

# PHILIPSBURG-OSCEOLA AREA SCHOOL DISTRICT

Administration Office  
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Philipsburg, PA 16866



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January 7, 2022

Bureau of School Audits  
Department of the Auditor General  
229 Finance Building  
Harrisburg, PA 17120

RE: Auditor General's Performance Audit Report Fiscal Years Ending July 1, 2015- June 30, 2019 – Philipsburg-Osceola Area School District

To whom it may concern,

This letter is in response to the Philipsburg-Osceola Area School District Performance Audit Report for fiscal years ended July 1, 2015 – June 2019, issued by the Department of the Auditor General in November 2021.

The District has reviewed the Performance Audit Report and concurs with all of the audit conclusions and recommendations made by the Auditor General's Office. On November 16, 2021, at the Philipsburg-Osceola Area School District Board Meeting, a Resolution was adopted approving Management's Responses and Corrective Action Plans for Findings Number one through Number four listed in the Performance Audit Report from July 1, 2015 through June 30, 2019. A copy of the board agenda and signed Resolution are attached.

The Corrective Action Plan (CAP) with descriptions of the findings, a statement of concurrence, a timetable for the implementation of each corrective action step, and a description of the monitoring procedures to be performed by the District to ensure implementation of the corrective action steps are attached. Please contact me at (814) 342-1050 x.3107 if you have any questions or need further information.

Sincerely,

A handwritten signature in black ink that reads "Gregg Paladina". The signature is written in a cursive style.

Dr. Gregg Paladina  
Superintendent

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## PHILIPSBURG-OSCEOLA AREA SCHOOL DISTRICT

### PERFORMANCE AUDIT

JULY 1, 2015 – JUNE 30, 2019

#### **Finding No. 1 – GENERAL FUND BALANCE**

**Audit Conclusion:** The District had a cumulative deficit which reduced its General Fund balance by more than \$5 Million.

**Management Response** The District concurs with the recommendation of preparing multi-year budgets and preparing annual budgets with PDE that accurately reflect actual revenues and expenditures. The District increased its local real estate tax rates to increase its local share of revenues for the 21-22 fiscal year. The preliminary 20-21 fiscal year results appear to have a surplus. The District will continue to maximize their revenue through timely submissions with the State to receive and recognize its state share of revenues. The District is also utilizing the Federal ESSER grant funds to supplant applicable current expenses.

**Corrective Action Plan:** The District will prepare multi-year budgets internally and annual budgets with PDE that accurately reflect revenues and expenditures. The District will continue to increase its local share of revenues while maximizing their revenue through State subsidies, Federal grants and programs. The District will monitor expenses, develop strategies, and look for opportunities to create surpluses. The District will develop written procedures to determine the general fund's minimum fund and cash balance as a percentage of the District's annual general fund operating expenditures.

**Implementation Date:** The District has already begun to increase its local share of revenues with a tax increase in its adopted 21-22 budget. The District will continue to increase its local share of revenues and development of written procedures as it relates to its fund balance throughout the 22-23 budget process through 6/30/22. A policy in regards to a minimum fund balance will be adopted by the Board by 6/30/22. The District will look to develop multi-year budgets following the development of the 22-23 budget.

**Monitoring Procedures:** The District's Superintendent will verify that multi-year budgets and adherence to a minimum fund balance are implemented by the District to be reviewed periodically by the District's Finance Committee.

**PHILIPSBURG-OSCEOLA AREA SCHOOL DISTRICT**  
**PERFORMANCE AUDIT**  
**JULY 1, 2015 – JUNE 30, 2019**

**Finding No. 2 – TRANSPORTATION REIMBURSEMENT OVERPAYMENT**

**Audit Conclusion:** The District's failure to implement adequate internal controls resulted in a net \$28,583 overpayment to the District.

**Management Response:** The District concurs with the recommendations and findings related to the lack of internal controls that resulted in a net \$28,583 overpayment to the District for Transportation Reimbursements.

**Corrective Action Plan:** The District will develop written procedures that document the reporting process and steps necessary to report the regular transportation data accurately. The District will also require all personnel involved in the regular transportation data reporting to have proper training on PDE's reporting requirements and the District's transportation software. The District will make sure that there is proper segregation of duties as it relates to who enters and who reviews the data that is submitted to PDE. The Director of Finance will review and reconcile all data for accuracy prior to the District's Transportation Office submitting the transportation data to PDE.

**Implementation Date:** The District has implemented the process and procedures listed in the above corrective action plan in the transportation data that was submitted to PDE in October of 2021 for the District's 20-21 activity. The District will have the written procedures in place and approved by 6/30/22.

