

LIMITED PROCEDURES ENGAGEMENT

Boyertown Area School District Berks County, Pennsylvania

December 2016



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania
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EUGENE A. DePASQUALE
AUDITOR GENERAL

Dr. Richard H. Faidley, Superintendent
Boyertown Area School District
911 Montgomery Avenue
Boyertown, Pennsylvania 19512

Mr. John C. Landino, Board President
Boyertown Area School District
911 Montgomery Avenue
Boyertown, Pennsylvania 19512

Dear Dr. Faidley and Mr. Landino:

We conducted a Limited Procedures Engagement (LPE) of the Boyertown Area School District (District) to determine its compliance with certain relevant state laws, regulations, policies, and administrative procedures (relevant requirements). The LPE covers the period July 1, 2012, through June 30, 2015, except for any areas of compliance that may have required an alternative to this period. The engagement was conducted pursuant to authority derived from Article VIII, Section 10 of the Constitution of the Commonwealth of Pennsylvania and The Fiscal Code (72 P.S. §§ 402 and 403), but was not conducted in accordance with *Government Auditing Standards* issued by the Comptroller General of the United States.

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

- Did the District have documented board policies and administrative procedures related to the following?
 - Internal controls
 - Budgeting practices
 - The Right-to-Know Law
 - The Sunshine Act
- Were the policies and procedures adequate and appropriate, and have they been properly implemented?
- Did the District comply with the relevant requirements in the Right-to-Know Law and the Sunshine Act?
- Did the District take appropriate corrective action to address the finding and observation, made in our prior audit, and were the actions taken into effect?

Dr. Richard H. Faidley
Mr. John C. Landino
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Our engagement found that the District properly implemented policies and procedures for the areas mentioned above and complied, in all significant respects, with relevant requirements.

We appreciate the District's cooperation during the conduct of the engagement.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Eugene A. DePasquale
Auditor General

December 1, 2016

cc: **BOYERTOWN AREA SCHOOL DISTRICT** Board of School Directors

Background Information

School Characteristics 2015-16 School Year ^A	
County	Berks and Montgomery
Total Square Miles	100
Resident Population ^B	46,133
Number of School Buildings	10
Total Teachers	514
Total Full or Part-Time Support Staff	437
Total Administrators	29
Total Enrollment for Most Recent School Year	6,954
Intermediate Unit Number	14
District Vo-Tech School	Berks Career and Technology Center

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

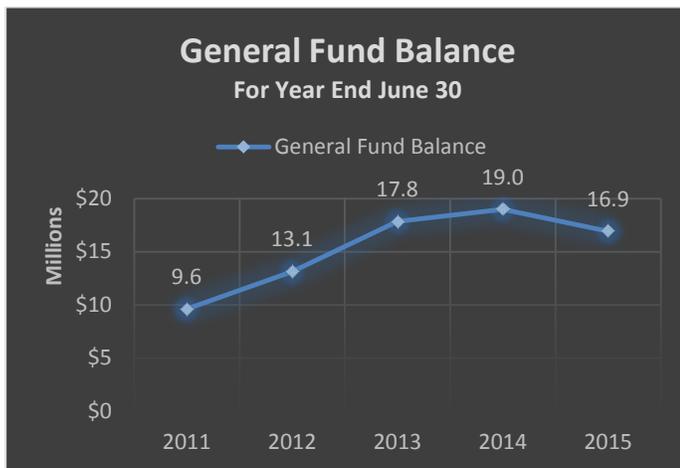
B - Source: United States Census
<http://www.census.gov/2010census>

Mission Statement^A

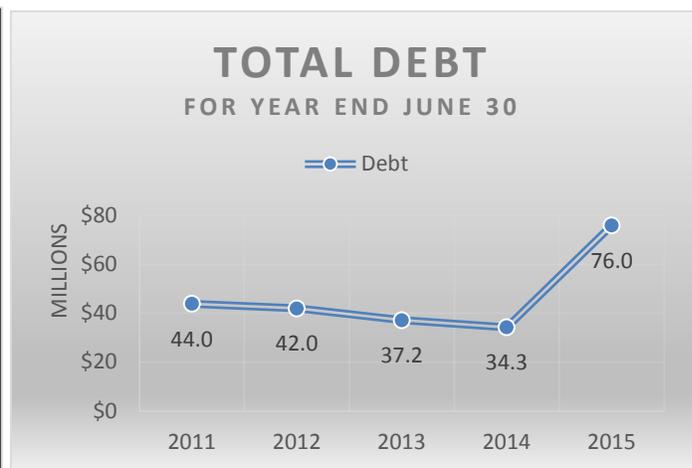
“To enable all students to succeed in a changing world!”

