



SCHOOL DISTRICT OF
SPRINGFIELD TOWNSHIP

Administration Building

1901 E. Paper Mill Road • Oreland, PA 19075 • P: 215.233.6000 • F: 215.233.5815

July 26, 2018

Clayton P. Carroll, Audit Reviewer
Bureau of Budget and Fiscal Management
Department of Education
333 Market Street – 4th Floor
Harrisburg, PA 17126-0333

Dear Mr. Carroll,

This letter is a follow-up to correspondence sent to us from the Pennsylvania Department of Education on May 23, 2018 regarding Springfield Township School District's Performance Audit for years ended June 30, 2016, 2015, 2014 and 2013 issued by the Department of the Auditor General.

As requested in the letter, please find attached Springfield Township School District's audit response package, which includes the following:

- Date of Board Meeting/Board Certification/Adopting the Response and Corrective Action Plan.
- Description of Finding or Observation
- Statement of Concurrence or Nonoccurrence
- LEA's Response, Corrective Action Plan, Resolution, Supporting Documentation.
- Implementation of Dates of Each of the Corrective Action Steps
- Description of Monitoring Procedures to Ensure Implementation of the Corrective Action
- Signature of the LEA Administrator

If you should have any questions regarding the enclosed information, please contact Katie Braun, Assistant Business Administrator at (215) 233-6000 x1003 or via e-mail at Katie_braun@sdst.org.

Sincerely,



Kenneth W. King
Business Administrator/Board Secretary

CC: Dr. Nancy Hacker, Superintendent of Schools



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May 22, 2018

Eugene DePasquale, Auditor General
Department of the Auditor General
Bureau of School Audits
316A Finance Building
Harrisburg, PA 17120

Dear Mr. DePasquale:

At a regular meeting that occurred on May 14, 2018, the Board of School Directors of the School District of Springfield Township accepted the Audit Report for the period of July 1, 2012 through June 30, 2016, and authorized the Management Representation Letter and the Corrective Action Plan to be sent to the Commonwealth of PA Department of the Auditor General.

The Corrective Action Plan is attached.

Please contact me if any additional information is required at this time.

Sincerely,

A handwritten signature in black ink, appearing to read "Kenneth W. King".

Kenneth W. King
Business Administrator / School Board Secretary

KWK/bmc

Enclosure

Cc: Dr. Nancy M. Hacker, Superintendent of Schools

Board Minutes P

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP
Montgomery County, Pennsylvania

MINUTES OF THE REGULAR MEETING
OF THE BOARD OF SCHOOL DIRECTORS

May 14, 2018

Springfield Township High School
Freeze Memorial Lobby
1801 E. Paper Mill Road
Erdenheim, Pennsylvania 19038-7099

1. Dr. Taratuski called the meeting to order at 7:04 p.m.
2. Dr. Taratuski welcomed meeting attendees and expressed opening remarks.
3. Dr. Taratuski led the board and audience in the pledge of allegiance.
4. Dr. Taratuski read the mission statement of the School District of Springfield Township.
5. Dr. Taratuski directed the meeting to roll call.

Members Present: Ms. Jordan
Mr. Lapidus
Ms. Sarsfield
Ms. Slapinsky
Dr. Taratuski

Members Absent: Mr. Chapman
Ms. Nelson
Mr. Rayer

Also Present: Dr. Hacker, Superintendent
Mr. Davis, Solicitor
Mr. King, School Board Secretary

6. Dr. Taratuski announced the Board, at its discretion, may videotape all or any portion of public board meetings subject to the limitations set forth in Policy 006.2, Broadcasting of Meetings. Board meetings will be broadcast on Friday afternoon following the board meeting.
7. Dr. Taratuski directed the meeting to public comments on agenda items.

There were no public comments.

8. Dr. Taratuski directed the meeting to the Appointment of a New Board Member, and she read the recommended motion.

Dr. Hacker asked Judge Haaz and Mr. Bedard to come forward for the swearing in of Mr. Bedard.

Solicitor Davis stated the vote on this motion should occur first, before Mr. Bedard is sworn in.

Dr. Taratuski asked for a motion for the appointment of a new Board member.

Ms. Slapinsky made a motion, seconded by Ms. Sarsfield, to approve the appointment of Mr. Jeffrey Bedard as a member of the Board of School Directors to fill the vacancy created by the resignation of Mr. James Taylor.

On the poll of the Board, the motion carried unanimously.

Judge Haaz initiated the swearing in of Mr. Bedard as a member of the Board of School Directors, and he administered Mr. Bedard's Oath of Office.

Mr. Bedard assumed his seat as a member of the Board of School Directors at 7:12 p.m.

Dr. Hacker asked Mr. Bedard to share some biographical information about himself.

Mr. Bedard spoke of his background and his family. Mr. Bedard expressed his enthusiasm for helping to move the district's agenda forward as a member of the Board of School Directors.

9. Dr. Taratuski directed the meeting to the swearing in of the new assistant superintendent, Dr. Mary Jo Yannacone.

The Honorable Judge Richard P. Haaz presided over the swearing in ceremony for Dr. Mary Jo Yannacone as assistant superintendent.

Dr. Hacker welcomed Dr. Yannacone, and she gave a brief summary of Dr. Yannacone's employment history. Dr. Hacker noted Dr. Yannacone went through a very extensive interview process with administrators, a group of teachers, parents, board members and students who served on the interview committee. Dr. Hacker noted Dr. Yannacone passed muster on all of these numerous interviews and she highlighted Dr. Yannacone's wonderful presentation on Equity and Inclusivity. Dr. Hacker welcomed Dr. Yannacone. Dr. Yannacone will officially begin as assistant superintendent on July 1, 2018.

Dr. Hacker noted Dr. Atkinson's last day at the district will be June 30, 2018, and he will be recognized at an upcoming Board meeting.

Dr. Hacker thanked Judge Haaz for coming to the Board meeting to officiate over these two swearing in ceremonies.

10. Dr. Taratuski directed the meeting to Approval of Minutes.

Mr. Lapidus made a motion, seconded by Ms. Slapinsky, to approve the following:

April 3, 2018 – Interim Meeting – Board Minutes M
April 17, 2018 – Regular Meeting – Board Minutes N

On the poll of the Board, the motion carried unanimously.

11. Dr. Taratuski directed the meeting to Approval of Treasurer's Report.

Ms. Sarsfield made a motion, seconded by Mr. Lapidus, to approve Treasurer's Report J.

On the poll of the Board, the motion carried unanimously.

12. Dr. Taratuski directed the meeting to Reports and Information.

1. Recognition and Awards

- A. Dr. Hacker announced there is a change to the order of awards, noting a smaller group would be recognized first.

Dr. Hacker introduced Dr. Rittenhouse, and she asked him to assist with the awards. Dr. Rittenhouse asked Ms. Tammy Pirmann to come to the microphone to recognize the Programming Team.

Ms. Tammy Pirmann spoke about the Programming Team competition, and she asked the students to speak. The following students spoke of the competition, and they were recognized for their Programming Team award:

Benjamin Rittenhouse
George Kent-Scheller
Emma Carton (was not in attendance)

- B. Dr. Hacker directed the meeting to the NAMM Music Presentation, and she introduced Mr. Tom Kelly.

Mr. Kelly stated, on behalf of Zeswitz Music, he was at the meeting to recognize the School District of Springfield Township again and present the NAMM Award for best music education. Mr. Kelly commented he has been servicing the Springfield Township community for 29 years as an

education representative and assisting the staff. In effect, Mr. Kelly brings the music store to the community. Mr. Kelly spoke of the close tie that exists between Zeswitz and the School District of Springfield Township.

Mr. Kelly explained the NAMM foundation was established 14 years ago. Mr. Kelly noted any school district in the nation could apply to be recognized as a best community for music education. The application is a 25 page document, which includes both essay questions and yes / no questions that go in-depth about the music programs offered at the School District of Springfield Township. Mr. Kelly noted nearly 5,000 school districts across the nation applied this year, and only 527 received this award. The applicants are evaluated in great detail by Kansas State University. Mr. Kelly remarked the award has been given 5 years in a row to SDST, and he noted the dedication of the administration, the staff, the parents and the students who are involved in the time and effort in this discipline. Mr. Kelly commented on known studies which show that students who are involved in music score better on tests, and he shared a statistic stating that 83% of the Fortune 500 CEO's were involved in music somewhere during their academic career. Mr. Kelly stated this speaks volumes for the future of tomorrow's leaders. Mr. Kelly asked Dr. Hacker to come to the table, and he presented her with a plaque commmerating the NAMM Music Award.

Dr. Hacker thanked Mr. Kelly for the award, and she recognized the phenomenal teachers who deserve the award for their work with students, as well as the students and parents, who make the music program successful.

Mr. Andrew Puntel, Mr. Rob Benton, Mr. Tyler Lawson, Ms. Amy Benton and Mr. Matt Barlow presented the following students with awards:

2018 HIGH SCHOOL MONTCO BAND:

Kyler Brunner
Jane Cutcher
Jeffrey Cutcher
Trey DuBose
Benjamin Durham
Julie Jin
Katherine Kaufmann
McKayla Mitchell
Lucy Niemira
Dominick Niemira
Magdalene O'Rourke
Julia Pratt

Devon Reid
Eric Stoudt
Ceasar Stringfield
John Yi

**2018 PA MUSIC EDUCATORS ASSOCIATION DISTRICT 11 AND
REGION VI ORCHESTRAS**

Rebekah Lee

2018 MIDDLE SCHOOL MONTCO BAND

Kaden Brunner
Skye Bucknor
Lauren Bundy
Faith DeCarlo
Katie Eckert
Jessie Goodman
Bennett Grothusn
Charlotte Hartner
Frances Holcomb
Alec Huang
Simran Jain
Max Kelly
Isabel Kling
Anthony Le
Elizabeth Maxwell
Kaleigh McKeaney
Miles O'Rourke
Uma Padmanabhan
Crystal Pham
Taylor Schulz
Joseph Scott
Piper Silberman
Norah Swartz

**2018 PA EDUCATORS ASSOCIATION DISTRICT 11
JUNIOR HIGH SONGFEST**

Kaden Brunner
Skye Bucknor
MaryFaith DeCarlo
Alexander Edmonds
Fallon George
Frances Holcomb

Samantha Klein
Anthony Le
Elizabeth Maxwell
Lucas McCabe
Shannon Meder
Caitlin Beecham
Carson Campbell
Gabriela Cejas
Jane Cutcher
Trey DuBose
Edmund Haas
McKayla Mitchell
Annika Peterson
Hannah Schermer

2018 ELEMENTARY BANDEEST

Theresa Talbot
Kalei Noonan
Shannon Talley
Ryan Agnew
Isabella Filippi
Alana Decker
Norah Lacy
Wilcox Tullo
Kaleigh Evans
Charles Morris
Giada Pontillo
Anderson Swanger
Paul Silvius
Shannon Silvius
Michaela Kelly
Davis Kittsley

2. District PTA / EEHSP Report

There was no PTA / EEHSP report. Dr. Hacker announced the EEHSP carnival would take place on Saturday, May 19, 2018 from 11:00 to 3:00, rain or shine.

3. Student Council Report

There was no student council report.

4. Administrative Report

Dr. Hacker commented it is always a great evening when recognition of student accomplishments takes place at a Board meeting.

Dr. Hacker announced there would be a Community Meeting on Tuesday, May 22, 2018 at 6:30 p.m. in the Freeze Lobby of Springfield Township High School. At this meeting, the phasing timetable and various actions that will be taken for the Springfield Township High School construction project will be reviewed. Dr. Hacker commented it will be a meeting of great interest for the community and for the Board, as various actions are announced. Dr. Hacker thanked the high school administration for their input on the decisions on project phasing that needed to be made.

5. Reports of Committee

a. Academic Affairs Committee

Ms. Sarsfield presented an Academic Affairs Committee Meeting report from the May 3, 2018 meeting where the following information was discussed:

1. K-7 Mathematics Program Adoption Proposal
2. Personalized Learning Initiative with MCIU
3. Project-Based Learning Initiative
4. Healthy Relationship Curriculum
5. Social and Emotional Learning Update
6. Middle School Trade Book Adoption, 6th Grade ELA

Dr. Taratuski questioned if the math curriculum would be implemented in the fall.

Ms. Sarsfield confirmed this, and she added it would be for K-7.

Ms. Jordan asked if there was anything being looked at for high school, or she asked if the high school curriculum is in line.

Dr. Hacker replied that the high school curriculum is in line in a standard sequence of courses in their curriculum.

Ms. Sarsfield noted the courses go up to a multi-variable Calculus.

Ms. Jordan questioned if the analysis that was done was for the high school. Ms. Jordan commented on the analysis which caused review and brought change to the K-7 curriculum, and she spoke in terms of the test scores and where students were, noting the stagnation level.

Dr. Hacker responded the analysis is done. Dr. Hacker stated the high school courses do not significantly change and are typically standard at the high school. What may change are the materials and the textbooks, but the standardized content does not change; changes occur at the foundational level. Dr. Hacker further noted what is looked at is the standardized content.

Dr. Hacker also noted the changes are fundamental at the elementary level, and she explained what is looked at are the concepts to which students are exposed.

b. Finance Committee

Mr. Lapidus presented a Finance Committee Meeting report from the May 10, 2018 meeting, where the following information was presented:

1. 2018.19 Proposed Final Budget
2. Project Funding & 2018 Bond Issue
3. Transfers from the General Fund were discussed and a motion to transfer the budgeted \$2m to the bond fund to offset stadium costs and \$550k to the capital reserve fund.

In response to Dr. Taratuski's asking if there were any comments or questions, a member of the audience spoke out questioning when there would be public comment on agenda items.

Dr. Taratuski responded there would be time for public comment on agenda items following the committee reports, and prior to the New Business agenda.