**Monitoring Procedures:** The District's Superintendent will review all submissions to PDE for transportation reimbursement for proper support and to verify that all procedures including internal controls were implemented.

**Finding No. 3 – REIMBURSEMENT FROM PDE FOR APPROVED CONSTRUCTION PROJECTS**

**Audit Conclusion:** The District's failure to implement adequate internal controls resulted in the District failing to apply for \$572,583 in reimbursement from PDE for approved construction projects.

**Management Response:** The District concurs with the recommendations and findings related to the lack of internal controls that resulted in the District failing to apply for \$572,583 in reimbursement from PDE for approved construction projects.

**Corrective Action Plan:** The District will develop written procedures for filing PDE reimbursements for construction projects timely and accurately. The District will require all personnel involved to have proper training on PDE's reporting requirements for reimbursements for construction projects. The District will make sure there is proper segregation of duties as it relates to who enters and reviews the data that is submitted to PDE for project reimbursements.

# **PHILIPSBURG-OSCEOLA AREA SCHOOL DISTRICT**

## **PERFORMANCE AUDIT**

**JULY 1, 2015 – JUNE 30, 2019**

**Implementation Date:** The District has implemented the process and procedures listed in the above corrective action plan related to project and PlanCon reimbursements that were submitted in December 2021 to PDE for debt payments that were made in October and November of 2021. The District will have the written procedures in place and approved by 6/30/22.

**Monitoring Procedures:** The District's Superintendent will review all submissions to PDE for PlanCon reimbursement for proper support and to verify that all procedures including internal controls were implemented.

### **Finding No. 4 – HEALTH SERVICE REIMBURSEMENT UNDERPAYMENT**

**Audit Conclusion:** The District's failure to implement adequate internal controls led to inaccurate reporting and a health service reimbursement underpayment of \$11,834.

**Management Response:** The District concurs with the recommendations and findings related to the lack of internal controls that led to inaccurate reporting and a health service reimbursement underpayment of \$11,834.

**Corrective Action Plan:** The District will develop written procedures that document the reporting process and steps necessary for obtaining ADM data and filing the SHAARS data on time. The District will require all personnel involved in the health service data reporting to have proper training on PDE's reporting requirements. The District will make sure there is proper segregation of duties as it relates to who prepares and reviews the data that is submitted to PDE. The Director of Finance will review and reconcile all of the data prepared by the Head Nurse for accuracy.

**Implementation Date:** The District has implemented the process and procedures listed in the above corrective action plan related to reporting accurate data and information for its health service reimbursement that was submitted to PDE on October 1, 2021 for the District's 20-21 activity. The District will have the written procedures in place and approved by 6/30/22.

**Monitoring Procedures:** The District's Superintendent will review all submissions to PDE for health service reimbursement for proper support and to verify that all procedures including internal controls were implemented.

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**Resolution to Accept Corrective Action Plan  
for  
Performance Audit July 1, 2015, through June 30, 2019**

NOW, THEREFORE, BE IT RESOLVED, by the Board of School Directors of the PHILIPSBURG-OSCEOLA School District, as follows:

The Board of School Directors approves this RESOLUTION on the 16th day of November, 2021, indicating to approve Management's Responses and Corrective Action Plan for Findings Number One (1) through Number Four (4) from the Performance Audit from July 1, 2015, through June 30, 2019, by the Pennsylvania Department of the Auditor General, as presented (see attached).

DULY ADOPTED, by the Board of School Directors of this School District, this 16th day of November 2021.

Date: November 16, 2021

By:

A handwritten signature in black ink, appearing to read "D. Droll", written over a horizontal line.

*Dana Droll, Board President*

**Secretary's Certification:**

I certify that the foregoing resolution was duly adopted by the Philipsburg-Osceola Area School District Board of Directors at a properly noticed open meeting held on the 16th day of November, 2021, at which a quorum was present.

Date: November 16, 2021

By:

A handwritten signature in blue ink, appearing to read "Veronica F. Lukaschunis", written over a horizontal line.

*Veronica F. Lukaschunis, Board Secretary*

# PHILIPSBURG-OSCEOLA AREA SCHOOL DISTRICT

Monthly Voting Meeting – November 16, 2021, 7:00 PM

Philipsburg-Osceola Middle School Auditorium

## MINUTES

The Voting Meeting of the Philipsburg-Osceola Area School District Board of Directors was called to order on Tuesday, November 16, 2021, at 7:30 p.m. by Dana Droll, Board President.

Roll call was taken with the following Board Members in attendance: Estelle Bowman, Dana Droll, Mary Ellen Holden, Todd Jeffries, Nancy Lamb, Jennifer Romano, and Ross Williams. Linda Bush and Sue McGee were absent.