Financial Information

The following pages contain financial information about the 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**.

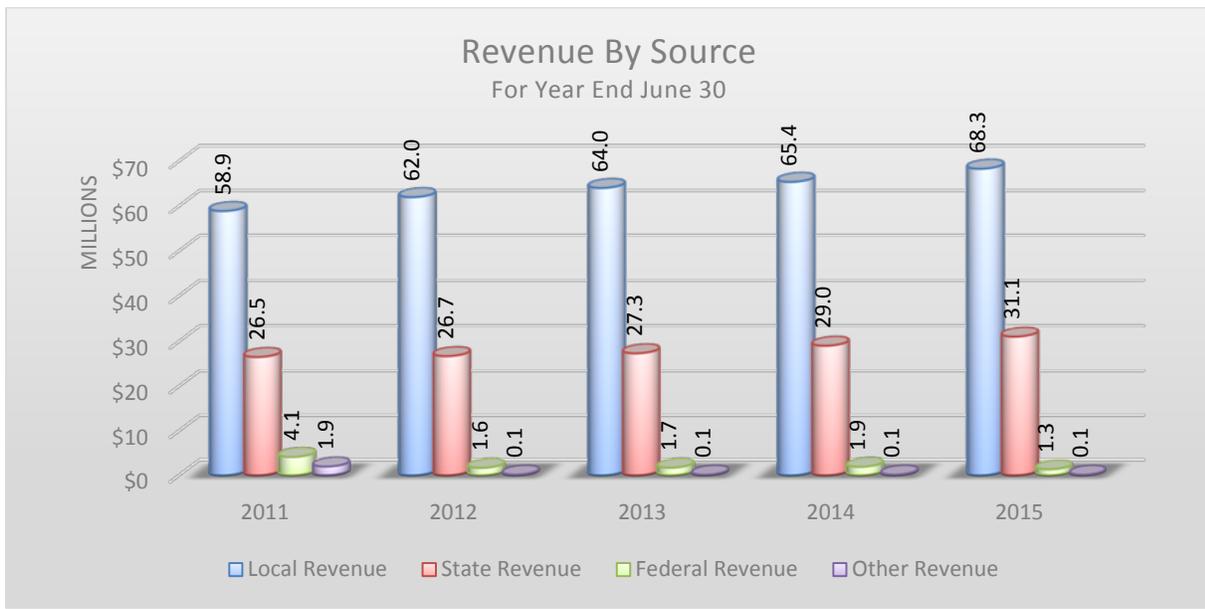
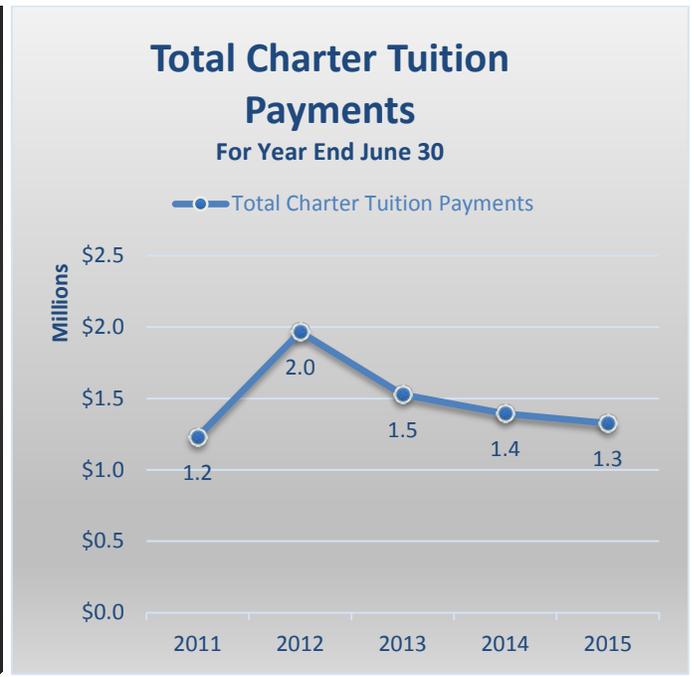
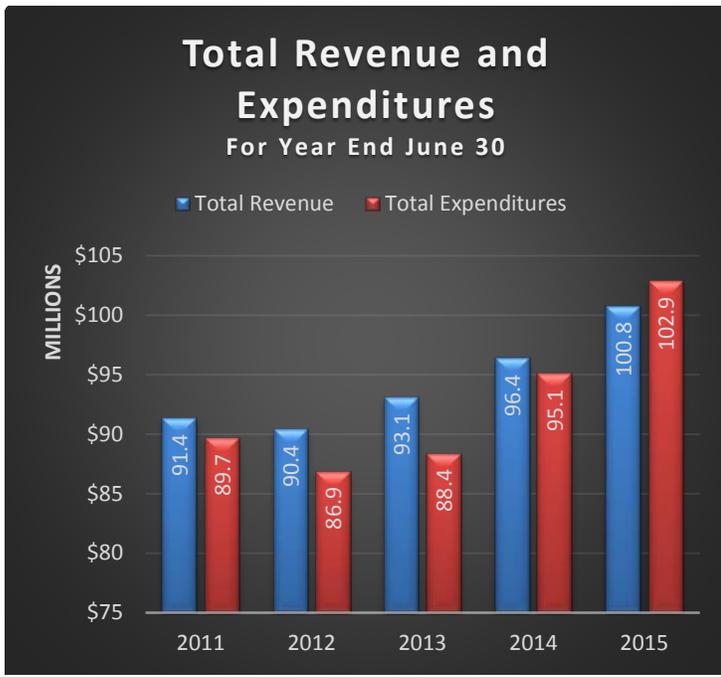