Dr. Hacker commented at the MCIU Superintendent's council meeting, a comparison of budgets showed Springfield Township School District to have the 4th lowest tax increase at 2.08% among 22 school districts in the county.

c. Property Committee

Ms. Slapinsky presented a report from the May 11, 2018 Property Committee Meeting, where the following information was presented:

1. Erdenheim Main Electrical Transformer Replacement Project
2. MCIU Waste Removal Bid Evaluation
3. New ELC Prime Contractors Bid Evaluation
4. Bucks County Water & Sewer Reservation of Capacity Agreement
5. Approval of ELC Construction Testing Firms
6. Approval of Testing Adjusting and Balancing (TAB) Firms
7. HS Graduation Procedures
8. Existing Enfield Site - Future Considerations
9. Plan Con Approvals

13. Dr. Taratuski opened up the meeting for a second public comment period on agenda items.

A Springfield Township resident recognized as Joseph Craney of Toll Road in Oreland, PA, but who identified himself as Giuseppe Monticelli of Ward 7, Edann Road, approached the table to speak publically. While he did not sign up to make public comment on agenda items, he was allowed to speak.

Mr. Craney had a question regarding the MCIU Professional Development motion.

Dr. Hacker responded,

Mr. Craney had a question regarding the BCWSA Reservation of Capacity Agreement motion.

Solicitor Davis and Mr. King responded.

Mr. Craney questioned the General Funds motion.

Mr. King responded.

Mr. Craney questioned the Erdenheim Transformer Replacement motion.

Ms. Slapinsky responded.

Mr. Craney questioned the employment of students for technology maintenance.

Dr. Hacker and Mr. Oliver responded.

14. Dr. Taratuski directed the meeting to New Business item # 1, Personnel, and she read the recommended motion.

Mr. Lapidus made a motion, seconded by Ms. Slapinsky, to accept the recommendation of the Superintendent and approve the following personnel items.

A. ADMINISTRATIVE PERSONNEL

1. Transfers

- a. The transfer of Mr. Joseph Ferraro, from part-time assistant athletic director, salary of \$42,500, to Athletic Director, salary of \$85,000, effective July 1, 2018.

B. CERTIFICATED PERSONNEL

1. Employment

- a. The employment of Ms. Marissa Conover, teacher, long term substitute, salary of \$48,114 (Bachelor's; Step 0), replacing Ms. Sarah Borgmann, effective August 27, 2018, not to extend beyond the end of the 2018-2019 school year, contingent upon meeting all statutory requirements.

2. Leave

- a. The leave of absence of Ms. Mary Evans, teacher, effective April 10, 2018, not to extend beyond May 25, 2018.
- b. The leave of absence of Ms. Allison Proto, teacher, effective May 2, 2018, not to extend beyond the end of the 2017-2018 school year.

C. SUPPORT PERSONNEL

1. Resignations

- a. The resignation of Mr. Warren Sunkett, bus driver, effective May 2, 2018. Mr. Sunkett has been employed with the district since November 16, 2011.
- b. The resignation of Ms. Kaitlin Lindquist, instructional aide, effective June 15, 2018. Ms. Lindquist has been employed with the district since September 1, 2015.

2. Retirements

- a. The retirement of Ms. Jeanette Klarman, instructional support staff, effective June 22, 2018. Ms. Klarman has been employed with the district since August 7, 1995.

3. Leave

- a. The leave of absence of Ms. Deborah Gajdos, food service manager, effective April 13, 2018, not to extend beyond May 15, 2018.
- b. The leave of absence of Ms. Barbara Lawler, instructional aide, effective June 4, 2018, not to extend beyond June 26, 2018.
- c. The leave of absence of Ms. Lynn Miller, instructional aide, effective March 23, 2018, not to extend beyond May 4, 2018.

D. TEMPORARY PERSONNEL

1. Employment

- a. The employment of the following School Counselors for 2018 Summer Counselor Days. Wages will be in compliance with their contractual daily 2017-2018 rates.

Ms. Elizabeth Barbone- maximum of 5 days

Mr. William Shearer- maximum of 5 days

Mr. Beth McDonnell- maximum of 5 days

Ms. Judith Smith- maximum of 5 days

Ms. Elizabeth Silow- maximum of 5 days

- b. The employment of the following Summer Reading Teachers for the 2018 Summer Reading Program, effective July 3, 2018, not to extend beyond August 2, 2018. Staff will be paid for by the Ready to Learn Grant for the 2018-2019 school year, at a rate of \$40.00 per hour, as needed.

Mr. Ryan Berger
Ms. Elizabeth Finigan
Ms. Allison Mason
Ms. Kathleen Evans
Ms. Sandra Salmon
Ms. Megan McAuliffe

- c. The employment of Mr. Dennis McFadden, summer student technology support, rate of pay of \$8.50 per hour as needed, effective June 18, 2018, contingent upon meeting all statutory requirements.
- d. The employment of Mr. Colin Ellis, summer student technology support, rate of pay of \$8.50 per hour as needed, effective June 18, 2018, contingent upon meeting all statutory requirements.
- e. The employment of Mr. Jackson Campbell, summer maintenance support, rate of pay of \$8.50 per hour as needed, effective June 25, 2018, contingent upon meeting all statutory requirements.

2. Resignations

- a. The resignation of Mr. Tyler Hunter, summer maintenance worker, effective May 8, 2018, prior to starting the position.

E. EXTENDED SCHOOL YEAR (ESY) PROGRAM PERSONNEL

1. Resignations

- a. The resignation of Ms. Kaitlin Lindquist, ESY instructional aide, effective June 15, 2018.

F. EXTRA PAY FOR EXTRA RESPONSIBILITIES 2018-19 SCHOOL YEAR

1. Employment

All salaries are in accordance with the terms and conditions of the Collective Bargaining Agreement.

- a. Ms. Natalie Feliciani, Odyssey of the Mind Advisor, MS

- b. Mr. Kevin Grummun, art club advisor, MS
- c. Ms. Matthew Barlow, Jazz Spartans, MS
- d. Ms. Carol Breen, ultimate frisbee advisor, MS
- e. Ms. Carol Breen, track boys & girls head coach, MS
- f. Ms. Carol Breen, soccer 7th grade coach girls, MS
- g. Ms. Suzette Cirella-Wolf, student council advisor (1/2), MS
- h. Ms. Genevieve Grube, student council advisor (1/2), MS
- i. Mr. John Fears, detention monitor, MS
- j. Ms. Lori Pinelli, basketball girls 8th grade coach, MS
- k. Ms. Lori Pinelli, field hockey 7th grade coach, MS
- l. Mr. Allan-Michael Meads, drama director, MS
- m. Mr. Patrick Kelly, assistant drama director, MS
- n. Ms. Scott Kleiman, soccer 8th grade coach girls, MS
- o. Mr. Colin Mayson, fitness center advisor (1/3 winter), MS
- p. Ms. Erin O'Malley (Bloom), reading olympics (1/3), MS
- q. Ms. Michele Mazurek, reading olympics (1/3), MS
- r. Ms. Anne (Nancy) Maguire, reading olympics (1/3), MS
- s. Mr. Brian Williams, fitness center advisor (1/3 spring), MS
- t. Ms. Maureen Sheppard, ELL K-12 coordinator, AD
- u. Mr. Mark Kobasz, art K-12 coordinator, AD
- v. Mr. Charles Gottesman, music K-12 coordinator, AD
- w. Ms. Elizabeth Gutshall, field hockey 8th grade coach, MS
- x. Ms. Elizabeth Gutshall, tennis boys coach, MS

2. Resignations

- a. The resignation of Ms. Erin O'Malley, Odyssey of the Mind Advisor, effective June 21, 2018.
- b. The resignation of Ms. Amy Benton, assistant drama director (1/2), effective June 21, 2018.
- c. The resignation of Mr. Peter Olsho, school newspaper advisor, effective June 21, 2018.
- d. The resignation of Mr. Peter Olsho, service club advisor, effective June 21, 2018.
- e. The resignation of Ms. Genevieve Grube, field hockey 8th grade coach, effective June 21, 2018.
- f. The resignation of Mr. Michael Reilly, lacrosse boys coach, effective June 21, 2018.

- g. The resignation of Mr. Gregory Markham, faculty manager (2/3 Fall & Winter), effective May 3, 2018.

G. CONFERENCE WORKSHOP ATTENDANCE

- a. Ms. Erin Bloom O'Malley, teacher / MS, to attend the Coding as a New Literacy Conference, on May 17, 2018, in Norristown, PA, sponsored by MCIU. There is a registration fee of \$25.00 for this conference.
- b. Mr. Matthew Meyer, teacher / Erdenheim, to attend the Character Lab-Educator Summit, from July 12 to July 13, 2018, in Philadelphia, PA, sponsored by Character Lab. There is a registration fee of \$100.00, and transportation costs are \$24.00 for this summit.
- c. Ms. Peggy Zehner, teacher / HS, to attend the AP US Government and Politics Summer Institute, from July 30, 2018 to August 2, 2018, in Norristown, PA, sponsored by College Board. There is a registration fee of \$975.00, and transportation costs are \$56.68 for this institute.

On the poll of the Board, the motion carried unanimously.

Dr. Hacker thanked the Board for their support in approving Mr. Joe Ferraro as a full-time athletic director. Dr. Hacker recognized Mr. Ferraro's outstanding service to the district, and she welcomed Mr. Ferraro to his new capacity as a full-time athletic director.

- 15. Dr. Taratuski directed the meeting to New Business item # 2, Scenario Learning, LLC, and she read the recommended motion.

Ms. Slapinsky made a motion, seconded by Ms. Sarsfield, to approve the contract with Scenario Learning, LLC for Safe Schools effective July 1, 2018 to provide online trainings to the District for education and compliance in the amount of \$2,184.50.

On the poll of the Board, the motion carried unanimously.

- 16. Dr. Taratuski directed the meeting to New Business item # 3, CIEE Foreign Exchange Student, and she read the recommended motion.

Mr. Lapidus made a motion, seconded by Ms. Sarsfield, to approve a foreign exchange student from Italy for the 2018-2019 school year, sponsored by the Council on International Education Exchange.

On the poll of the Board, the motion carried unanimously.

17. Dr. Taratuski directed the meeting to New Business item # 5, Extended School Year Agreement with Devereux, and she read the recommended motion.

Ms. Slapinsky made a motion, seconded by Mr. Bedard, to approve the Agreement between Devereux and Springfield Township School District for student 20180514-02 for the Extended School Year Program.

On the poll of the Board, the motion carried unanimously.

18. Dr. Taratuski noted she went out of sequence in the list of motions, and she directed the meeting to New Business item # 4, Extended School Year Agreement with Camp Pegasus, and she read the recommended motion.

Ms. Sarsfield made a motion, seconded by Ms. Slapinsky, to approve the Agreement between Camp Pegasus and Springfield Township School District for student 20180514-01 for the Extended School Year Program.

On the poll of the Board, the motion carried unanimously.

19. Dr. Taratuski directed the meeting to New Business item # 6, West Interactive Services Corporation / SchoolMessenger, and she read the recommended motion.

Ms. Slapinsky made a motion, seconded by Mr. Lapidus, to approve the Agreement between Springfield Township School District and West Interactive Services Corporation d/b/a SchoolMessenger from July 1, 2018 through June 30, 2019 in the amount of \$3,950.40.

On the poll of the Board, the motion carried unanimously.

20. Dr. Taratuski directed the meeting to New Business item # 7, Healthy Relationships Curriculum, and she read the recommended motion.

Mr. Bedard made a motion, seconded by Ms. Sarsfield, to approve the adoption of the Healthy Relationships Curriculum by Wesley Spectrum, for use with students with Autism Spectrum Disorder, as recommended by the Academic Affairs Committee.

Dr. Taratuski questioned if this was solely for students with ASD, or if it could be used for students with other disorders.

A response was provided.

On the poll of the Board, the motion carried unanimously.

21. Dr. Taratuski directed the meeting to New Business item # 8, Mathematics Program, and she read the recommended motion.

Ms. Sarsfield made a motion, seconded by Ms. Slapinsky, to approve the adoption of the Mathematics Program "enVision PA edition" by Pearson, for grades K-8, as recommended by the Academic Affairs Committee.

On the poll of the Board, the motion carried unanimously.

22. Dr. Taratuski directed the meeting to New Business item # 9, Voices of Excellence, and she read the recommended motion.

Mr. Lapidus made a motion, seconded by Mr. Bedard, to approve the Voices of Excellence Acapella and Steppers attendance at the 2018 PASA-PSBA School Leadership Conference in Hershey, PA from October 18-19, 2018.

On the poll of the Board, the motion carried unanimously.

23. Dr. Taratuski directed the meeting to New Business item #10, 2018-2019 MCIU Professional Development Training Agreement, and she read the recommended motion.

Ms. Sarsfield made a motion, seconded by Ms. Slapinsky, to approve the Professional Development Training Agreement with the MCIU for professional development during the 2018-2019 school year in the amount of \$15,000, inclusive of mileage and materials.

On the poll of the Board, the motion carried unanimously.

24. Dr. Taratuski directed the meeting to New Business item # 11, Construction Inspection and Testing, and she read the recommended motion.

Ms. Slapinsky made a motion, seconded by Mr. Lapidus, to approve Cowan Associates, Inc. to perform all Construction Inspection and Testing responsibilities for the new ELC construction project in the amount of \$85,000.

Dr. Taratuski announced there was a correction to motion # 11. The correct vendor is Kaks & Company. Dr. Taratuski re-read the motion with the vendor properly identified as Kaks & Company.

Ms. Slapinsky made a motion, seconded by Mr. Lapidus, to approve Kaks & Company to perform all Construction Inspection and Testing responsibilities for the new ELC construction project in the amount of \$85,000.

On the poll of the Board, the motion carried unanimously.

25. Dr. Taratuski directed the meeting to New Business item # 12, HVAC Testing, Adjusting and Balancing, and she read the recommended motion.

Mr. Lapidus made a motion, seconded by Ms. Slapinsky, to approve H.T. Lyons Contractors to perform all HVAC Testing, Adjusting and Balancing responsibilities for the new ELC construction project in the amount of \$48,500.

