

LANCASTER COUNTY ACADEMY
LANCASTER COUNTY, PENNSYLVANIA
PERFORMANCE AUDIT REPORT

FOR THE YEARS ENDED JUNE 30, 2004, 2003, 2002 AND 2001,
AND IN CERTAIN AREAS EXTENDING BEYOND JUNE 30, 2004

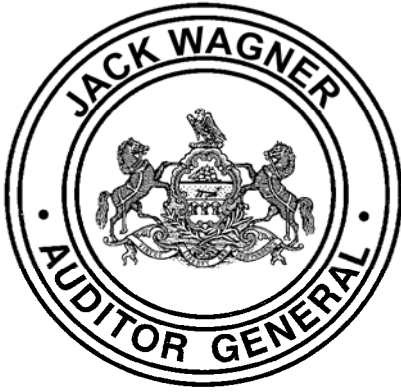


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LANCASTER COUNTY ACADEMY
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The Honorable Edward G. Rendell
Governor
Commonwealth of Pennsylvania
Harrisburg, Pennsylvania 17120

We have conducted a performance audit of the Lancaster County Academy for the years ended June 30, 2004, 2003, 2002 and 2001, 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.

The objective of our audit was to determine if Lancaster County Academy complied with applicable state laws, regulations, contracts, grants, and administrative procedures falling within the scope of our audit.

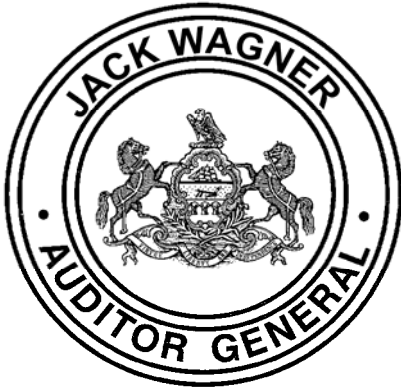
Solely to assist us in planning and performing our audit, we made a study and evaluation of the internal controls of the Lancaster County Academy to determine if internal controls were adequate to help ensure the academy's compliance with applicable state laws, regulations, contracts, grants, and administrative 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 Lancaster County Academy complied with applicable state laws, regulations, contracts, grants, and administrative procedures falling within the scope of our audit.

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.

January 6, 2006

JACK WAGNER
Auditor General



LANCASTER COUNTY ACADEMY
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BACKGROUND

Background

Information, as provided by academy officials, indicates that the Lancaster County Academy is located in Lancaster County and has its administrative offices at the Park City Mall, 1202 Park City Center, Lancaster, Pennsylvania. It was established to meet the needs of students who have dropped out of school or are unable to effectively function in the traditional setting.

According to academy administrative officials, during 2003-04, the academy provided basic educational services to 156 pupils through the employment of 1 administrator, 3 teachers, and 3 full or part-time support personnel.

The academy's joint school committee (JSC) is comprised of ten board members from the following participating school districts:

Columbia Borough	Hempfield
Conestoga Valley	Manheim Township
Donegal	Penn Manor
Eastern Lancaster County	Solanco
Elizabethtown Area	Warwick

The academy reported state Social Security and Medicare revenues of \$6,527, \$6,190, \$5,134, and \$4,683 for the years ended June 30, 2004, 2003, 2002 and 2001, respectively. These funds were 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.

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

LANCASTER COUNTY ACADEMY
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OBJECTIVE, SCOPE AND METHODOLOGY

OBJECTIVE AND SCOPE

Our audit objective was to determine if the Lancaster County Academy complied with applicable state laws, regulations, contracts, grants, and administrative procedures falling within the scope of our audit.

The scope of our audit covered the years ended June 30, 2004, 2003, 2002 and 2001, 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 the academy requires joint school committee (JSC) members to establish and maintain internal controls to provide reasonable assurance that specific academy objectives will be achieved. JSC 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 academy's internal controls as they relate to the academy'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.

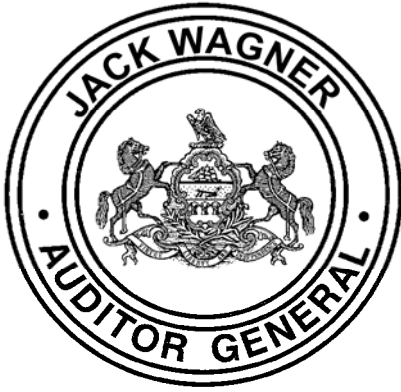
As noted in the Background section of this report, the Department of Education generally pays state subsidies and reimbursements in the fiscal year subsequent to the fiscal year the academy incurs the qualifying cost. Since we use the payment confirmations, annual financial reports and certified audit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

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CONCLUSION

The objective of our audit was to determine if the Lancaster County Academy 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 Lancaster County Academy complied with applicable state laws, regulations, contracts, grants, and administrative procedures falling within the scope of our audit.



BUREAU OF SCHOOL AUDITS

AUDIT REPORT DISTRIBUTION LIST

This report was initially distributed to the academy's superintendent of record, the joint school committee members, our website address at www.auditorgen.state.pa.us, and the following:

The Honorable Gerald Zahorchak, D.Ed.
Secretary of Education
1010 Harrisstown Building #2
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

Ms. Ann Boyko, School Personnel Services Administrator
Pennsylvania School Boards Association
400 Bent Creek Boulevard
Mechanicsburg, PA 17050

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.