

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP

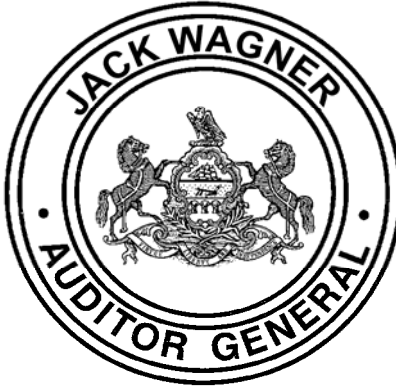
MONTGOMERY COUNTY, PENNSYLVANIA

PERFORMANCE AUDIT REPORT

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

WITH STATUS OF PRIOR YEARS' FINDING AND RECOMMENDATIONS

THROUGH JUNE 27, 2006

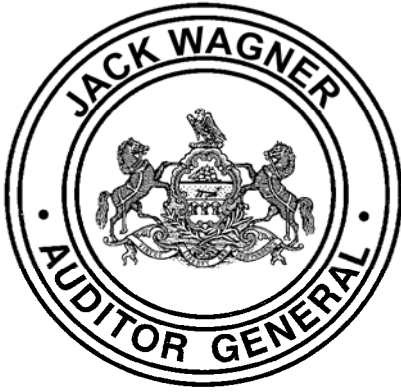


SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP
MONTGOMERY COUNTY, PENNSYLVANIA
PERFORMANCE AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2004 AND 2003,
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THROUGH JUNE 27, 2006

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP
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The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

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

Our audit was limited to the following objectives:

- Objective No. 1 - To determine if the School District of Springfield Township complied with applicable state laws, regulations, contracts, grants, and administrative procedures falling within the scope of our audit; and
- Objective No. 2 - To determine if the School District of Springfield Township took appropriate corrective action to address the finding and recommendations contained in our prior audit report.

Solely to assist us in planning and performing our audit, we made a study and evaluation of the internal controls of the School District of Springfield Township to determine if internal controls were adequate to help ensure the district's compliance with applicable state laws, regulations, contracts, grants, and administrative procedures falling within the scope of our audit. Accordingly, we do not express any assurance on the internal controls.

The results of our tests indicated that, in all significant respects, the School District of Springfield Township was in compliance with applicable state laws, regulations, contracts, grants, and administrative procedures falling within the scope of our audit and took appropriate corrective action to address the finding and recommendations contained in our prior audit report.

Independent Auditor's Report (Continued)

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

June 27, 2006

/s/
JACK WAGNER
Auditor General

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP
PERFORMANCE AUDIT REPORT
BACKGROUND

Background

Information, as provided by school district officials, indicates that the School District of Springfield Township is located in Montgomery County and encompasses an area of 6.5 square miles. The school district has a population of 19,533, according to the 2000 federal census. The administrative offices are located at 1901 East Paper Mill Road, Oreland, Pennsylvania.

According to school district administrative officials, during 2003-04, the district provided basic educational services to 2,062 pupils through the employment of 17 administrators, 169 teachers, and 184 full-time and part-time support personnel. Special education was provided by the district and the Montgomery County Intermediate Unit #23. Occupational training and adult education in various vocational and technical fields were provided by the district and the Eastern Center for Arts and Technology.

Generally, state subsidies and reimbursements are paid in the year subsequent to the year the school district incurs the cost that qualifies it for the applicable subsidy or reimbursement. While the Pennsylvania Department of Education (DE) makes partial payments to the school district throughout the year, final payments are normally made in June. Refer to the Supplementary Information on pages 7 through 9 of this report for a listing of the state revenue the district received during the 2003-04 and 2002-03 school years and for descriptions of the state revenue received by category.

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

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP
PERFORMANCE AUDIT REPORT
OBJECTIVES, SCOPE AND METHODOLOGY

OBJECTIVES AND SCOPE

Our audit objectives were:

- . Objective No. 1 - To determine if the School District of Springfield Township complied with applicable state laws, regulations, contracts, grants, and administrative procedures falling within the scope of our audit; and
- . Objective No. 2 - To determine if the School District of Springfield Township took appropriate corrective action to address the finding and recommendations contained in our prior audit report.

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

METHODOLOGY

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

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

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

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP
PERFORMANCE AUDIT REPORT

CONCLUSIONS – OBJECTIVE NO. 1

The first objective of our audit was to determine if the School District of Springfield Township complied with applicable state laws, regulations, contracts, grants, and administrative procedures falling within the scope of our audit.