Note: General Fund Balance is comprised of the District’s Committed, Assigned and Unassigned Fund Balances



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

Financial Information Continued



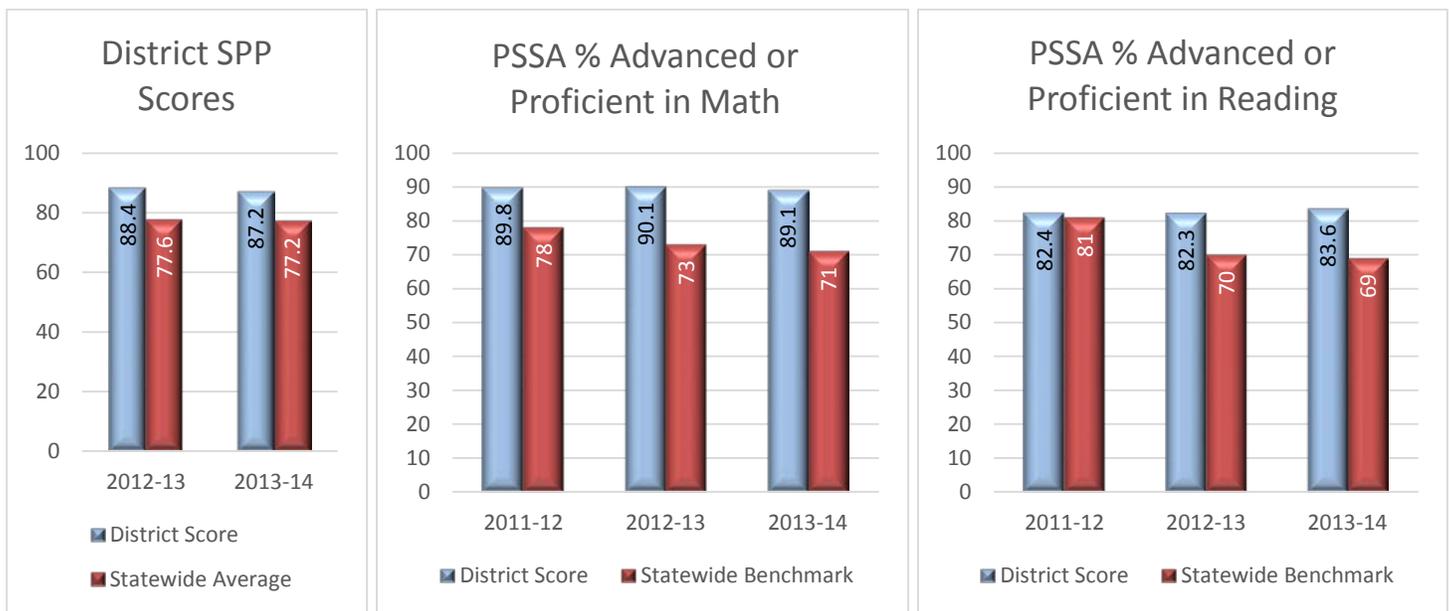
Academic Information

The following table and charts consist of School Performance Profile (SPP) scores and Pennsylvania System of School Assessment (PSSA) results for the entire District obtained from PDE's data files.¹ These scores are presented in the District's audit report for **informational purposes only**, and they were not audited by our Department.

SPP benchmarks represent the statewide average of all district school buildings in the Commonwealth.² PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.³ District SPP and PSSA scores were calculated using an average of all of the individual school buildings within the District. Scores below SPP statewide averages and PSSA benchmarks/goals are presented in red.

Districtwide SPP and PSSA Scores

District	SPP Scores		PSSA % Advanced or Proficient in Math			PSSA % Advanced or Proficient in Reading		
	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
