

# LIMITED PROCEDURES ENGAGEMENT

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## Eastern Center for Arts and Technology Montgomery County, Pennsylvania

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January 2018



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

Mr. Thomas Allen, Executive Director  
Eastern Center for Arts and Technology  
3075 Terwood Road  
Willow Grove, Pennsylvania 19090

Dr. Art Levinowitz, Board President  
Eastern Center for Arts and Technology  
3075 Terwood Road  
Willow Grove, Pennsylvania 19090

Dear Mr. Allen and Dr. Levinowitz:

We conducted a Limited Procedures Engagement (LPE) of the Eastern Center for Arts and Technology (Center) 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, 2016, 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 Center have documented board policies and administrative procedures related to the following?
  - Internal controls
  - Budgeting practices
  - The Right-to-Know Law
  - The Sunshine Act
  - Retirement Provisions
- Were the policies and procedures adequate and appropriate, and have they been properly implemented?
- Did the Center comply with the relevant requirements in the Right-to-Know Law and the Sunshine Act?

- Did the Center comply with relevant requirements of the Public School Employees' Retirement System Employer's Reference Manual and did the Center adhere to contracted provisions when calculating and paying severance amounts to retired employees?

Our engagement found that the Center properly implemented policies and procedures for the areas mentioned above and complied, in all significant respects, with relevant requirements.

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

Sincerely,



Eugene A. DePasquale  
Auditor General

January 23, 2018

cc: **EASTERN CENTER FOR ARTS AND TECHNOLOGY**  
Joint Operating Committee

## Background Information

| School Characteristics<br>2017-18 School Year <sup>A</sup> |            |
|--|------------|
| County   | Montgomery |
| Full-Time or Part-Time School                              | Part-Time  |
| Secondary Pupils Enrolled                                  | 480        |
| Post-Secondary Pupils Enrolled                             | 223        |
| Total Teachers   | 22         |
| Total Full or Part-Time Support Staff                      | 26         |
| Total Administrators                                       | 5          |
| Intermediate Unit Number                                   | 23         |

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

### Mission Statement<sup>A</sup>

The mission of the Eastern Center for Arts and Technology, a leader in technology and in developing innovative, responsive programs, is to equip all students with the skills, knowledge and attitudes necessary to select, enter and succeed in a career and to anticipate and adapt to change by providing high-quality technical instruction and specialized services.

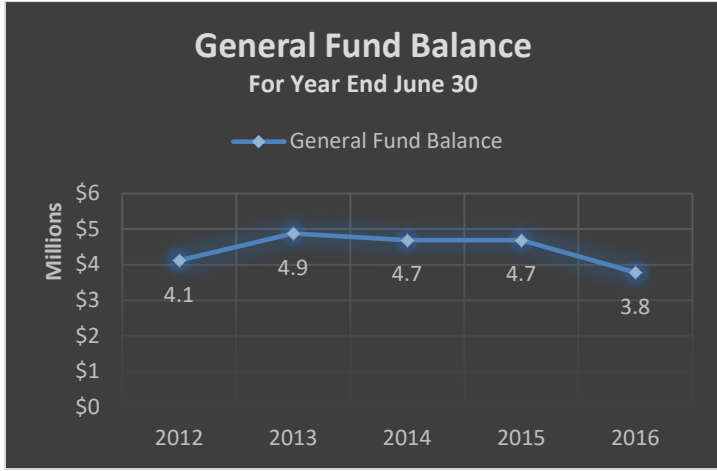
The operation, administration, and management of the Eastern Center for Arts and Technology (Center) are directed by a joint operating committee (JOC), which is comprised of nine members from the following school districts:

|                     |                         |
|---------------------|-------------------------|
| Abington            | Lower Moreland Township |
| Bryn Athyn          | Springfield Township    |
| Cheltenham Township | Upper Dublin            |
| Hatboro-Horsham     | Upper Moreland Township |
| Jenkintown          |                         |