The Pledge of Allegiance was recited.

There were no visitors.

Dana Droll reported that there was an Executive Session for personnel at 6:30 p.m.

There was a motion by Todd Jeffries and seconded by Estelle Bowman to approve the October 26, 2021, Voting Meeting Minutes, as presented. All were in favor.

Dana Droll directed the following motions be presented.

### A. BUDGET, FINANCE & TRANSPORTATION - \*Mrs. Romano & Mrs. Holden

1. **FINANCIAL REPORT:** Motion to approve the Financial Report for the month of October 2021, as presented.
2. **DISBURSEMENTS:** Motion to approve the following disbursements for the month of October 2021.

Athletic Account (checks 224372 to 224511)	\$	31,878.64
Cafeteria Account (checks 509846 to 509867)	\$	72,666.68
General Account (checks 50169 to 50372)	\$	2,602,329.83
Student Activities Accounts (814846 to 814851)	\$	986.59
<b>GRAND TOTAL</b>	<b>\$</b>	<b>2,707,861.74</b>

<b>PAYROLL:</b>	10/01/21	\$	512,991.75
	10/15/21	\$	514,041.53
	10/29/21	\$	530,524.13

3. **VBA VISION CARE CONTRACT RENEWAL:** Motion to approve renewal of a contract with VBA for the District's vision care from January 1, 2022, through December 31, 2023, as presented. The rates are staying the same as the current rates.
4. **RESOLUTION FOR PERFORMANCE AUDIT JULY 1, 2015, THROUGH JUNE 30, 2019:** Motion to approve Resolution to accept Management's Responses and Corrective Action Plan for Findings No. One through No. Four from the Performance Audit of July 1, 2015, through June 30, 2019, by the Pennsylvania Department of the Auditor General.
5. **BID TO CLEARFIELD TAX CLAIM BUREAU:** Motion to agree to the sale of property by the Clearfield County Tax Claim Bureau, which has received and accepted at bid of \$800 for Map #1120-013-000-00200 (see attached). The sale for this property has been scheduled for January 5, 2022, at the Clearfield Tax Claim Bureau Office.
6. **RESOLUTION FOR CCCTC ROOF REPLACEMENT/UPGRADE:** Motion to approve a resolution between the Philipsburg-Osceola Area School District and the Clearfield County Career and Technology Center (CCCTC) to contribute towards a roof replacement/upgrade for the CCCTC, as presented.
7. **BUS DRIVER:** Motion to approve David McDonald as a driver for Fullington Bus Company for the 2021-2022 school year.
8. **VAN DRIVER:** Motion to approve Shirley Auman as a driver for Longs Van Company for the 2021-2022 school year.

**B. BUILDING AND GROUNDS** - \*Mr. Williams & Ms. McGee

**C. COMMUNITY RELATIONS** – \*Mr. Jeffries & Mrs. Holden

**D. CURRICULUM, INSTRUCTION & ASSESSMENT** – \*Mrs. Lamb & Mrs. Bush

1. **FIELD TRIP REQUESTS:** Motion to approve field trip requests as presented.

**E. PERSONNEL COMMITTEE** - \*Mrs. Bush & Mrs. Lamb

1. **HIRE:** Motion to hire Lanetta Lucas as a 5.0 hour District Wide Custodian, effective December 6, 2021.
2. **HIRE:** Motion to hire Frank Grimaldi as a 5.0 hour District Wide Custodian, effective December 6, 2021.

3. **RETIREMENT INCENTIVE:** Motion to approve the Retirement Incentive for the Philipsburg-Osceola Area Education Support Professionals for the 2021-2022 school year, as presented, and pending substantial participation.
4. **RESIGNATION:** Motion to accept the resignation, for retirement purposes, of Timothy Rice, a 5.0 hour District Wide Custodian, effective November 12, 2021.
5. **POST:** Motion to post a 5.0 hour District Wide Custodian position, posting effective November 17, 2021.
6. **RESIGNATION:** Motion to accept the resignation of Jennifer Jones as Reading Specialist at Osceola Mills Elementary, effective close of business on Thursday, January 13, 2022.
7. **POST POSITION:** Motion to post a Reading Specialist position at Osceola Mills Elementary, posting effective November 17, 2021.
8. **UNPAID DAY:** Motion to approve a request from a part-time employee for an unpaid day on November 1, 2021, due to exhausting all sick and personal days.

**F. POLICY COMMITTEE** – \*Mrs. Bowman & Mrs. Holden

**G. STUDENT AFFAIRS, EXTRA-CURRICULAR, DRUG & ALCOHOL PREVENTION, & STUDENT DISCIPLINE** – \*Mrs. McGee & Mrs. Droll

1. **POSITION VOLUNTEERS:** Motion to approve the following position volunteers for the 2021-2022 school year.