<i>Statewide Benchmark</i>	77.6	77.2	78	73	71	81	70	69
<i>Boyetown Area SD</i>	88.4	87.2	89.8	90.1	89.1	82.4	82.3	83.6
<i>SPP Grade⁴</i>	B	B						



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 Statewide averages for SPP scores were calculated based on all district school buildings throughout the Commonwealth, excluding charter and cyber charter schools.

³ PSSA benchmarks apply to all district school buildings, charters, and cyber charters. In the 2011-12 school year, the state benchmarks reflect the Adequate Yearly Progress targets established under No Child Left Behind. In the 2012-13 and 2013-14 school years, the state benchmarks reflect the statewide goals based on annual measurable objectives established by PDE.

⁴ The following letter grades are based on a 0-100 point system: A (90-100), B (80-89), C (70-79), D (60-69), F (59 or below).

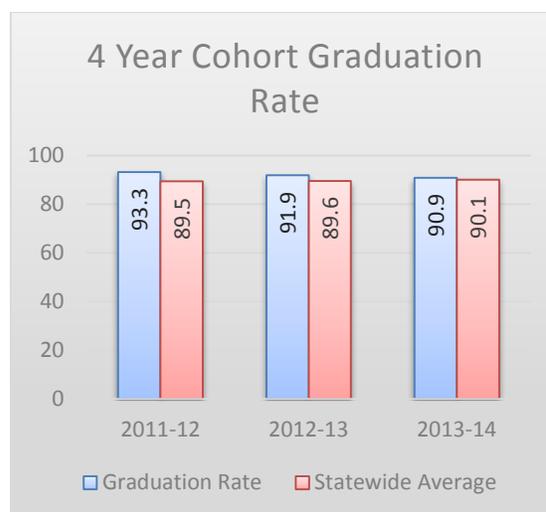
Individual School Building SPP and PSSA Scores

The following table consists of SPP scores and PSSA results for each of the District's school buildings. Any blanks in PSSA data means that PDE did not publish a score for that school for that particular year.⁵