On the poll of the Board, the motion carried unanimously.

26. Dr. Taratuski directed the meeting to New Business item # 13, Waste Removal Services, and she read the recommended motion.

Mr. Lapidus made a motion, seconded by Mr. Bedard, to approve Waste Management of PA, Inc. to provide all waste removal services from July 1, 2018 until June 30th, 2021 in the amount of \$90,341.19.

Dr. Taratuski questioned if the amount of \$90,341.19 was for the entire contract.

Mr. King responded the amount was for three years.

On the poll of the Board, the motion carried unanimously.

27. Dr. Taratuski directed the meeting to New Business item # 14, Erdenheim Main Electrical Transformer Replacement Project, and she read the recommended motion.

Ms. Slapinsky made a motion, seconded by Ms. Sarsfield, to approve AJM Electrical, Inc. to perform all work associated with the Erdenheim Main Electrical Transformer Replacement Project in the amount of \$71,700.

On the poll of the Board, the motion carried unanimously.

28. Dr. Taratuski directed the meeting to New Business item # 15, Release of Proposed 2018-2019 Final Budget, and she read the recommended motion.

Mr. Lapidus made a motion, seconded by Ms. Sarsfield, to approve the following:

- 1.) The release to the public of the 2018-2019 Proposed Final Budget on Form PDE-2028.
- 2.) The advertisement of the district's intent to adopt the 2018-2019 Final Budget and the adoption of the Homestead / Farmstead Exclusion at the June 19, 2018 Meeting.

Mr. Bedard questioned, when the Proposed Final Budget is released to the public, if the increases would be clearly compared to other school districts.

Dr. Hacker responded that would be made clear when she presents the final budget at the June 19, 2018 Board meeting. The motion is for the district to release the proposed final budget to the public, which is required by the state. By making the proposed final budget available, the public will have an opportunity to view the budget and make comment on it if they chose to do so. Dr. Hacker stated there are no comparisons with other districts.

Mr. King added the form the budget is released on is the state required form.

Dr. Taratuski commented that Dr. Hacker's presentation is quite comprehensive in giving information on how the budget was developed, and explaining where the funds are allocated.

On the poll of the Board, the motion carried unanimously.

29. Dr. Taratuski directed the meeting to New Business item # 16, Approval of PlanCon F Attachment C, and she read the recommended motion.

Ms. Slapinsky made a motion, seconded by Mr. Lapidus, to approve PlanCon F Attachment C with selected Alternates for the new K-2 Early Learning Center.

On the poll of the Board, the motion carried unanimously.

30. Dr. Taratuski directed the meeting to New Business item # 17, Acceptance of PA State Audit and Corrective Action Plan, and she read the recommended motion.

Mr. Bedard made a motion, seconded by Mr. Lapidus, to accept the Audit Report for the period of July 1, 2012 through June 30, 2016, and authorize the Management Representation Letter and the Corrective Action Plan to be sent to the Commonwealth of PA Department of the Auditor General.

On the poll of the Board, the motion carried unanimously.

31. Dr. Taratuski directed the meeting to New Business item # 18, BCWSA Reservation of Capacity Agreement, and she read the recommended motion.

Ms. Sarsfield made a motion, seconded by Ms. Slapinsky, to approve the reservation of capacity agreement with Bucks County Water and Sewer Authority for the new K-2 ELC, conditional on final review of the agreement by the solicitor and the superintendent.

On the poll of the Board, the motion carried unanimously.

32. Dr. Taratuski directed the meeting to New Business item # 19, Reimbursement Resolution, and she read the recommended motion.

Ms. Slapinsky made a motion, seconded by Ms. Sarsfield, to approve the resolution allowing reimbursement from the proceeds of debt for capital-expenditures and costs of issuance temporarily funded from revenues or other sources for various capital projects, including but not limited to, the construction of a new K-2 Early Learning Center.

On the poll of the Board, the motion carried unanimously.

33. Dr. Taratuski directed the meeting to New Business item # 20, K-2 Early Learning Center Bids, and she read the recommended motion.

Ms. Slapinsky made a motion, seconded by Mr. Lapidus, to approve the intention to award contracts totaling the base bid plus alternates listed to each vendor on the resolution for work performed on the new K2-Early Learning Center project.

On the poll of the Board, the motion carried unanimously.

34. Dr. Taratuski directed the meeting to New Business item # 21, General Fund Transfers, and she read the recommended motion.

Ms. Slapinsky made a motion, seconded by Mr. Lapidus, to approve the following transfers from the general fund:

1. \$2,000,000 to the Bond Fund 2016A for costs associated with the high school stadium project.
2. \$550,000 for the purchase of school buses.

On the poll of the Board, the motion carried unanimously.

35. Dr. Taratuski directed the meeting to public comments on non-agenda items.

A Springfield Township resident recognized as Joseph Craney of Toll Road in Oreland, PA, but who identified himself as Giuseppe Monticelli, Ward 7-2, Edann Road, approached the table to speak publically. While he did not sign up to make public comment on non-agenda items, he was allowed to speak.

Solicitor Davis stated this is a comment period, and not a question and answer period, and he advised the Board to listen to Mr. Craney's comments.

In response to a comment made by Mr. Craney, Mr. Davis explained a Right to Know request can be submitted to the district during appropriate business hours.

Mr. Davis advised the Board that some content of what Mr. Craney was commenting on were personnel issues, and it would be potentially libelous for the Board to discuss them.

36. Dr. Taratuski announced future meeting dates.

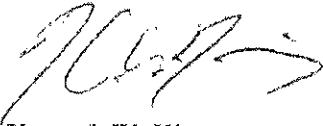
Interim Board Meeting
Tuesday, June 5, 2018
7:00 p.m.
Freeze Memorial Lobby

Regular School Board Meeting
Tuesday, June 19, 2018
7:00 p.m.
Springfield Township Middle School Library (*Note the location change)

37. Dr. Taratuski thanked meeting attendees and she expressed closing remarks.

The meeting adjourned at 8:29 p.m.

Respectfully submitted,



Kenneth W. King
School Board Secretary

KWK/bmc

PERFORMANCE AUDIT

Springfield Township School District Montgomery County, Pennsylvania

May 2018



Commonwealth of Pennsylvania
Department of the Auditor General
Eugene A. DePasquale Auditor General



**Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
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www.PaAuditor.gov**

**EUGENE A. DEPASQUALE
AUDITOR GENERAL**

Dr. Nancy M. Hacker, Superintendent
Springfield Township School District
1901 East Paper Mill Road
Oreland, Pennsylvania 19075

Dr. Karen Taratuski, Board President
Springfield Township School District
1901 East Paper Mill Road
Oreland, Pennsylvania 19075

Dear Dr. Hacker and Dr. Taratuski:

Our performance audit of the Springfield Township School District (District) evaluated the application of best practices in the areas of contracting and school safety. In addition, this audit determined the District's compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements). This audit covered the period July 1, 2012, through June 30, 2016, except as otherwise indicated in the audit scope, objective, and methodology section of the report. The audit was conducted pursuant to Sections 402 and 403 of The Fiscal Code (72 P.S. §§ 402 and 403), and in accordance with the Government Auditing Standards issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

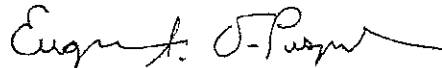
Our audit found that the District applied best practices in the areas listed above and complied, in all significant respects, with relevant requirements, except as detailed in our two findings noted in this audit report. A summary of the results is presented in the Executive Summary section of the audit report.

We did not include the results of our review of the District's procedures related to certain areas of school safety in this report due to the sensitive nature of this issue and the potential malicious use of our findings. However, we communicated the results of our review of school safety to District officials, the Pennsylvania Department of Education, and other appropriate agencies we deemed necessary.

Dr. Nancy M. Hacker
Dr. Karen Taratuski
Page 2

Our audit findings 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 relevant requirements. We appreciate the District's cooperation during the course of the audit.

Sincerely,



Eugene A. DePasquale
Auditor General

May 1, 2018

cc: **SPRINGFIELD TOWNSHIP SCHOOL DISTRICT** Board of School Directors

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Executive Summary

Audit Work

The Pennsylvania Department of the Auditor General conducted a performance audit of the District. Our audit sought to answer certain questions regarding the Springfield Township School District's (District) application of best practices and compliance with certain relevant state laws, regulations, contracts, 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 July 1, 2012, through June 30, 2016, except as otherwise indicated in the audit scope, objectives, and methodology section of the report. (See Appendix) Compliance specific to state subsidies and reimbursements was determined for the 2012-13 through 2015-16 school years.

Audit Conclusion and Results

Our audit found that the District applied best practices and complied, in all significant respects, with certain relevant state laws, regulations, contracts, and administrative procedures, except for two findings.

Finding No. 1: The District Failed to Adequately Comply with the Terms of its Joint Services Agreement with a Neighboring School District.

In each year of our audit period, the District provided transportation services to a neighboring school district. The services were provided pursuant to a *Joint Services Agreement* (JSA) authorized annually by the two districts. We found that the District

failed to sufficiently comply with the terms of the JSA and the state regulations and PDE's guidelines as summarized below and described in more detail starting on page 10:

1. In the 2015-16 school year, the District failed to bill the neighboring district for two months of costs associated with transportation services provided by a contracted transportation provider totaling \$26,129.
2. The District insufficiently accounted for data used in the calculation of costs billed to the neighboring district for the transportation provided. As such, we could not determine if \$14,496 of \$83,186 billed to the neighboring district was appropriate and accurate.
3. The District did not provide adequate mileage information for each vehicle to its neighboring district.

Finding No. 2: The District Failed to Retain Required Transportation Documentation to Support the More than \$730,000 in State Funding It Received.

The District did not comply with the record retention provisions of the Public School Code when it failed to retain sufficient and accurate documentation to support its transportation reimbursements received for the 2012-13 through 2015-16 school years. Without proper documentation for the District's owned and contracted transportation services, we were unable to determine the appropriateness of the transportation reimbursement received (see page 16).

Status of Prior Audit Findings and Observations. We found that the District has taken appropriate corrective action in implementing our recommendations regarding its previous failure to withhold income taxes (see page 24).

Background Information

School Characteristics 2016-17 School Year ^A	
County	Montgomery
Total Square Miles	6.8
Resident Population ^B	19,418
Number of School Buildings	4
Total Teachers	214
Total Full or Part-Time Support Staff	217
Total Administrators	23
Total Enrollment for Most Recent School Year	2,500
Intermediate Unit Number	23
District Vo-Tech School	Eastern Center for Arts & Technology

Mission Statement^A

To educate and develop all students as learners and citizens who are high-achieving, resilient and responsible in a changing global community.

A - Source: Information provided by the District administration and is unaudited.

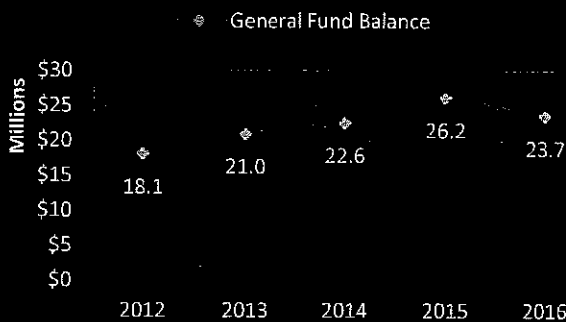
B - Source: United States Census
<http://www.census.gov/2010census>.

Financial Information

The following pages contain financial information about the Springfield Township School District (District) obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE's public website. This information was not audited and is presented for **informational purposes only**.

General Fund Balance

For Year End June 30



Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.

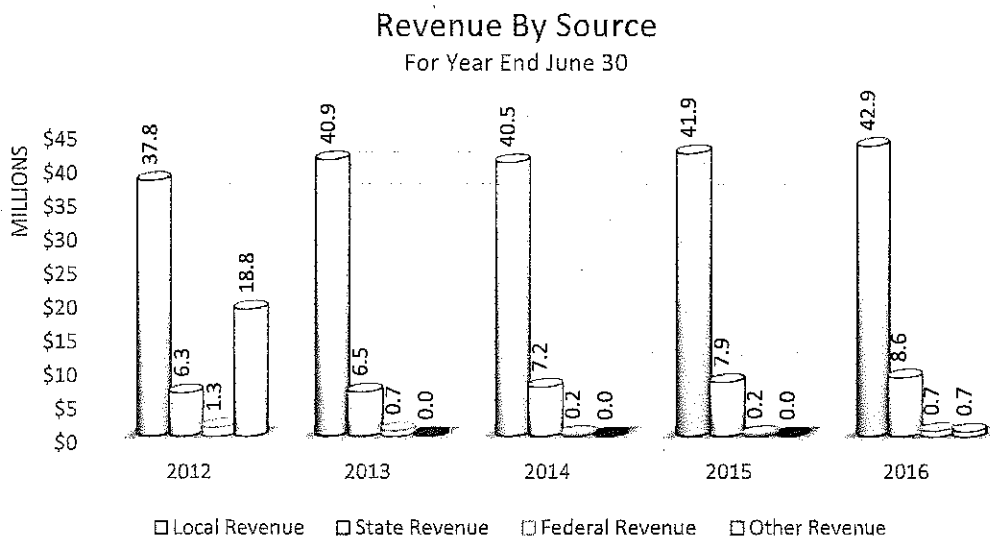
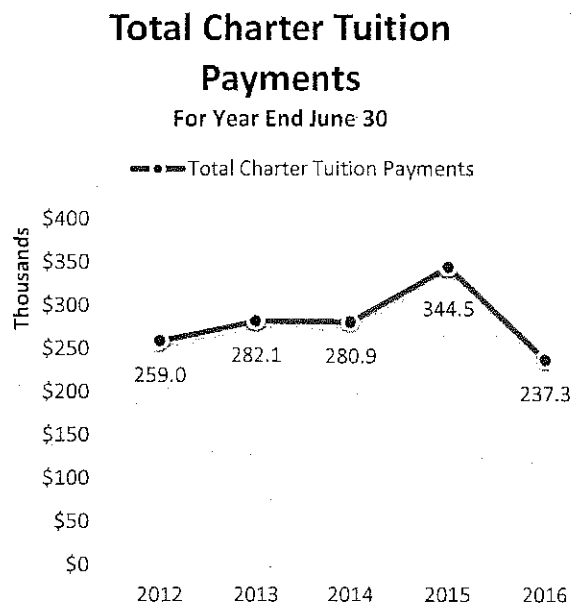
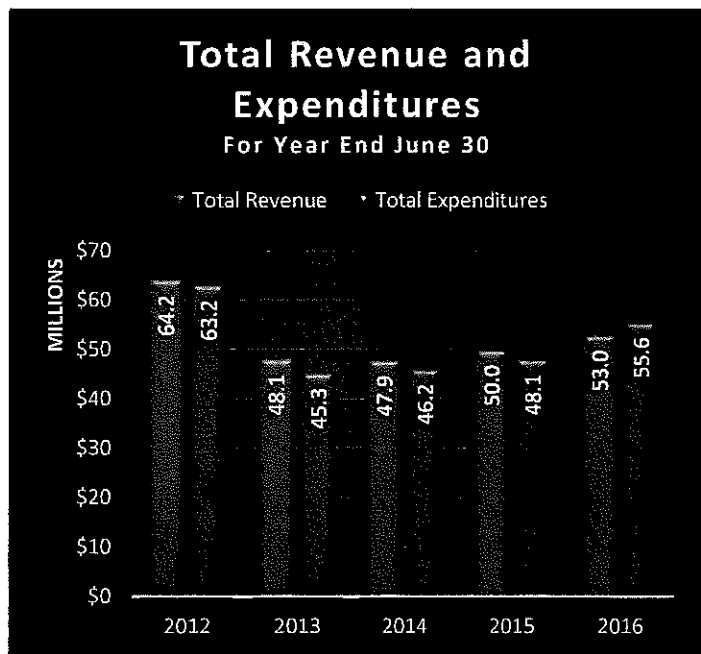
TOTAL DEBT