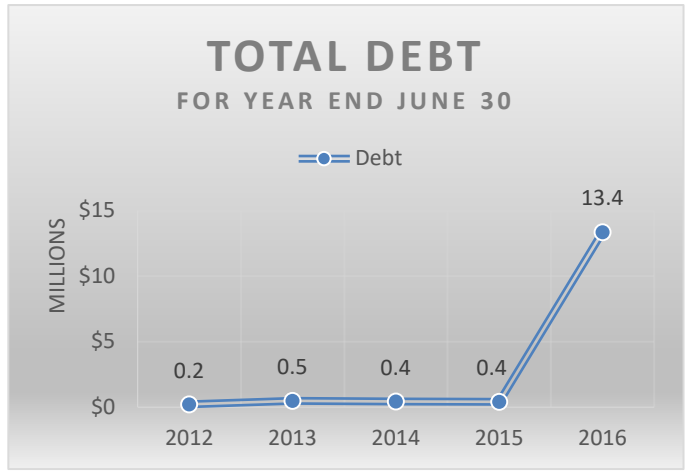
The JOC is comprised of members who represents each school district in the county. Each member is appointed by the individual sending school districts. At the December school board meeting, a member is elected to serve a three-year term as a member of the JOC.

## Financial Information

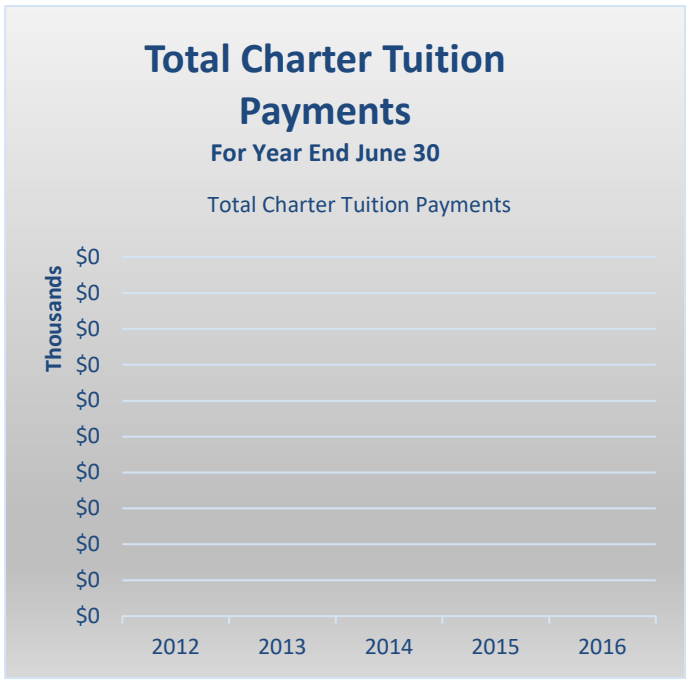
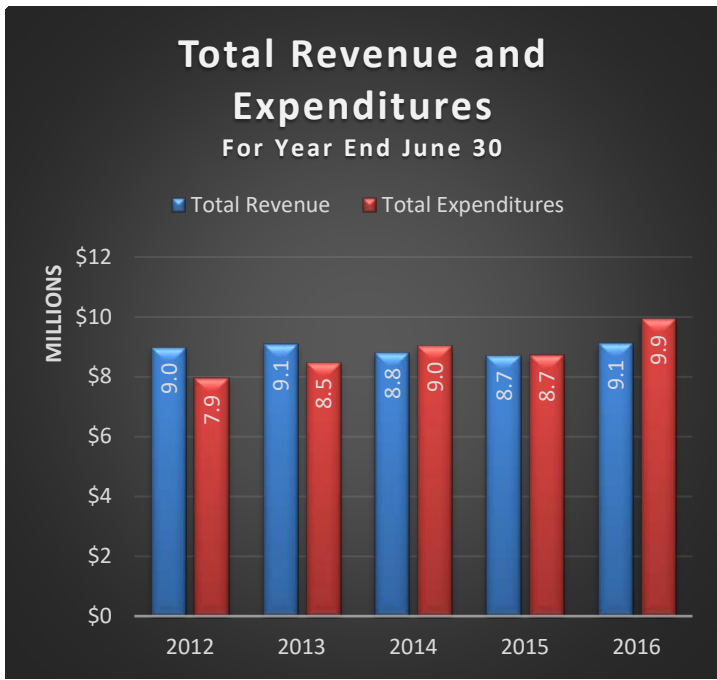
The following pages contain financial information about the Center obtained from annual financial data reported to the Pennsylvania Department of Education (PDE) and available on PDE's public website. This information was not audited and is presented for **informational purposes only**.



