33,114	38,314	39,974	67,707
Social Security and Medicare Taxes	2,168,178	2,055,265	1,979,209	1,937,963
Retirement	884,789	1,485,407	792,308	289,825
Technology Grants	-	10,000	-	-
Other Program Subsidies/Grants:				
PA Accountability	264,059	258,903	-	-
Extended School Year	-	53,867	-	-
School Demonstration Project	20,000	-	-	-
<u>TOTAL STATE REVENUE</u>	<u>\$13,696,891</u>	<u>\$14,164,758</u>	<u>\$12,994,262</u>	<u>\$12,198,041</u>

* Prior Period Adjustment

ABINGTON SCHOOL DISTRICT
PERFORMANCE AUDIT REPORT

SUPPLEMENTARY INFORMATION
[UNAUDITED]

Description of State Revenue Received (Source: Pennsylvania Accounting Manual)

Basic Education

Revenue received from Commonwealth appropriations as subsidy for basic education.

Read to Succeed

Revenue received from the Commonwealth to ensure that all students learn to read and write by the end of the third grade.

Charter Schools

Revenue received from the Commonwealth to fund the Charter Schools initiative. The state subsidy received includes revenue for startup funding, nonpublic transfers, and transitional grants.

Tuition for Orphans and Children Placed in Private Homes

Revenue received from the Commonwealth as tuition for children who are orphans and/or children who are placed in private homes by the court. Payments are made in accordance with Sections 1305 and 1306 of the Public School Code.

Educational Empowerment/School Improvement

Grants distributed to school districts on the Education Empowerment List or certified as Education Empowerment Districts to assist in the implementation of their school district improvement plans. These grants are authorized by Act 16 of 2000 and Section 1709-B of the Public School Code.

Staff and Program Development

Revenue received from the Commonwealth for programs aimed at staff and program development.

Homebound Instruction

Revenue received from the Commonwealth as subsidy for expenses incurred for instruction of homebound pupils. Payments are made in accordance with Section 2510.1 of the Public School Code.

ABINGTON SCHOOL DISTRICT
PERFORMANCE AUDIT REPORT

SUPPLEMENTARY INFORMATION
[UNAUDITED]

Alternative Education

Revenue received from the Commonwealth as subsidy for alternative education. Alternative education is specialized educational instruction and support services to students that must be removed from regular classrooms because of disruptive behavior.

Special Education

Revenue received from the Commonwealth as subsidy for expenditures incurred for instructing school age special education students.

Transportation

Revenue received from the Commonwealth as subsidy for pupil transportation expenditures and/or board and lodging in lieu of transportation. Payments for pupil transportation are made in accordance with Section 2541 of the Public School Code. Payments for board and lodging in lieu of transportation are made in accordance with Section 2542 of the Public School Code. This revenue also includes subsidy for the transportation of nonpublic and charter school students.

Rental and Sinking Fund Payments

Revenue received from the Commonwealth as a full or partial subsidy payment for approved lease rentals, sinking fund obligations, or any approved district debt obligations for which the Department of Education has assigned a lease number.

Health Services

Revenue received from the Commonwealth as subsidy for health services. Payments are made in accordance with Section 2505.1 of the Public School Code and include revenue for medical, dental, nurse and health services.

Safe Schools

Revenue received from the Commonwealth as subsidy for Safe School programs.

Social Security and Medicare Taxes

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of the Social Security and Medicare taxes for covered employees who are not federally funded.

ABINGTON SCHOOL DISTRICT
PERFORMANCE AUDIT REPORT

SUPPLEMENTARY INFORMATION
[UNAUDITED]

Retirement

Revenue received from the Commonwealth as subsidy designated as the Commonwealth's matching share of the employer's contribution of retirement contributions for active members of the Public School Employees' Retirement System.

Technology Grants

Revenue received for technology initiatives that allow the schools to develop new information technology projects, such as upgrade of networks or improved computer hardware and software.

Other Program Subsidies/Grants

Revenue received from the Commonwealth not specified elsewhere.

BUREAU OF SCHOOL AUDITS

AUDIT REPORT DISTRIBUTION LIST

This report was initially distributed to the superintendent of the school district, the board members, our website address at www.auditorgen.state.pa.us, and the following:

The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Gerald Zahorchak, D.Ed.
Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Robin L. Wiessmann
State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Mr. John Godlewski
Director, Bureau of Budget and Fiscal Management
Department of Education
4th Floor, 333 Market Street
Harrisburg, PA 17126

Dr. David Wazeter
Research Manager
Pennsylvania State Education Association
400 North Third Street - Box 1724
Harrisburg, PA 17105

Dr. David Davare
Director of Research Services
Pennsylvania School Boards Association
P.O. Box 2042
Mechanicsburg, PA 17055

This report is a matter of public record. Copies of this report may be obtained from the Pennsylvania Department of the Auditor General, Office of Communications, 318 Finance Building, Harrisburg, Pennsylvania 17120. If you have any questions regarding this report or any other matter, you may contact the Department of the Auditor General by accessing our website at www.auditorgen.state.pa.us.