FOR YEAR END JUNE 30



Note: Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits, Compensated Absences and Net Pension Liability.

Financial Information Continued



Academic Information

The graphs on the following pages present School Performance Profile (SPP) scores, Pennsylvania System of School Assessment (PSSA), Keystone Exam results, and 4-Year Cohort Graduation Rates for the District obtained from PDE's data files for the 2014-15 and 2015-16 school years.¹ These scores are provided in the District's audit report for **informational purposes only**, and they were not audited by our Department. Please note that if one of the District's schools did not receive a score in a particular category and year presented below, the school will not be listed in the corresponding chart.² Finally, benchmarks noted in the following graphs represent the statewide average of all public school buildings in the Commonwealth that received a score in the category and year noted.³

What is a SPP score?

A SPP score serves as a benchmark for schools to reflect on successes, achievements, and yearly growth. PDE issues a SPP score using a 0-100 scale for all school buildings in the Commonwealth annually, which is calculated based on standardized testing (i.e. PSSA and Keystone exams), student improvement, advance course offerings, and attendance and graduation rates. Generally speaking, a SPP score of 70 or above is considered to be a passing rate.

PDE started issuing a SPP score for all public school buildings beginning with the 2012-13 school year. For the 2014-15 school year, PDE only issued SPP scores for high schools taking the Keystone Exams as scores for elementary and middle schools were put on hold due to changes with PSSA testing.⁴ PDE resumed issuing a SPP score for all schools for the 2015-16 school year.

What is the PSSA?

The PSSA is an annual, standardized test given across the Commonwealth to students in grades 3 through 8 in core subject areas, including English and Math. The PSSAs help Pennsylvania meet federal and state requirements and inform instructional practices, as well as provide educators, stakeholders, and policymakers with important information about the state's students and schools.

¹ PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE's publically available website.

² PDE's data does not provide any further information regarding the reason a score was not published for a specific school. However, readers can refer to PDE's website for general information regarding the issuance of academic scores.

³ Statewide averages were calculated by our Department based on individual school building scores for all public schools in the Commonwealth, including district schools, charters schools, and cyber charter schools.

⁴ According to PDE, SPP scores for elementary and middle schools were put on hold for the 2014-15 school year due to the state's major overhaul of PSSA exams to align with state Common Core standards and an unprecedented drop in public schools' PSSA scores that year. Since PSSA scores are an important factor in the SPP calculation, the state decided not to use PSSA scores to calculate a SPP score for elementary and middle schools for the 2014-15 school year. Only high schools using the Keystone Exam as the standardized testing component received a SPP score.

The 2014-15 school year marked the first year that PSSA testing was aligned to the more rigorous PA Core Standards.⁵ The state uses a grading system with scoring ranges that place an individual student's performance into one of four performance levels: Below Basic, Basic, Proficient, and Advanced. The state's goal is for students to score Proficient or Advanced on the exam in each subject area.

What is the Keystone Exam?

The Keystone Exam measures student proficiency at the end of specific courses, such as Algebra I, Literature, and Biology. The Keystone Exam was intended to be a graduation requirement starting with the class of 2017, but that requirement has been put on hold until at least 2020. In the meantime, the exam is still given as a standardized assessment and results are included in the calculation of SPP scores. The Keystone Exam is scored using the same four performance levels as the PSSAs, and the goal is to score Proficient or Advanced for each course requiring the test.

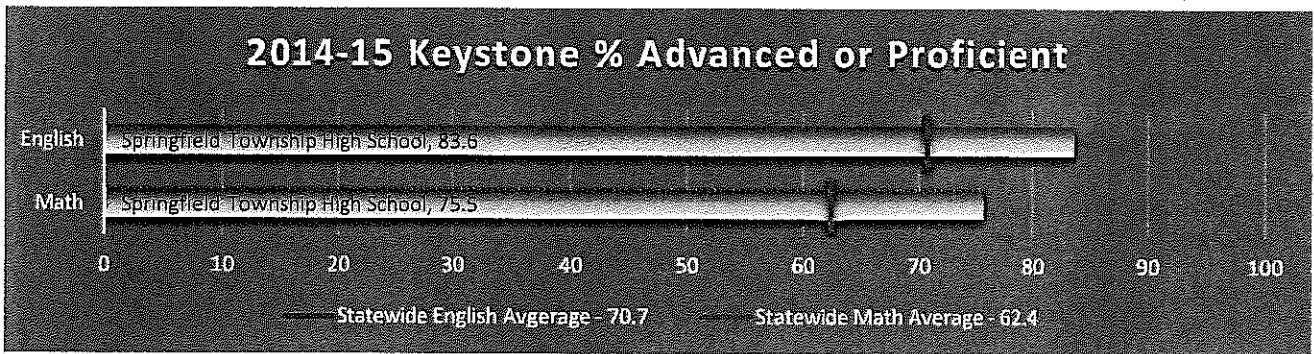
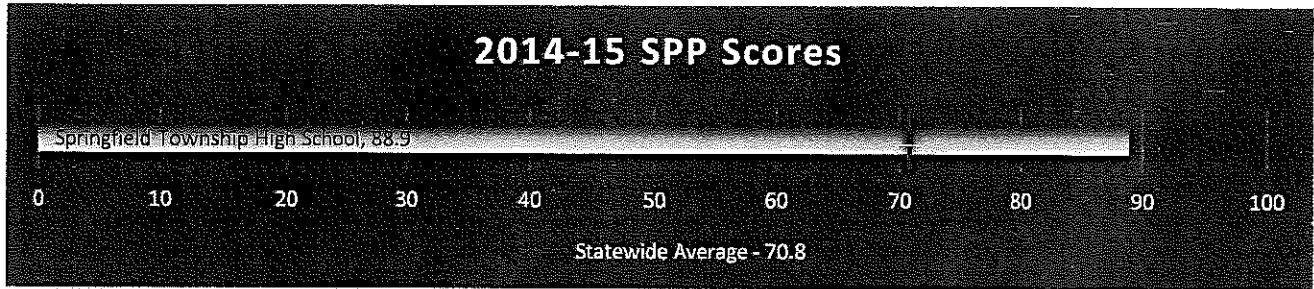
What is a 4-Year Cohort Graduation Rate?

PDE collects enrollment and graduate data for all Pennsylvania public schools, which is used to calculate graduation rates. Cohort graduation rates are a calculation of the percentage of students who have graduated with a regular high school diploma within a designated number of years since the student first entered high school. The rate is determined for a cohort of students who have all entered high school for the first time during the same school year. Data specific to the 4-year cohort graduation rate is presented in the graph.⁶

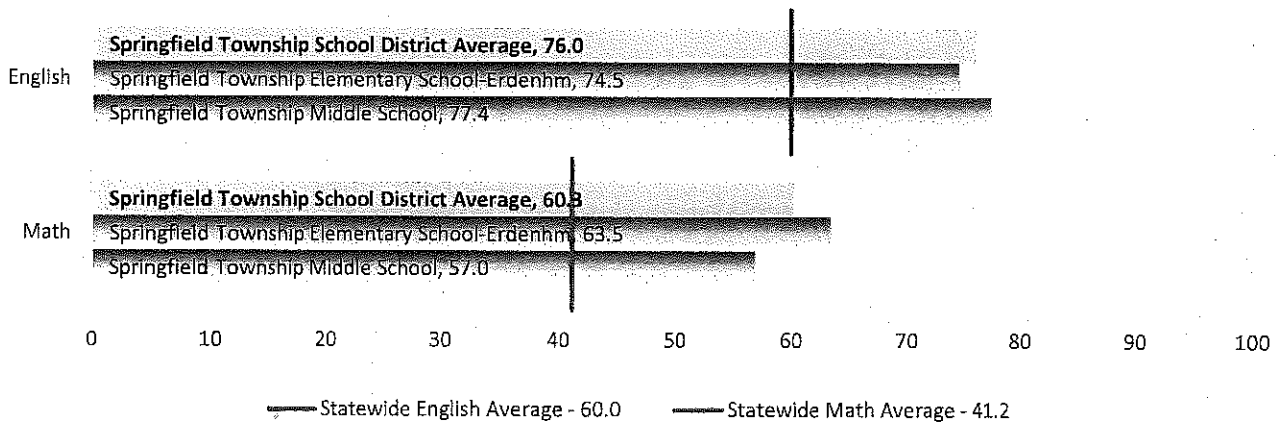
⁵ PDE has determined that PSSA scores issued beginning with the 2014-15 school year and after are not comparable to prior years due to restructuring of the exam. (Also, see footnote 4).

⁶ PDE also calculates 5-year and 6-year cohort graduation rates. Please visit PDE's website for additional information: <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

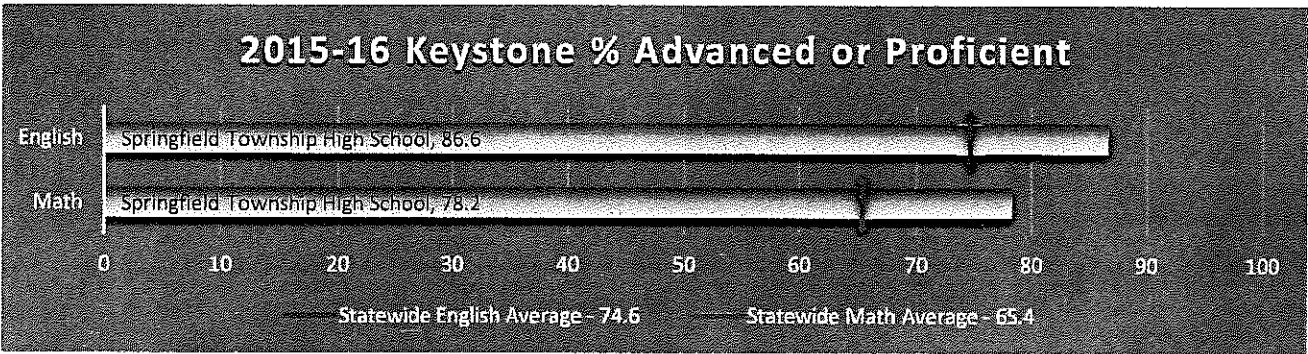
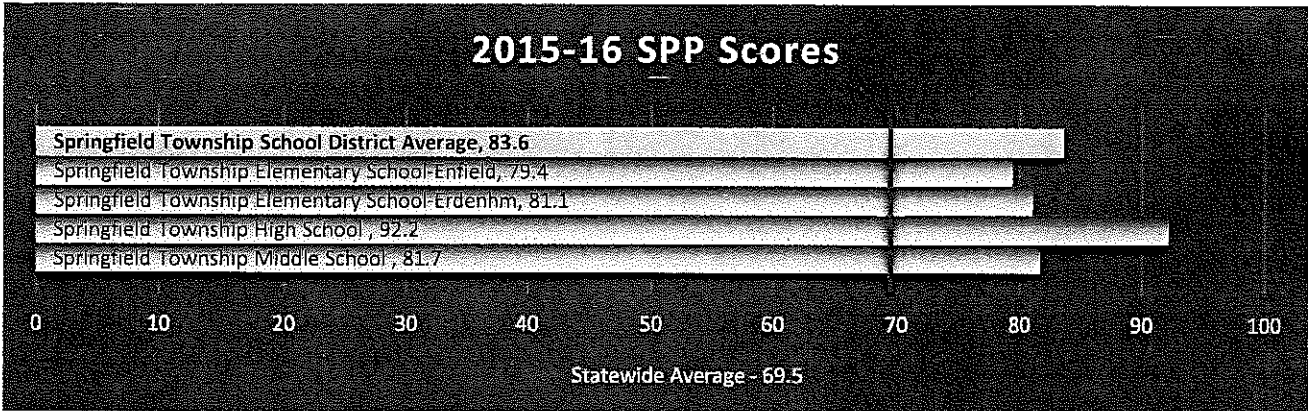
2014-15 Academic Data
School Scores Compared to Statewide Averages