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

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP
PERFORMANCE AUDIT REPORT

CONCLUSIONS - OBJECTIVE NO. 2

The second objective of our audit was to determine if the School District of Springfield Township took appropriate corrective action to address the finding and recommendations contained in our prior audit report for the years ended June 30, 2002 and 2001, and in certain areas extending beyond June 30, 2002. The status of this finding, along with a description of the school board's disposition of each recommendation, was determined by one or more of the following procedures:

- tests performed as a part of, or in conjunction with, the current audit; and
- questioning of appropriate district personnel regarding the prior years' finding and recommendations.

Finding – Certification Irregularity

Our prior audit of the professional employees' certification for the period July 1, 2001 through February 4, 2004, disclosed that one teacher was teaching with a lapsed provisional certificate from September 1, 2002 to December 31, 2004.

Certification irregularities are not determined by the Department of the Auditor General. Information pertaining to the assignment and certificate was submitted to Bureau of Teacher Certification and Preparation (BTCPP), Department of Education (DE) for determination. On June 2, 2004, DE issued its "Notice of Final Determination and Withholding," upholding our citation and determining the subsidy forfeitures resulting from the irregularity to be \$7,140.

We recommended that the district put procedures in place to ensure that the validity of all teachers' provisional certificates was accurately determined, and that the teachers have their certificates made permanent before their provisional certificates expire.

We also recommended that DE recover the subsidy forfeitures.

On July 1, 2004, the district appealed BTCPP's determination. As of June 27, 2006, recovery of any subsidy forfeitures was still pending final review by DE personnel.

Our current audit disclosed that the district took appropriate corrective action to address our recommendations and no further irregularities were disclosed.

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP
PERFORMANCE AUDIT REPORT

SUPPLEMENTARY INFORMATION
[UNAUDITED]

Schedule of State Revenue Received

The district reported it received state revenue of \$3,729,409 and \$3,072,549, respectively, for the years ended June 30, 2004 and 2003, as detailed in the following schedule:

STATE REVENUE	<u>2004</u>	<u>2003</u>
Basic Education	\$1,032,129	\$ 980,012
Tuition for Orphans and Children Placed in Private Homes	132,599	39,190
Homebound Instruction	-	60
Alternative Education	13,740	-
Special Education	969,718	794,284
Transportation	395,092	393,188
Rental and Sinking Fund Payments	180,407	46,605
Health Services	82,286	76,012
Social Security and Medicare Taxes	613,863	620,165
Retirement	<u>309,575</u>	<u>123,033</u>
<u>TOTAL STATE REVENUE</u>	<u>\$3,729,409</u>	<u>\$3,072,549</u>

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP
PERFORMANCE AUDIT REPORT

SUPPLEMENTARY INFORMATION
[UNAUDITED]

Description of State Revenue Received per the Pennsylvania Accounting Manual

Basic Education

Revenue received from Commonwealth appropriations as subsidy for basic education.

Tuition for Orphans and Children Placed in Private Homes

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

Homebound Instruction

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

Alternative Education

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

Special Education

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

Transportation

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

Rental and Sinking Fund Payments

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

SCHOOL DISTRICT OF SPRINGFIELD TOWNSHIP
PERFORMANCE AUDIT REPORT

SUPPLEMENTARY INFORMATION
[UNAUDITED]

Health Services

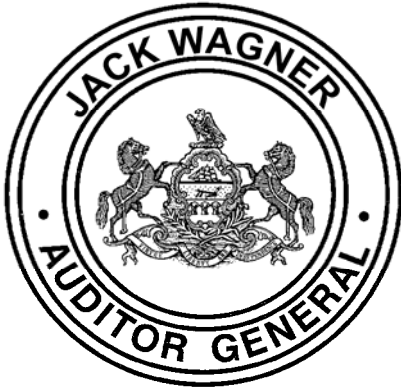
Revenue received from the Commonwealth as subsidy for health services. Payments are made in accordance with Section 2505.1 of the Public School Code and include revenue for medical, dental, nurse and Act 25 health services.

Social Security and Medicare Taxes

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

Retirement

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



BUREAU OF SCHOOL AUDITS

AUDIT REPORT DISTRIBUTION LIST

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

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

The Honorable Gerald Zahorchak, D.Ed.
Secretary of Education
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333 Market Street
Harrisburg, PA 17126

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

The Honorable Robert P. Casey, Jr.
State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

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

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

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