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

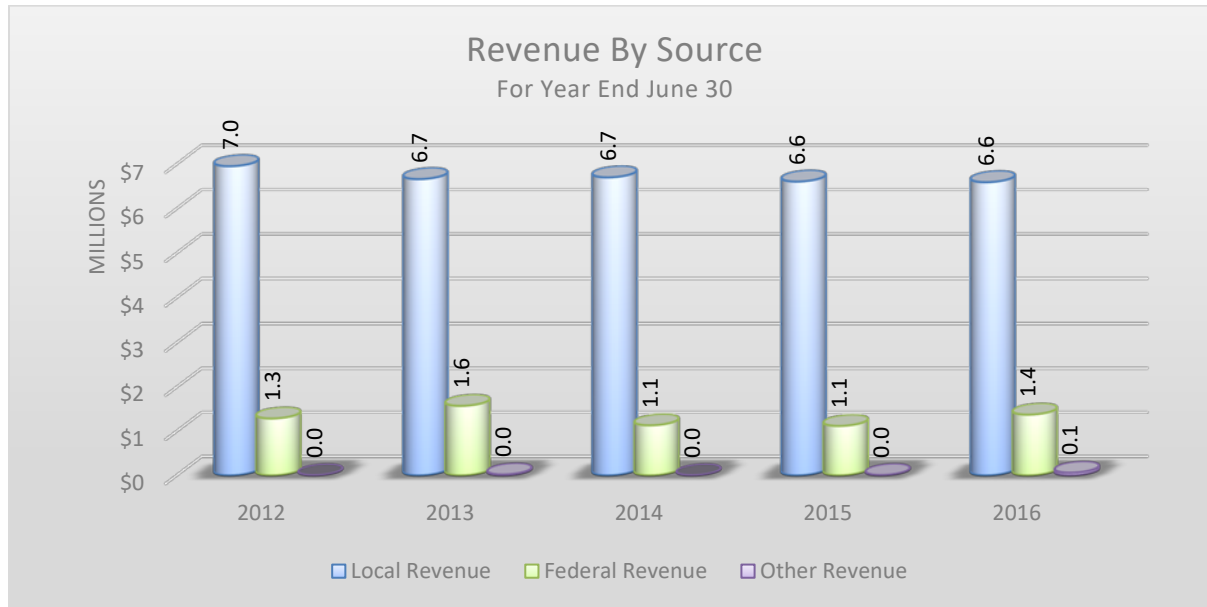


**Note:** Total Debt is comprised of Short-Term Borrowing, General Obligation Bonds, Authority Building Obligations, Other Long-Term Debt, Other Post-Employment Benefits and Compensated Absences.



**Note:** Centers do not make payments to charter schools for tuition. These payments are made by the home district of each student.

## Financial Information Continued



Local revenues were primarily obtained from direct payments by the member districts based on the approved budget. Each district's proportionate share of the operating expenditures was determined by a formula involving average daily membership as specified in the Articles of Agreement.

## Academic Information

SPP benchmarks represent the statewide average of all district school buildings in the Commonwealth.<sup>1</sup> PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.<sup>2</sup>

Part-time career and technical centers, such as the Eastern Center for Arts and Technology, do not receive academic scores. Academic instruction in the core content areas occurs in the students' home district and are therefore reported within the scores of the students' home district.<sup>3</sup> Full-time comprehensive career and technical centers providing core content receive academic scores.

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<sup>1</sup> Statewide averages for SPP scores were calculated based on all district school buildings throughout the Commonwealth, excluding charter and cyber charter schools.

<sup>2</sup> 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.

<sup>3</sup> <http://paschoolperformance.org/FAQ>.

#### **4 Year Cohort Graduation Rate**

Part-time career and technical centers do not report a graduation rate. Each students' graduation rate is reported through the home district for that student. Full-time comprehensive career and technical centers report graduation rates to PDE.

## **Status of Prior Audit Findings and Observations**

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**O**ur prior audit of the Eastern Center for Arts and Technology resulted in no findings or observations.



## **Distribution List**

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This letter was initially distributed to the Executive Director of the Center, the Joint Operating Committee, 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

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Bureau of Budget and Fiscal Management  
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**Dr. David Wazeter**

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This letter is a matter of public record and is available online at [www.PaAuditor.gov](http://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](mailto:News@PaAuditor.gov).