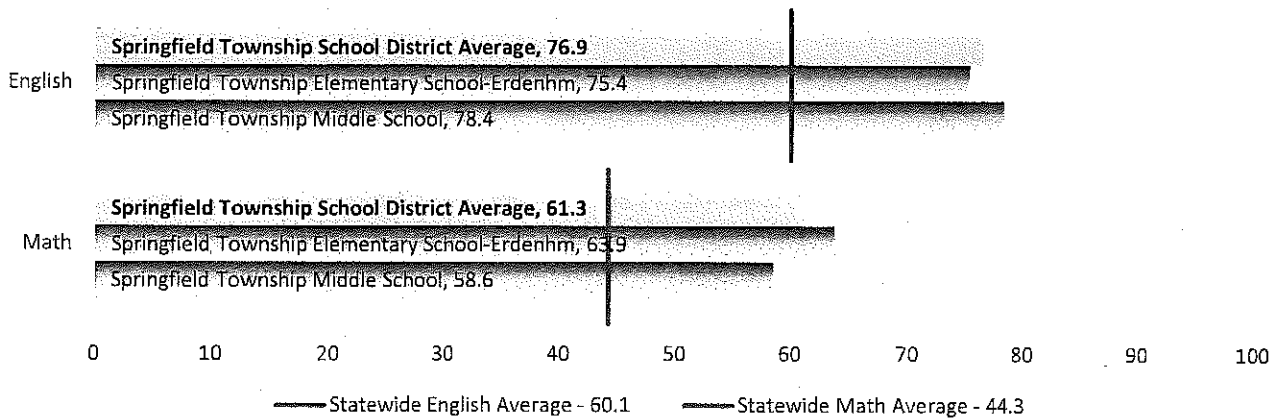
2014-15 PSSA % Advanced or Proficient



2015-16 Academic Data
School Scores Compared to Statewide Averages

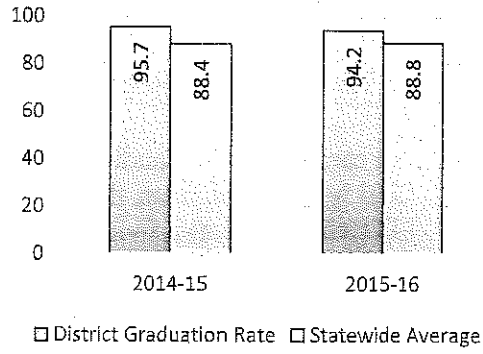


2015-16 PSSA % Advanced or Proficient



4-Year Cohort Graduation Rate

4-Year Cohort Graduation
Rate



Finding(s)

Finding No. 1

The District Failed to Adequately Comply with the Terms of Its Joint Services Agreement with a Neighboring School District

Criteria relevant to the finding:

Section 23.5 of the State Board of Education's regulations provides as follows:

§ 23.5. Shared use of the same vehicle. "If two or more school districts or administrative units share the same vehicle in providing pupil transportation, the basic annual allowance per vehicle shall be prorated to each district or administrative unit in accordance with annual pupil miles of service rendered to that individual district." See 22 Pa. Code § 23.5.

Joint Service Agreement, 3. Scope of Services, states in part:

"The School District of Springfield Township shall be responsible to perform the following services . . .

E. Such other services as the parties may agree including, but not limited to, completion of the Transportation PDE-2576 report and consultation regarding bus routes and routing software." (Emphasis added)

In each year of the audit period, from the 2012-13 through 2015-16 school years, the Springfield Township School District (District) provided transportation services to a neighboring school district. The services were provided pursuant to a *Joint Services Agreement* (JSA) authorized annually by the two districts. Pursuant to the State Board of Education regulations⁷ and the Pennsylvania Department of Education's (PDE) shared service guidelines, when a vehicle is shared, the reimbursement associated with that vehicle is also shared. However, we found that the District failed to sufficiently comply with the terms of the JSA, the state regulations, and PDE's guidelines, as follows:

1. In the 2015-16 school year, the District failed to bill the neighboring district for two months of costs associated with transportation services provided by a contracted transportation provider (a vendor of the District that provided transportation services separately from the District's own fleet of vehicles and drivers). The total costs for the two months not billed were \$26,129.
2. The District insufficiently accounted for data used in the calculation of costs billed to the neighboring district for the transportation provided using district-owned vehicles, and the District's own internal records did not reconcile. Therefore, we could not verify whether \$14,496 of the total \$83,186 billed to the neighboring district for these costs in the 2015-16 school year were appropriate and accurate.
3. The District did not provide adequate mileage information for each vehicle to its neighboring district. Without adequate mileage information, the neighboring district cannot accurately report transportation data to PDE for reimbursement.

⁷ See 22 Pa. Code § 23.5.

Criteria relevant to the finding (continued):

Joint Services Agreement, 6. Compensation, states:

“Subject to any revisions agreed to by the parties as set forth in any Amendments to this services agreement, the Upper Dublin SD (UDSD) agrees to pay the School District of Springfield Township (SDST) a flat fee for the use of SDST vehicles and consultation services to UDSD administration regarding the management of UDSD’s Transportation Department during the term of the agreement. In addition, UDSD agrees to reimburse SDST for actual labor costs including FICA, PSERS costs, the cost of fuel and other agreed upon costs or contracting for the entire term of the agreement. UDSD agrees to pay a 2% administrative fee on all such reimbursement invoices.”

Background

Under the terms of the school year 2015-16 JSA, the agreement provides that the neighboring district “hereby seeks to delegate certain of its transportation functions to [the District]. The Parties intend to achieve greater cost efficiencies through shared transportation services.”⁸ In exchange for the District providing transportation services, the neighboring district is obligated to pay the following:

- A flat fee of \$43,000.
- Costs for transportation services provided using District-owned vehicles to transport neighboring district students.
- Reimbursement of the costs paid by the District to a contracted service provider to transport neighboring district students.
- Fuel purchases made by the neighboring school district. (The District maintained fuel tanks on site, and the neighboring district also purchased fuel for its own vehicles from the District).

In addition, a two percent administrative fee was levied on all invoices from the District for all the different kinds of costs except for the flat fee. The District was also required to provide certain transportation data to the neighboring district for its end-of-year reporting to PDE.⁹

Failure to Submit Invoices

For the four-year audit period, we reviewed invoices to the neighboring school district for reimbursement of costs paid to a contracted transportation service provider. We found that, in the 2015-16 school year, the District did not submit invoices to the neighboring district for two months, totaling \$26,129, for costs it already paid to the contracted transportation provider on behalf of the neighboring district.

After we brought this to the attention of District officials, they concurred with our conclusion and on January 9, 2018, sent the neighboring district an invoice for \$26,129 in addition to the agreed upon two percent administrative fees.

⁸ Joint Services Agreement between the Upper Dublin School District and the Springfield Township School District, June 1, 2015, Statement No. 2, “Purpose and Objective,” page 1.

⁹ Ibid. Statement No. 6, “Compensation,” page 2.

As of January 31, 2018, the date our audit fieldwork was completed, the District had not received payment.¹⁰ Timely billing is important to ensure not only compliance with the terms of the JSA but also to optimize collectability.

Insufficient Accounting for Data

We also reviewed the records supporting the cost of transportation services provided to the neighboring district on District-owned vehicles. This includes information on the *Joint Services Agreement Billings*, a record that is maintained by the District's transportation department. We compared this record to a *Cost of Service* record, which is included in the invoice provided to the neighboring district in its once per year invoice for these services. We found discrepancies between the two records. For the 2015-16 school year, the District billed and received from the neighboring district a total of \$83,186 for the cost of transporting students on District-owned vehicles. The District computed this amount based on the extra labor costs incurred for transporting the neighboring district's students. One of the relevant labor cost components was driver time.

For 2 of the 12 vehicles, we found discrepancies between the amount of driver time used to calculate the extra labor costs. Therefore, according to our calculations, we could not determine if \$14,496 of the \$83,186 in costs were accurately billed to the neighboring district. The District's administration agreed that these documents were inconsistent but could not determine which document contained the accurate information.¹¹ Timely reconciliation of the records and a corresponding attested review likely would have caught the discrepancy and allowed the District to make corrections, if necessary.

¹⁰ At our audit review conference with the District on April 10, 2018, the District noted it received payment in the amount of \$26,652 on March 27, 2018, which included the \$26,129 and the two percent administrative fee allowed under the Joint Services Agreement. Confirmation of this payment will be verified during our next audit of the District.

¹¹ At our audit review conference with the District on April 10, 2018, the District noted it obtained additional documentation and determined that it overbilled its neighboring district by \$14,496. According to the management reply for this finding, the District intends to return the money. Confirmation of this documentation and payment will be verified during our next audit of the District.

Insufficient Data Provided to Neighboring District for Its Required Reporting to PDE

We also reviewed the *Joint Services Agreement Billings*, a record that the District provides to its neighboring district with information for year-end reporting to PDE. All of the vehicles listed on this document provide transportation services to both districts. This record, however, was incomplete because it only contained one set of mileage numbers (miles with students and miles without students) for each vehicle. Since all of these vehicles are shared, the District should be recording odometer readings that would allow both the District *and* the neighboring district to properly calculate sample averages for mileage. These odometer readings should then be shared with the neighboring district. With only one set of mileage numbers provided and no odometer readings, there was no way for the neighboring district to evaluate the accuracy of those numbers. Odometer readings are required by PDE for calculations that are part of its required reporting to PDE.¹²

Conclusion

While it is commendable that the District and its neighboring school district have agreed to share certain transportation services in an effort to achieve cost efficiencies, it is important for the District to maintain sufficient accounting records and to provide timely and accurate invoices to the neighboring district. As part of its accounting for the transportation services it provides to the neighboring district, the District should develop written, standardized accounting procedures and institute a timely review and approval process.

Recommendations

The *Springfield Township School District* should:

1. Ensure that the \$26,129 recently billed under the school year 2015-16 JSA is collected.
2. Develop standard, written procedures to ensure that all monies due under JSA are timely billed and received.

¹² Because these vehicles are shared between the two districts, the monthly mileage numbers must be determined for each district in accordance with PDE's shared service guidelines. Shared service guidelines require that vehicle mileage for each district be computed as if only its students were transported on the vehicle. Practically, this means that odometer readings must show when each district's students get on and off each vehicle.

3. Provide accurate and sufficient monthly mileage information, including odometer readings, to its neighboring district for each vehicle used to provide service under the JSA. Shared service guidelines must be followed where appropriate.
4. Develop standard, written procedures to timely reconcile the *Cost of Service* worksheet for district-owned vehicles to the *JSA Billings* document showing year-end reporting information.

Management Response

Management stated the following.

The District will implement the following recommendations as provided by the state auditors:

Recommendation #1

- Ensure that the \$26,129 recently billed under the 2015-16 Joint Services Agreement is collected.

District Response

The District has sent an invoice to UDSD for what is owed. SDST's Business Administrator has contacted UDSD's Business Administrator to discuss the invoice and the best way to reconcile it since it is a two year old invoice for UDSD to pay. As of today, April 10, 2018, the invoice has been paid by UDSD.

Recommendation #2

- Develop standard, written procedures to ensure that all monies due under the Joint Services Agreement are timely billed and received.

District Response

The Business Department will be setting up a receivable account for these invoices so that we can track invoices being sent and payments received more efficiently. We will also be writing the procedures down so that they are documented. We will be matching invoices paid to invoices being sent to UDSD as another internal check to make sure we have sent all invoices to UDSD for the year.

Recommendation #3

- Provide accurate and sufficient monthly mileage information, including odometer readings, to its neighboring district for each vehicle used to provide service under the Joint Services Agreement. Shared service guidelines must be followed where appropriate.

District Response

The Business Department in coordination with the Transportation Department will require bus drivers, who are assigned routes that are shared, to submit monthly mileage/odometer reporting to the Transportation Director. The Transportation Director will then review this information and keep it in a binder by month for reporting that needs to be done throughout the school year. The Transportation Department will also send copies of these reports to UDSD on a monthly basis. Our Transportation Manager will be attending a PASBO transportation workshop in May, which will help better address this issue moving forward.

Recommendation #4

- Develop standard, written procedures to timely reconcile the Cost of Service worksheet for District-owned vehicles to the Joint Services Agreement Billings document showing year-end reporting information.

District Response

The Business Department will work closely with the Transportation Department to ensure that Cost of Service worksheet is accurate and UDSD is billed appropriately. We will bill quarterly on a monthly basis. During the 2015-16 school year, the District did overcharge UDSD for Cost of Service and we will be reimbursing them with a check in the amount of \$14,495.82 on April 13, 2018.

Auditor Conclusion

We are pleased the District is taking steps to ensure that it complies with the provisions of its JSA with its neighboring district. Furthermore, the collection of the overdue bill and intentions to return the \$14,496, which it overbilled a neighboring district, will be verified during the next audit of the District. We will also evaluate the effectiveness of these procedures and any other corrective action implemented by the District during our next audit.

Finding No. 2

The District Failed to Retain Required Transportation Documentation to Support the More Than \$730,000 in State Funding It Received

Criteria relevant to the finding:

Student Transportation Subsidy

The Public School Code (PSC) provides that school districts receive a transportation subsidy for most students who are provided transportation. Section 2541 of the PSC (relating to Payments on account of pupil transportation) specifies the transportation formula and criteria. See 24 P.S. § 25-2541.

Total Students Transported

Section 2541(a) of the PSC states, in part: "School districts shall be paid by the commonwealth for every school year on account of pupil transportation which, and the means and contracts providing for which, have been approved by the Department of Education, in the cases hereinafter enumerated, an amount to be determined by multiplying the cost of approved reimbursable pupils transportation incurred by the district by the district's aid ratio. In determining the formula for the cost of approved reimbursable transportation, the Secretary of Education may prescribe the methods of determining approved mileages and the utilized passenger capacity of vehicles for reimbursement purposes . . ." See 24 P.S. § 25-2541(a).