Bowman, Estelle  
McClelland, Elaina  
White, Maggie

Monn, Leann  
Peters, Kelli

2. **HIRE:** Motion to hire the following extra-curricular positions, for the 2021-2022 school year.

<u>Name</u>	<u>Sports/Activity</u>	<u>Remuneration</u>
Treaster, Braden	Boys' Basketball, Varsity Assistant Co-Coach	\$1,718.15
Whitehead, Greg	Boys' Basketball, Varsity Assistant Co-Coach	\$1,718.14
Desimone, Joe	Boys' Basketball, Varsity Volunteer Coach	Volunteer
Dymeck, Pete	Boys' Basketball, Varsity Volunteer Coach	Volunteer
Ferguson, Trent	Boys' Basketball, Varsity Volunteer Coach	Volunteer
Herrington, Hallie	Boys' Basketball, Varsity Volunteer Coach	Volunteer
Jeffries, Noah	Boys' Basketball, Varsity Volunteer Coach	Volunteer
Kennedy, Maximillian	Boys' Basketball, Varsity Volunteer Coach	Volunteer
Nartatez, Eric	Boys' Basketball, Varsity Volunteer Coach	Volunteer
Peterson, Steve	Boys' Basketball, Varsity Volunteer Coach	Volunteer
Potter, Josh	Boys' Basketball, Varsity Volunteer Coach	Volunteer



Minutes – November 16, 2021, Voting Meeting

Richards, Damian	Boys' Basketball, Varsity Volunteer Coach	Volunteer
Robinson, Alan	Boys' Basketball, Varsity Volunteer Coach	Volunteer
Taylor, Josh	Boys' Basketball, Varsity Volunteer Coach	Volunteer
Hertlein, Matt	Boys' Basketball, Junior High Head Coach	\$3,436.29
Mason, Chris	Boys' Basketball, Junior High Assistant Coach	\$2,577.22
Matia, Jeff	Boys' Basketball, Junior High Volunteer Coach	Volunteer
Rusnak, Brianna	Girls' Basketball, Varsity Assistant Coach	\$3,436.29
Curtis, Brittany	Girls' Basketball, Varsity Volunteer Coach	Volunteer
Kennedy, Kyleigh	Girls' Basketball, Varsity Volunteer Coach	Volunteer
Fisher, Lee	Girls' Basketball, Junior High Head Coach	\$3,436.29
Johnson, Jeff	Non-teaching Position	Per Contract
Kennedy, Kyleigh	Non-teaching Position	Per Contract
Rossi, Phil	Non-teaching Position	Per Contract
Levonick, Aaron	Wrestling, Varsity Assistant Co-Coach	\$1,718.15
Lobb, Matt	Wrestling, Varsity Assistant Co-Coach	\$1,718.14
Anderson, Brandon	Wrestling, Varsity Volunteer Coach	Volunteer
Anderson, Tyler	Wrestling, Varsity Volunteer Coach	Volunteer
Bainey, Dan	Wrestling, Varsity Volunteer Coach	Volunteer
Bainey, Tim	Wrestling, Varsity Volunteer Coach	Volunteer
Martin, Tyler	Wrestling, Varsity Volunteer Coach	Volunteer
McCamley, Tim	Wrestling, Varsity Volunteer Coach	Volunteer
Wood, Brad	Wrestling, Varsity Volunteer Coach	Volunteer
Wood, Cory	Wrestling, Junior High Head Coach	\$3436.29
Weller, Jeremy	Wrestling, Junior High Assistant Coach	\$2,577.22
Caslow, Dave	Wrestling, Junior High Volunteer Coach	Volunteer
Glessner, Josh	Wrestling, Junior High Volunteer Coach	Volunteer

**H. TECHNOLOGY** – \* Mr. Jeffries & Mrs. Romano

**I. OTHER:** Mrs. Droll

**CONSENT AGENDA:**

Note: All matters taken under this section are considered routine, and action will be taken with one motion. There will be no separate discussion of this Agenda, and items will not be considered separately. Please refer to the Consent Agenda.

There was a motion by Todd Jeffries, seconded by Estelle Bowman, to approve the Consent Agenda. **ROLL CALL VOTE: YES 7, NO 0. Motion passed.**

With no further business, the regular Voting Meeting of the Philipsburg-Osceola School District Board of Directors adjourned at 7:37 p.m., motion by Todd Jeffries and seconded by Estelle Bowman.

  
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 Veronica F. Lakaschunis, Board Secretary