School Name	SPP Scores		PSSA % Advanced or Proficient in Math			PSSA % Advanced or Proficient in Reading		
	2012-13	2013-14	2011-12	2012-13	2013-14	2011-12	2012-13	2013-14
Statewide Benchmark	77.6	77.2	78	73	71	81	70	69
<i>Boyertown Area Junior High School-East</i>	85.1	83.7	93.9	88.6	90.2	88.6	84.3	88.0
<i>Boyertown Area Junior High School-West</i>	87.3	83.8	92.3	96.3	94.9	85.2	84.0	85.8
<i>Boyertown Area Senior High School</i>	90.3	93.2	70.9	74.9	78.2	79.5	86.4	84.4
<i>Boyertown Elementary School</i>	89.4	86.2	87.5	87.2	87.1	77.7	80.8	77.4
<i>Colebrookdale Elementary School</i>	84.0	79.5	86.5	88.5	82.5	74.8	74.9	76.3
<i>Earl Elementary School</i>	87.3	88.3	97.1	97.7	93.9	89.4	86.9	90.1
<i>Gilbertsville Elementary School</i>	94.3	97.9	95.0	96.1	95.6	86.5	87.8	88.7
<i>New Hanover-Upper Frederick Elementary School</i>	95.3	89.6	94.2	91.3	89.6	84.9	84.9	83.1
<i>Pine Forge Elementary School</i>	86.0	82.8	89.5	91.7	88.3	79.7	76.8	82.8
<i>Washington Elementary School</i>	85.2	86.5	91.1	88.8	90.5	77.2	76.2	79.2

4 Year Cohort Graduation Rates

The 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.⁶



⁵ PDE's data does not provide any further information regarding the reason a score was not published.

⁶ <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx>.

Status of Prior Audit Findings and Observations

Our prior audit of the District released on September 12, 2013, resulted in one finding and one observation, 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 PDE, interviewed District personnel, and performed audit procedures as detailed in each status section below.

Auditor General Performance Audit Report Released on September 12, 2013

Prior Finding

Inaccurate Transportation Reporting to the Department of Education Resulted in an Underpayment to the District of \$50,050

Prior Finding Condition

During our prior audit, we found that the District submitted inaccurate transportation reports to PDE for the 2009-10 school year. Specifically, the District understated the number of nonpublic students transported by 130, which resulted in a \$50,050 underpayment.

Prior Recommendations

We recommended that the District should:

1. Establish internal controls to ensure that District personnel verify the accuracy of the data they receive from the nonpublic schools for which the District transports students.
2. Institute a system of review, particularly of PDE's preliminary reports, to ensure the reports sent to PDE are accurate.
3. Review transportation reports submitted for subsequent years and submit revisions, if necessary.

We also recommended that PDE should:

4. Adjust the District's transportation allocations and pay the District \$50,050.

Current Status

During our current review, we found that the District and PDE did take appropriate corrective action to address our finding from the prior audit report. The District purchased new transportation software during the 2011-12 school year that included the ability to interface with child accounting data for more accurate student counts. District personnel also reviewed transportation reports for years subsequent to our prior audit and determined that no adjustments were necessary.

Furthermore, PDE adjusted the District's transportation allocation on January 5, 2016, and included the \$50,050 cited in our prior audit.

Prior Observation

The District Paid \$33,637 to Its Former Superintendent for a Confidential Early Separation

Prior Observation Condition

The District's Board of School Directors (Board) agreed to a confidential separation agreement that paid the former Superintendent \$33,637 to end his contract prematurely. In doing so, the Board did not follow the early separation provisions of the former Superintendent's original agreement and paid him benefits that he was not owed. Furthermore, the Board put the former Superintendent on a paid leave of absence under Section 1154(e) of the Public School Code when there was no evidence to suggest that his absence qualified under that section.

Prior Recommendations

We recommend that the District should:

1. Upon termination of any employee, follow the provisions of the original employment contract and pay only what is due to the employee.
2. Seek the advice of its solicitor regarding the appropriate use of Section 1154(e) of the Public School Code.
3. Document in the official board meeting minutes, in detail, why the District chooses to expend public money on ending an administrator contract.

Current Status

During our current review, we found that the District has not entered into a separation agreement with any contracted employee. Therefore, we could not test the implementation of our prior audit recommendations.

Distribution List

This letter 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 Timothy Reese

State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Mrs. Danielle Mariano

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Bureau of Budget and Fiscal Management
Pennsylvania Department of Education
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Harrisburg, PA 17126

Dr. David Wazeter

Research Manager
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Harrisburg, PA 17105

Mr. Nathan Mains

Executive Director
Pennsylvania School Boards Association
400 Bent Creek Boulevard
Mechanicsburg, PA 17050

This letter is a matter of public record and is available online at www.PaAuditor.gov. Media questions about the letter 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.