Annual Filing Requirement

Section 2543 of the PSC sets forth the requirement for school districts to annually file a sworn statement of student transportation data for the prior and current school year with PDE in order to be eligible for the transportation subsidies. See 24 P.S. § 25-2543.

The District did not comply with the record retention provisions of the PSC when it failed to retain sufficient and accurate documentation to support its transportation reimbursements received for the 2012-13 through 2015-16 school years. Without proper documentation for the District's owned and contracted transportation services, we were unable to determine the accuracy and appropriateness of the transportation reimbursement received. It is *absolutely essential* that records related to the District's transportation reimbursement be retained for the required time period in compliance with the PSC and that the records be readily available for audit.

Background

The District relied primarily on District-owned vehicles to transport students during the 2012-13 through 2015-16 school years. During the 2015-16 school year, 57 of 67 vehicles used by the District to transport students were district-owned. The remaining 10 vehicles were contractor owned.

Additionally, the District transported students from a neighboring district under the terms of a JSA. You can read more about this agreement and the issues we found with this agreement in Finding No. 1. When a vehicle is shared, the reimbursement associated with that vehicle is also shared.

The combination of using both District and contractor owned vehicles to transport students and transporting a neighboring district's students required diligent record keeping to ensure that accurate information was available and accurately reported to PDE.

*Criteria relevant to the finding
(continued):*

Section 2543 of the PSC, which is entitled, "Sworn statement of amount expended for reimbursable transportation; payment; withholding" states, in part: "Annually, each school district entitled to reimbursement on account of pupil transportation shall provide in a format prescribed by the Secretary of Education, data pertaining to pupil transportation for the prior and current school year. . . . The Department of Education may, for cause specified by it, withhold such reimbursement, in any given case, permanently, or until the school district has complied **with the law or regulations** of the State Board of Education." (Emphasis added.) Ibid.

Transportation Contract

Section 23.4(7) of the State Board of Education's regulations states that the board of directors of a school district is responsible for all aspects of pupil transportation programs, including the "negotiation and execution of contracts or agreements with contractors, drivers of district's vehicles and common carriers and submission of pertinent documents to the Department for approval of operations." See 22 Pa. Code § 23.4(7).

Board Policy 616

Board Policy 616 states, in part: "It shall be the responsibility of the Business Administrator or designee upon receipt of an invoice to verify that the purchase invoice is in order, goods were received in acceptable condition or services were satisfactorily rendered, funds are available to cover the payment, the Board had budgeted for the items, and invoice is for the amount contracted." (Emphasis added.)

Record Retention Requirement

Section 518 of the PSC requires that financial records of a district be retained by the district for a period of not less than six years. See 24 P.S. § 5-518

Transportation Reimbursement

Student transportation reimbursement is based on several components that are reported by the District to PDE for use in calculating the District's annual reimbursement amount.

These components include, but are not limited to, the following:

- Miles with and miles without students for each vehicle.
- Students assigned to each vehicle.
- Total number of days each vehicle is used to transport students to and from school.

Districts use the components above to compute a sample average that is reported to PDE. The averaging process also provides a method for translating an entire year's worth of mileage and number of students transported into one number for each component based on the number of days traveled. Therefore, it is essential for districts to document, verify, and retain odometer readings, student rosters, and the number of day's vehicles transported students. PDE provides instructions to help districts report this information accurately. Some of these instructions are cited in our criteria box to the left of this finding.

We found that the District failed to maintain sufficient documentation of these vital transportation components for the four years reviewed. While the District had some documentation available, it did not retain **all** the components needed to verify the accuracy of the data reported to PDE. Therefore, we could not determine if the reported data was accurate, and furthermore, could not determine if the reimbursement received was accurate.

Criteria relevant to the finding (continued):

Form Completion Instruction – PDE-1049 Transportation Services Forms

Pupils Assigned

Report the greatest number of pupils assigned to ride this vehicle at any one time during the day. Report the number of pupils assigned to the nearest tenth. The number cannot exceed the seating capacity. If the number of pupils assigned changed during the year, calculate a weighted average or a sample average.

Daily Miles With

Report the number of miles per day, to the nearest tenth, that the vehicle traveled with pupils. If this figure changed during the year, calculate a weighted average or sample average.

Daily Miles Without

Report the number of miles per day, to the nearest tenth, that the vehicle traveled without pupils. If this figure changed during the year, calculate a weighted average or sample average.

Table 1 below shows the student and vehicles data reported to PDE and the total reimbursement received for each school year.

Table 1

Springfield Township School District Transportation Data Reported to PDE			
School Year	Reported Number of Students Transported	Reported Number of Vehicles Used	Total Reimbursement Received
2012-13	3,080	68	\$171,478
2013-14	2,832	63	\$186,414
2014-15	2,788	65	\$177,492
2015-16	2,799	67	\$197,223
Totals	11,499	263	\$732,607

District Owned Transportation Service

The District failed to provide documentation to verify the sample averages for District-owned vehicles submitted to PDE for the 2012-13 through 2015-16 school years. The District did retain odometer readings to support mileage traveled for District vehicles. However, the District failed to retain support for the number of students transported and the total days transported.

When we asked the District for student rosters to support the number of students transported, District officials stated that they didn't retain rosters for the years in question and were unable to access the information electronically due to changing transportation software.

Additionally, the District failed to accurately determine the days each vehicle was used to transport students. District vehicles transported students to District schools as well as multiple nonpublic schools each day. District and nonpublic schools often have different school calendars, and in turn, are not open on the same days. Therefore, the District must determine total days for each vehicle based on a comparison of school calendars for every school the vehicle services. The District did not compare all the relevant school calendars simultaneously, and subsequently, may not have calculated and reported total days accurately. This was acknowledged by the District administration.

Criteria relevant to the finding (continued):

Number of Days

Report the number of days (a whole number) this vehicle provided to and from school transportation. Count any part of a day as one day.

Depending upon the service the vehicle provided, this number could exceed or be less than the number of days the district was in session; however, summer school or "Extended School Year" (Armstrong v. Kline) transportation may not be included in this number. "Early Intervention" program transportation may be included. If the district received a waiver of instructional days due to a natural or other disaster (such as a hurricane), the waiver does not extend to transportation services. Only days on which transportation was actually provided may be reported.

Shared Service

If a vehicle's service was shared with another school district, intermediate unit, or AVTS, each LEA reports vehicle information and the "Pupils Assigned," "Daily Miles With," "Daily Miles Without," and "Number of Days" as *if only its students were served* by the vehicle.

Furthermore, several District-owned vehicles are shared with a neighboring district under the terms of a JSA, meaning that students from both districts ride the same vehicle to and from school. When a vehicle transports students from multiple districts, the reimbursement associated with that vehicle is also shared. PDE requires that mileage be computed for each district separately, as if each district's students were the only students riding on the vehicle. Therefore, odometer readings must show when students from each district got on and off the vehicle. The documentation the District provided for vehicles that transported students for both districts did not identify the mileage when students from each district got on and off each vehicle and, therefore, was not sufficiently detailed to determine if reimbursement received for these vehicles was correct.

District Contracted Transportation Service

During the 2012-13 through 2015-16 school years, the District used two transportation contractors to transport students.¹³ We found that the District did not have a written contract with its primary contractor. Without a written contract, the District paid and continues to pay for services without an established agreed upon fee structure. We found that the District paid the amount invoiced, which historically has been a rate per one way trip. In addition to a fee schedule, a contract would include such provisions as: the quality of vehicles used to transport students, service agreements, and insurance matters, as well as other contractual obligations as deemed necessary.

Additionally, the District failed to provide documentation to verify the accuracy of mileage, students transported, or total number of days students were transported. Both contractors simply provided a document with mileage figures and student counts for the District to report to PDE. The District failed to obtain odometer readings and student rosters to complete sample averages.

Furthermore, we reviewed invoices from the secondary contractor. These invoices stated the number of days billed and the number of students transported. The total number of days billed and number of students transported should

¹³ For the 2015-16 school year, the primary contractor provided 9 out of 10 contracted vehicles. The secondary contractor provided the remaining vehicle. Contracted service totaled 10 out of 67 vehicles used to transport District students.

have agreed with what was reported. The total number of days and students did not agree. District officials noted that there is currently no process to reconcile invoices to transportation data and acknowledged that the documentation received from contractors is insufficient to ensure accurate reporting to PDE.

Several of the vehicles used by the primary contractor were also shared with a neighboring school district. The document provided by the contractor showing mileage information gives no indication that mileage for the shared vehicles was determined in accordance with PDE's shared service guidance. There were no odometer readings provided or any other information about when students from each district got on or off each vehicle. This information is necessary to accurately determine miles with and miles without students for each district using the shared vehicle.

Conclusion

As previously stated, the PSC requires that financial records that support the transportation reimbursement received by the District be retained for a period of not less than six years. We found that the District did not comply with the PSC's record retention requirements. Additionally, the District failed in its fiduciary duty to taxpayers by not retaining this information. Without this documentation, we could not determine if the amount of reimbursement received was accurate and appropriate. Transportation expenses and the subsequent transportation reimbursement are significant factors that can impact the District's overall financial position. Therefore, it is in the best interest of the District to ensure compliance with the PSC so it does not potentially jeopardize future reimbursements.

After review of the District's transportation operations, it is evident that the District did not appear to be familiar with the regulations regarding transportation data reporting. In addition, the District failed to adequately monitor its transportation contractors.

Recommendations

The *Springfield Township School District* should:

1. Enter into a written, signed and Board approved agreement for transportation services with its primary transportation contractor.
2. Compute and retain sample average calculations for all district-owned and contracted vehicles used to transport students and report to PDE.
3. Ensure that mileage is being recorded separately for all District and neighboring school district students who are transported by the same vehicle.
4. Implement procedures to have a District official, other than the person who prepares the data, review, and compare transportation data to supporting documentation throughout the school year and prior to submission to PDE.

Management Response

Management stated the following.

The District will implement the following recommendations as provided by the state auditors:

Recommendation #1

- Enter into a written, signed and Board approved agreement for transportation services with its primary transportation contractor.

District Response

The District will make every effort to acquire a contract from [its primary contractor] to be Board approved prior to the end of the 2017-18 school year. Moving forward, contracts will be required from the vendor to be Board approved prior to use.

Recommendation #2

- Compute and retain sample average calculations for all District owned and contracted vehicles used to transport students and reported to PDE.

District Response

Currently, the District is in the process of keeping track of this information via invoices received from our transportation service contractors and by using our transportation software system to keep track of student rosters. The Transportation Department will ensure that contractors are submitting accurate mileage and student ridership reports on a monthly basis. Moving forward, the above procedures will be implemented and followed.

Recommendation #3

- Ensure that mileage is being recorded separately for all District and neighboring school district students who are transported by the same vehicle.

District Response

The District will be implementing a tracking procedure, which will require bus drivers (assigned shared service bus routes) to submit mileage sheets on a monthly basis to the Transportation Director. This will allow us to separate mileage being recorded for SDST and that of UDSD. This task will be managed by the Transportation Department. Our Transportation Manager will be attending a PASBO Transportation Workshop in May, which will help better address the above issue. Moving forward, the above procedures will be implemented and followed.

Recommendation #4

- Implement procedures to have a District official, other than the person who prepares the data, review and compare transportation data to supporting documentation throughout the school year and prior to submission to PDE.

District Response

After the PDE-1049 form is complete, the Transportation Department will be required to send the report with all of its corresponding backup to the Business Department for final review. After the Business Department has had time to vet the data, the report will then be forwarded to the Superintendent for review and then submitted to PDE. Moving forward, the above procedures will be implemented and followed.

Auditor Conclusion

We are pleased that the District is taking steps to ensure the accuracy of the transportation data it reports to PDE. We will evaluate the effectiveness of these procedures and any other corrective action implemented by the District during our next audit.

Status of Prior Audit Findings and Observations

Our prior audit of the Springfield Township School District (District) released on May 22, 2014, resulted in one finding, as shown below. As part of our current audit, we determined the status of corrective action taken by the District to implement our prior audit recommendations. We reviewed the District's written response provided to the Pennsylvania Department of Education (PDE), interviewed District personnel, and performed audit procedures as detailed in each status section below.

Auditor General Performance Audit Report Released on May 22, 2014

Prior Finding: **Failure to Withhold Income Taxes From Taxable Income**

Prior Finding Summary: During our prior audit of the District's former Superintendent's employment contracts, agreements, and payroll records, we found that the District neglected to report taxable income of \$23,359 on the former Superintendent's Internal Revenue Service (IRS) *Form W-2 Wage and Tax Statement* (Form W-2) for the 2010, 2011, and 2012 calendar years.

Prior Recommendations: We recommended that the District should:

1. Report on IRS *Form W-2 Wage and Tax Statement* all wages subject to federal, state, and local taxes in accordance with all applicable tax regulations.
2. Implement procedures to review and confirm all compensation deemed reportable to ensure that eligible wages are being reported for tax purposes.

Current Status: The District did implement our prior recommendations. On May 8, 2013, the District sent the former Superintendent three *W-2c Corrected Wage and Tax Statement* forms for the 2010, 2011, and 2012 calendar years, making adjustments of \$7,275, \$10,172, and \$5,912, respectively, for a total of \$23,359. Also, beginning with calendar year 2014, the District implemented internal review procedures. These procedures require a review of all W-2 forms for accuracy prior to providing the forms to employees and the IRS.

Appendix: Audit Scope, Objectives, and Methodology

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, Pennsylvania Department of Education (PDE), and other concerned entities.

Our audit, conducted under authority of Sections 402 and 403 of The Fiscal Code,¹⁴ is not a substitute for the local annual financial 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. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit.

Scope

Overall, our audit covered the period July 1, 2012, through June 30, 2016. In addition, the scope of each individual audit objective is detailed on the next page.

The Springfield Township School District's (District) management is responsible for establishing and maintaining effective internal controls¹⁵ to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, which 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.

¹⁴ 72 P.S. §§ 402 and 403.

¹⁵ 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; and compliance with certain relevant state laws, regulations, contracts, and administrative procedures.

Objectives/Methodology

In order to properly plan our audit and to guide us in selecting objectives, we reviewed pertinent laws and regulations, board meeting minutes, academic performance data, annual financial reports, annual budgets, new or amended policies and procedures, and the independent audit report of the District's basic financial statements for the fiscal years July 1, 2012, through June 30, 2016. We also determined if the District had key personnel or software vendor changes since the prior audit.

Performance audits draw conclusions based on an evaluation of sufficient, appropriate evidence. Evidence is measured against criteria, such as laws, regulations, third-party studies, and best business practices. Our audit focused on the District's efficiency and effectiveness in the following areas:

- ✓ Transportation Operations
- ✓ Contracting
- ✓ Bus Driver Requirements
- ✓ School Safety

As we conducted our audit procedures, we sought to determine answers to the following questions, which served as our audit objectives:

- ✓ Did the District ensure compliance with applicable laws and regulations governing transportation operations and did the District receive the correct transportation reimbursement from the Commonwealth?¹⁶
 - To address this objective, we interviewed District personnel to get an understanding of District's procedures for obtaining and reporting transportation data to PDE. Additionally, we randomly selected 6 of 67 vehicles used to transport District students during the 2015-16 school year. We were unable to review District calculations for mileage, student counts, and days in service for each vehicle in the test group due to the District failing to retain adequate documentation. Further discussion with District officials and inspection of documents revealed that the District failed to retain adequate documentation for the 2012-13 through 2014-15 school years. The errors we identified can be found in Finding No. 2 of this report.
 - We also reviewed a Joint Services Agreement (JSA) between the District and its neighboring district regarding transportation operations that was in existence for the 2012-13 through 2015-16 school years. We interviewed District personnel to get an understanding of the services provided under the JSA and what information was provided to the neighboring school district. We then reviewed all invoices that existed for the 2012-13 through 2015-16 school years to determine if amounts were appropriately billed and collected in accordance with the agreement. The errors we identified can be found in Finding No. 1 of this report.

¹⁶ See 24 P.S. §§ 13-1301, 13-1302, 13-1305, 13-1306; 22 Pa. Code Chapter 11.

- ✓ Did the District ensure that its significant contracts were current and were properly obtained, approved, executed, and monitored?
 - To address this objective, we reviewed the District's procurement and contract monitoring policies and procedures. We obtained a list of contracts for the 2015-16 school year. We judgmentally selected 4 out of 20 contracts for detailed testing based on the dollar value of the contract. Testing included a review of documents to determine if the contract was procured in accordance with the Public School Code and District policies. We also reviewed documents and interviewed District personnel to determine if the District monitored the selected contracts. Finally, we reviewed board meeting minutes and the Board of School Directors' Statements of Financial Interest to determine if any board member had a conflict of interest in approving the selected contracts. Our review of this objective did not disclose any reportable issues.¹⁷

- ✓ Did the District ensure that bus drivers transporting District students had the required driver's license, physical exam, training, background checks, and clearances as outlined in applicable laws?¹⁸ Also, did the District have written policies and procedures governing the hiring of new bus drivers that would, when followed, provide reasonable assurance of compliance with applicable laws?
 - To address this objective, we randomly selected 7 of the 68 bus drivers employed by both the District and District bus contractors, during the period from July 1, 2012, through November 14, 2017, and reviewed documentation to ensure the District complied with the requirements for bus drivers. We also determined if the District had written policies and procedures governing the hiring of bus drivers and if those procedures ensure compliance with bus driver hiring requirements. Our review of this objective did not disclose any reportable issues.¹⁹

- ✓ Did the District take actions to ensure it provided a safe school environment?²⁰
 - To address this objective, we interviewed District personnel and reviewed a variety of documentation including, but not limited to, emergency plans, training documents, and anti-bullying policies to assess whether the District had implemented basic safety practices. Due to the sensitive nature of school safety, the results of our review of this objective area are not described in our audit report. The results of our review of school safety are shared with District officials, PDE and, if deemed necessary other appropriate agencies.

¹⁷ The transactions selected were selected because we considered them to have a higher risk of non-compliance. Therefore, the selection is not representative of the population of District contracts, and the results should not be projected to that population.

¹⁸ 24 P.S. § 1-111, 23 Pa.C.S. § 6344(a.1), 24 P.S. § 2070.1a *et seq.*, 75 Pa.C.S. §§ 1508.1 and 1509, and 22 *Pa. Code Chapter 8*.

¹⁹ While representative selection is a required factor of audit sampling methodologies, audit sampling methodology was not applied to achieve this test objective; accordingly, the results of this audit procedure are not, and should not be, projected to the population.

²⁰ 24 P.S. § 13-1301-A *et seq.*

Distribution List

This report was initially distributed to the Superintendent of the District, the Board of School Directors, and the following stakeholders:

The Honorable Tom W. Wolf
Governor
Commonwealth of Pennsylvania
Harrisburg, PA 17120

The Honorable Pedro A. Rivera
Secretary of Education
1010 Harristown Building #2
333 Market Street
Harrisburg, PA 17126

The Honorable Joe Torsella
State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Mrs. Danielle Mariano
Director
Bureau of Budget and Fiscal Management
Pennsylvania 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

Mr. Nathan Mains
Executive Director
Pennsylvania School Boards Association
400 Bent Creek Boulevard
Mechanicsburg, PA 17050

This report is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the report can be directed to the Pennsylvania Department of the Auditor General, Office of Communications, 229 Finance Building, Harrisburg, PA 17120; via email to: News@PaAuditor.gov.

School District of Springfield Township

January 31, 2018

Department of the Auditor General
Bureau of School Audits
316A Finance Building
Harrisburg, Pennsylvania 17120

MANAGEMENT REPRESENTATION LETTER

Department of the Auditor General:

We are providing this letter in connection with your Performance Audit of the School District of Springfield Township (SDST) for the period July 1, 2012 through June 30, 2016.

We confirm, to the best of our knowledge and belief, as of January 29, 2018, the following representations made to you during your audit.

1. We are responsible for compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures applicable to the SDST.
2. We have made available to you:
 - a. All records and data related to your performance audit objectives.
 - b. Minutes of meetings or summaries of actions of recent meetings for which minutes have not yet been prepared concerning the SDST.
 - c. All management policies and procedures designed to ensure accomplishment of LEA goals and compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures applicable to the SDST.
 - d. All applicable reports provided by consultants, internal auditors, and/or external auditors that provided services to the SDST since the prior audit.
3. There have been no communications from the Pennsylvania Department of Education or from any other regulatory agency concerning noncompliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures applicable to the SDST.
4. There has been no:
 - a. Fraud involving management or employees who have significant roles in internal controls.
 - b. Fraud involving others that could have a significant effect on SDST operations.
5. We have identified and disclosed to you all certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures that have a direct and significant effect on the performance and operations of the SDST.
6. We are responsible for establishing effective internal controls, which include the plans of organization, methods, and procedures to ensure the LEA's goals are met and to ensure

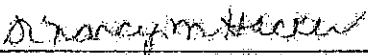
compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures.

7. There is no present intention to terminate SDST operations.
8. Except as disclosed to you during the current audit, there have been no:
 - a. ~~Related party transactions.~~
 - b. Violations of Section 148 of the Internal Revenue Code involving arbitrage.
9. We have complied in all material/significant respects with applicable state laws, regulations, contracts, grant requirements, and administrative procedures falling within the scope of our audit.
10. There have been no alterations or falsification of records maintained by us and no records have been removed or discarded except in those instances called to your attention.
11. We understand that your audit was made in accordance with *Government Auditing Standards*, issued by the Comptroller General of the United States, and was, therefore, designed primarily for the purpose of determining appropriateness of SDST performance in conjunction with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures, and other appropriate criteria and that your tests of records and other auditing procedures were limited to those which you considered necessary for that purpose.

We agree to inform you of any transactions, events or compliance matters significant to the audit that occur subsequent to the date of this letter.



Signature: (Board President)



Signature: (Superintendent/Administrator)



Signature: (Business Manager)

January 29, 2018

Date (last day of fieldwork)

Department of the Auditor General
Bureau of School Audits

Management Reply

LEA: School District of Springfield Township

Date: 4/10/2018

Audit Period: July 1, 2012 through June 30, 2016

Date Due: 4/10/2018

Comment: Finding Observation Verbal

Title: The District Failed to Retain Required Transportation Documentation for the More Than \$730,000 in State Funding It Received

Management agrees with the Finding/Observation/Verbal Comment

Management disagrees with the Finding/Observation/Verbal Comment

Management waives the opportunity to reply at this time

MANAGEMENT COMMENTS: (Please explain the cause of the problem and note what corrective action is planned. Please ensure that you respond to each recommendation point included in the draft comment. If necessary, attach additional paper.)

The District will implement the following recommendations as provided by the state auditors:

Enter into a written, signed and Board approved agreement for transportation services with its primary transportation contractor.

The District will make every effort to acquire a contract from Rider's Club to be Board approved prior to the end of the 2017-18 school year. Moving forward, contracts will be required from the vendor to be Board approved prior to use.

Compute and retain sample average calculations for all District owned and contracted vehicles used to transport students and reported to PDE.

Currently, the District is in the process of keeping track of this information via invoices received from our transportation service contractors and by using our transportation software system to keep track of student rosters. The Transportation Department will ensure that contractors are submitting accurate mileage and student ridership reports on a monthly basis. Moving forward, the above procedures will be implemented and followed.

Ensure that mileage is being recorded separately for all District and neighboring school district students who are transported by the same vehicle.

The District will be implementing a tracking procedure, which will require bus drivers (assigned shared services bus routes) to submit mileage sheets on a monthly basis to the Transportation Director. This will allow us to separate mileage being recorded for SDST and that of UDSD. This task will be managed by the Transportation Department. Our Transportation Manager will be attending a PASBO Transportation Workshop in May, which will help better address the above issue. Moving forward, the above procedures will be implemented and followed.

Implement procedures to have a District official, other than the person who prepares the data, review and compare transportation data to supporting documentation throughout the school year and prior to submission to PDE.

After the PDE-1049 form is complete, the Transportation Department will be required to send the report with all of its corresponding backup to the Business Department for final review. After the Business Department has had time to vet the data, the report will then be forwarded to the Superintendent for review and then submitted to PDE. Moving forward, the above procedures will be implemented and followed.

Additional pages attached: Yes _____ No x

Signatures and Date:

Deborah M. Hackett
Superintendent

4/11/18
Date

[Signature]
Business Manager

04/11/18
Date

Department of the Auditor General
Bureau of School Audits

Management Reply

LEA: School District of Springfield Township

Date: 4/10/18

Audit Period: July 1, 2012 through June 30, 2016

Date Due: 4/10/18

Comment: Finding X Observation Verbal

Title: The District Failed to Adequately Comply with the Terms of Its Joint Services

Agreement with a Neighboring School District

 x Management agrees with the Finding/Observation/Verbal Comment

 Management disagrees with the Finding/Observation/Verbal Comment

 Management waives the opportunity to reply at this time

MANAGEMENT COMMENTS: (Please explain the cause of the problem and note what corrective action is planned. Please ensure that you respond to each recommendation point included in the draft comment. If necessary, attach additional paper.)

The District will implement the following recommendations as provided by the state auditors:

Ensure that the \$26,129 recently billed under the 2015-16 Joint Services Agreement is collected.

The District has sent an invoice to UDSD for what is owed. SDST's Business Administrator has contacted UDSD's Business Administrator to discuss the invoice and the best way to reconcile it since it is a two year old invoice for UDSD to pay. As of today, April 10, 2018, the invoice has been paid by UDSD, please see attached.

Develop standard, written procedures to ensure that all monies due under the Joint Services Agreement are timely billed and received.

The Business Department will be setting up a receivable account for these invoices so that we can track invoices being sent and payments received more efficiently. We will also be writing the procedures down so that they are documented. We will be matching invoices paid to invoices being sent to UDSD as another internal check to make sure we have sent all invoices to UDSD for the year.

Provide accurate and sufficient monthly mileage information, including odometer readings, to its neighboring district for each vehicle used to provide service under the Joint Services Agreement. Shared services guidelines must be followed where appropriate.

The Business Department in coordination with the Transportation Department, will require bus drivers, who are assigned routes that are shared, to submit monthly mileage/odometer reporting to the Transportation Director. The Transportation Director will then review this information and keep it in a binder by month for reporting that needs to be done throughout the school year. The Transportation Department will also send copies of these reports to UDSD on a monthly basis. Our Transportation Manager will be attending a PASBO transportation workshop in May, which will help better address this issue moving forward.

Develop standard, written procedures to timely reconcile the Cost of Service worksheet for District-owned vehicles to the Joint Services Agreement Billings document showing year-end reporting information.

The Business Department will work closely with the Transportation Department to ensure that Cost of Service-worksheet is accurate and UDSD is billed appropriately. We will bill quarterly on a monthly basis. During the 2015-16 school year, the District did overcharge UDSD for Cost of Service and we will be reimbursing them with a check in the amount of \$14,495.82 on April 13, 2018.

The School District of Springfield Township should:

[Empty rectangular box for additional information or comments]

Additional pages attached: Yes No

Signatures and Date:

Monica M. Hacker 4/11/18
Superintendent Date

[Signature] 04/11/18
Business Manager Date

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP

**Administration Building
1901 E. Paper Mill Road
Oreland, PA 19075**

January 9, 2018

Ms. Brenda Jones Bray, Business Administrator
School District of Upper Dublin
1580 Fort Washington Avenue
Maple Glen, PA 19002

Re: Riders' Club Invoice November 2015
Riders' Club Invoice June 2016

Dear Brenda,

Enclosed is a Riders Club invoice dated January 9, 2018 for the School District of Upper Dublin. Documentation to support the School District of Springfield Township's payment of this invoice is attached.

Kindly issue a check in the amount of \$26,651.58 and send this payment to my attention.

If you have any questions, please contact me.

Sincerely,

Ken King
Business Administrator

KWK/bmc

Enclosure

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP

Administration Building
1901 E. Paper Mill Road
Oreland, PA 19075

January 9, 2018

INVOICE November 2016

INVOICE June 2016

Prepared for:
School District of Upper Dublin
1580 Fort Washington Avenue
Maple Glen, PA 19002

ATT: Ms. Brenda Jones Bray, Business Administrator

DESCRIPTION OF WORK	TOTAL
Rider's Club Invoice School District of Upper Dublin November 2015	\$16,728.00
Administrative Fee @ 2%	<u>\$334.56</u>
Riders Club Invoice School District of Upper Dublin June 2016	\$9,401.00
Administrative Fee @ 2%	\$188.02
TOTAL DUE	\$26,651.58

MAKE CHECK PAYABLE TO:
School District of Springfield Township
Administration Building
1901 E. Paper Mill Road
Oreland, PA 19075

R6991 = 26,129.⁰⁰
 R6990 = 522.58

SCHOOL DISTRICT OF UPPER DUBLIN
 1580 Fort Washington Avenue
 Maple Glen, PA 19002


SCHOOL DISTRICT OF SPRINGFIELD
 1901 E. PAPER MILL ROAD
 ORELAND PA 19075

SCHOOL DISTRICT OF UPPER DUBLIN VENDOR NO: 36823 CHECK NO. 20781

Account	Purchase Order	Invoice Number	Amount	Description
1027201090400. 511	P18224B	NOV-JUN 2016	26,651.58	ADMINISTRATIVE FEE
				RECEIVED APR 02 2018
				School District of Springfield Township

36823 SCHOOL DISTRICT OF SPRINGFIELD

THE FACE OF THIS DOCUMENT HAS A COLORED BACKGROUND ON WHITE PAPER, THERMOCHROMIC INK OR BACK

	SCHOOL DISTRICT OF UPPER DUBLIN MAPLE GLEN, PA 19002 GENERAL FUND	PNC Bank, N.A. 001 80-162/433 Jeannette PA	CHECK DATE 03/27/18	CHECK NO. 20781
---	--	---	------------------------	--------------------

AMOUNT \$ ****26,651.58*

VOID AFTER 90 DAYS

PAY THE SUM OF ****26651* DOLLARS AND *58* CENTS

TO THE ORDER OF SCHOOL DISTRICT OF SPRINGFIELD
 1901 E. PAPER MILL ROAD
 ORELAND PA 19075

Art Lirimantog PRESIDENT
Pauline... SECRETARY
Jennifer Baldassano TREASURER

⑈00000 20781⑈ ⑆043301627⑆ 1030428344⑈

School District of Springfield Township

1901 E. Paper Mill Road
Oreland, PA 19075

71966

PNC Bank, PA 001 60:162/438

General Account
Void after 60 days

CHECK DATE
04/12/18

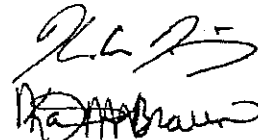
CHECK NO.
71966

AMOUNT

\$****14,495.82*

PAY THE SUM OF FOURTEEN THOUSAND, FOUR HUNDRED NINETY FIVE DOLLARS & 82 CENTS

TO THE UPPER DUBLIN SCHOOL DISTRICT
ORDER 1580 FORT WASHINGTON AVENUE
OF MAPLE GLEN PA 19062-0000



THIS DOCUMENT HAS A TRUE WATERMARK IN THE PAPER - HOLD TO LIGHT TO VIEW.

⑈071966⑈ ⑆043301627⑆ 1030428141⑈

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP VENDOR NO. 3014

CHECK NO. 71966

ACCOUNT	PURCH ORDER	INVOICE NUMBER	AMOUNT	DESCRIPTION
10270000000 880		REF15-16	14,495.82	REF OVERPAY COS 15-16

3014 UPPER DUBLIN SCHOOL DISTRICT

School District of Springfield Township
Montgomery County, Pennsylvania

Check Request

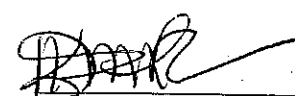
To: Kenneth W. King, BA
From: Katie M. Braun, ABA
Subject: Refund Request
Date: 4/12/18

General Fund

Vendor/Payee	P.O. #	Budget Code	Amount
Vendor # 3014 School District of Upper Dublin	N/A	10-2700-880-000-00	\$14,495.82

OK
P. King

4/12/18
Date


Business Administrator

Invoice sent to UDSD & Paid		Days Serviced 2015-16 Sept - June		Additional hours/day		2015-2016 Hourly Rate		Extra Wages paid		PSERS 25.84%		FICA 7.65%		Total Extra salary costs	
Bus	School	Driver	2015-16 Sept - June	Additional hours/day	2015-2016 Hourly Rate	Extra Wages paid	PSERS 25.84%	FICA 7.65%	Total Extra salary costs						
26	Ancillae Assumpta Academy	Alston Ross	170	1.27	\$ 24.86	\$ 5,367.27	\$ 1,386.90	\$ 410.60	\$ 7,164.77						
27	Archbishop Wood	Alvina Naylor	174	0	\$ 28.88	\$ -	\$ -	\$ -	\$ -						
67	Comprehensive Learning Ctr	Jennifer Chao - monitor	180	2.5	\$ 15.41	\$ 6,934.50	\$ 1,791.87	\$ 530.49	\$ 9,256.86						
67	Comprehensive Learning Ctr	Jean St. Vil	180	3	\$ 25.82	\$ 13,942.80	\$ 3,602.82	\$ 1,066.62	\$ 18,612.24						
73	St. Genevieve's School	John Ward	166	0.75	\$ 26.53	\$ 3,302.99	\$ 853.49	\$ 252.68	\$ 4,409.15						
71	Gwynedd Mercy High School	David Singleton	168	0	\$ 25.82	\$ -	\$ -	\$ -	\$ -						
77	Martin Luther School	Greg White - monitor	151	1	\$ 26.80	\$ 4,046.80	\$ 1,045.69	\$ 309.58	\$ 5,402.07						
77	Martin Luther School	Frank Schumacher	151	1	\$ 25.82	\$ 3,898.82	\$ 1,007.46	\$ 298.26	\$ 5,204.53						
35	Our Lady of Mercy	Calvin Huger	178	2.5	\$ 26.80	\$ 11,926.00	\$ 3,081.68	\$ 912.34	\$ 15,920.02						
67	Our Lady of Mercy	Jean St. Vil	178	0.5	\$ 25.82	\$ 2,297.98	\$ 593.80	\$ 175.80	\$ 3,067.57						
22	Plymouth Meeting Friends	Rob Hasday	170	0.75	\$ 25.82	\$ 3,292.05	\$ 850.67	\$ 251.84	\$ 4,394.56						
19	Quaker School	Dot Hopkins	166	0	\$ 25.82	\$ -	\$ -	\$ -	\$ -						
26	Sandy Run Middle School	Tom Freitag	62	0.35	\$ 24.86	\$ 539.46	\$ 139.40	\$ 41.27	\$ 720.13						
27	The Villa/Wordsworth	Alvina Naylor	179	0.5	\$ 28.88	\$ 2,584.76	\$ 667.90	\$ 197.73	\$ 3,450.40						
36	Waldorf Academy	Karen Horvath	162	1	\$ 25.82	\$ 4,182.84	\$ 1,080.85	\$ 319.99	\$ 5,583.67						
			2435	15.32	\$ 62,316.27	\$ 16,102.52	\$ 4,767.19	\$ 83,185.99							
Invoice with Revisions															
Bus	School	Driver	2015-16 Sept - June	Additional hours/day	2015-2016 Hourly Rate	Extra Wages paid	PSERS 25.84%	FICA 7.65%	Total Extra salary costs						
26	Ancillae Assumpta Academy	Alston Ross	170	1.27	\$ 24.86	\$ 5,367.27	\$ 1,386.90	\$ 410.60	\$ 7,164.77						
27	Archbishop Wood	Alvina Naylor	174	0	\$ 28.88	\$ -	\$ -	\$ -	\$ -						
67	Comprehensive Learning Ctr	Jennifer Chao - monitor	180	2.5	\$ 15.41	\$ 6,934.50	\$ 1,791.87	\$ 530.49	\$ 9,256.86						
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27	The Villa/Wordsworth	Alvina Naylor	179	0.5	\$ 28.88	\$ 2,584.76	\$ 667.90	\$ 197.73	\$ 3,450.40						
36	Waldorf Academy	Karen Horvath	162	1	\$ 25.82	\$ 4,182.84	\$ 1,080.85	\$ 319.99	\$ 5,583.67						
			2435	12.82	\$ 51,670.09	\$ 13,251.55	\$ 3,952.76	\$ 68,974.40							
				Billed	Revised	Diff									
			COS Charge	83,185.99	68,974.40	14,211.59									
			Adm Fee	1,663.72	1,379.49	284.23									
				84,849.71	70,353.89	14,495.82									

Appendix A



COMMONWEALTH OF PENNSYLVANIA PENNSYLVANIA DEPARTMENT OF THE AUDITOR GENERAL

Act 44 Auditee Reporting Form (School District Audits)

The Department of the Auditor General provides this form for every school district to report its adoption of the Department's recommendations in its most recent audit pursuant to Act 44 of 2017 amendments to The Fiscal Code regarding Auditee reporting requirements and the Department's STATEMENT OF POLICY and FORM in 4 Pa. Code Part XIV published in the Pennsylvania Bulletin on February 10, 2018.

Within **120 business days** of the publication of the audit listed below, the school district must submit a response to the Department detailing the adoption of the Department's recommendations, or the reason why recommendations have not been adopted.

AUN:	123467203	School:	Springfield Township School District	CAN:	103384
Audit Period:	July 1, 2012, to June 30, 2016	Findings:	Two	Recommendations:	Eight

District Response: (Textbox below will expand or attachments can be added as necessary)

Management agrees with the two Findings/Observations/Verbal Comments. Please see below for more detail.

Finding #1 – the District failed to adequately comply with the terms of its joint services agreement with a neighboring district.

The District will implement the following recommendations as provided by the state auditors:

Ensure that the \$26,129 recently billed under the 2015-16 Joint Services Agreement is collected.

The District has sent an invoice to UDSD for what is owed. SDST's Business Administrator has contacted UDSD's Business Administrator to discuss the invoice and the best way to

reconcile it since it is a two year old invoice for UDSD to pay. As of April 10, 2018, the invoice has been paid by UDSD.

Develop standard, written procedures to ensure that all monies due under the Joint Services Agreement are timely billed and received.

The Business Department will be setting up a receivable account for these invoices so that we can track invoices being sent and payments received more efficiently. We will also be writing the procedures down so that they are documented. We will be matching invoices paid to invoices being sent to UDSD as another internal check to make sure we have sent all invoices to UDSD for the year.

Provide accurate and sufficient monthly mileage information, including odometer readings, to its neighboring district for each vehicle used to provide service under the Joint Services Agreement. Shared services guidelines must be followed where appropriate.

The Business Department in coordination with the Transportation Department, will require bus drivers, who are assigned routes that are shared, to submit monthly mileage/odometer reporting to the Transportation Director. The Transportation Director will then review this information and keep it in a binder by month for reporting that needs to be done throughout the school year. The Transportation Department will also send copies of these reports to UDSD on a monthly basis. Our Transportation Manager attended a PASBO transportation workshop in May, which will help him better address this issue moving forward.

Develop standard, written procedures to timely reconcile the Cost of Service worksheet for District-owned vehicles to the Joint Services Agreement Billings document showing year-end reporting information.

The Business Department will work closely with the Transportation Department to ensure that Cost of Service worksheet is accurate and UDSD is billed appropriately. We will bill quarterly on a monthly basis. During the 2015-16 school year, the District did overcharge UDSD for Cost of Service and we will be reimbursing them with a check in the amount of \$14,495.82 on April 13, 2018.

Finding #2 – The District failed to retain required transportation documentation for the more than \$730,000 in state funding it received.

The District will implement the following recommendations as provided by the state auditors:

Enter into a written, signed and Board approved agreement for transportation services with its primary transportation contractor.

The District will make every effort to acquire a contract from Rider's Club to be Board approved prior to the end of the 2017-18 school year. Moving forward, contracts will be required from the vendor to be Board approved prior to use.

Compute and retain sample average calculations for all District owned and contracted vehicles used to transport students and reported to PDE.

Currently, the District is in the process of keeping track of this information via invoices received from our transportation service contractors and by using our transportation software system to

keep track of student rosters. The Transportation Department will ensure that contractors are submitting accurate mileage and student ridership reports on a monthly basis. Moving forward, the above procedures will be implemented and followed.

Ensure that mileage is being recorded separately for all District and neighboring school district students who are transported by the same vehicle.

The District will be implementing a tracking procedure, which will require bus drivers (assigned shared services bus routes) to submit mileage sheets on a monthly basis to the Transportation Director. This will allow us to separate mileage being recorded for SDST and that of UDSD. This task will be managed by the Transportation Department. Our Transportation Manager attended a PASBO Transportation Workshop in May, which will help him better address the above issue. Moving forward, the above procedures will be implemented and followed.

Implement procedures to have a District official, other than the person who prepares the data, review and compare transportation data to supporting documentation throughout the school year and prior to submission to PDE.

After the PDE-1049 form is complete, the Transportation Department will be required to send the report with all of its corresponding backup to the Business Department for final review. After the Business Department has had time to vet the data, the report will then be forwarded to the Superintendent for review and then submitted to PDE. Moving forward, the above procedures will be implemented and followed.

Note: Pursuant to Section 1.5 of Act 44, if the Auditee fails to respond to the Department's recommendations within **120 business days**, the Department will notify the Governor and the Chairpersons and Minority Chairpersons of the Appropriations Committees of the Senate and the House of Representatives, which may consider an Auditee's failure to respond to the Department's audit when determining the Auditee's future appropriations.