

# PERFORMANCE AUDIT

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## Columbia Borough School District Lancaster County, Pennsylvania

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September 2016



Commonwealth of Pennsylvania  
Department of the Auditor General

Eugene A. DePasquale • Auditor General



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EUGENE A. DePASQUALE  
AUDITOR GENERAL

Dr. Robert Hollister, Superintendent  
Columbia Borough School District  
200 North Fifth Street  
Columbia, Pennsylvania 17512

Mr. Cole Knighton, Board President  
Columbia Borough School District  
200 North Fifth Street  
Columbia, Pennsylvania 17512

Dear Dr. Hollister and Mr. Knighton:

We have conducted a performance audit of the Columbia Borough School District (District) for the period July 1, 2012 through June 30, 2015, except as otherwise indicated in the audit scope, objective, and methodology section of the report. We evaluated the District's performance in the following areas as further described in the appendix of this report:

- Administrator Contract Buy-Out
- Data Integrity
- Financial Stability
- School Safety

The audit was conducted pursuant to Section 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 performed adequately in the areas listed above.

We appreciate the District's cooperation during the course of the audit.

Sincerely,

A handwritten signature in black ink, appearing to read "Eugene A. DePasquale".

Eugene A. DePasquale  
Auditor General

September 29, 2016

cc: **COLUMBIA BOROUGH SCHOOL DISTRICT** Board of School Directors

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## Background Information

School Characteristics 2014-15 School Year <sup>A</sup>	
County	Lancaster
Total Square Miles	2.4
Resident Population <sup>B</sup>	10,400
Number of School Buildings	3
Total Teachers	110
Total Full or Part-Time Support Staff	64
Total Administrators	9
Total Enrollment for Most Recent School Year	1,334
Intermediate Unit Number	13
District Vo-Tech School	Lancaster County Career and Technology Center

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

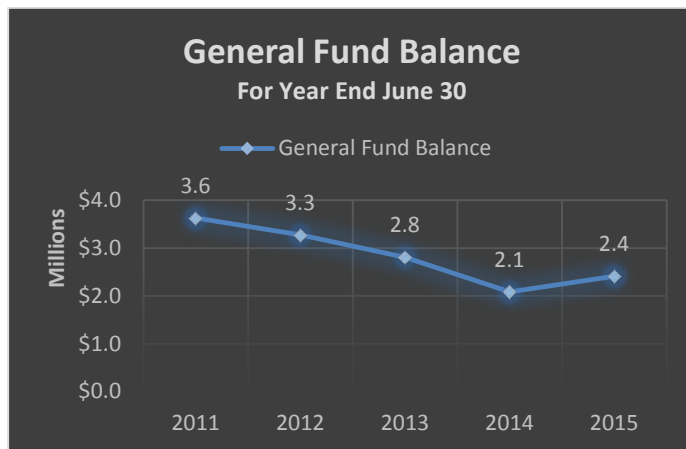
B - Source: United States Census  
<http://www.census.gov/2010census>

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

“The Columbia Borough School District provides a learning environment for each student to fulfill his/her highest academic potential. The District, in partnership with the community, will prepare each student to become an independent, life-long learner and a responsible, caring citizen.”

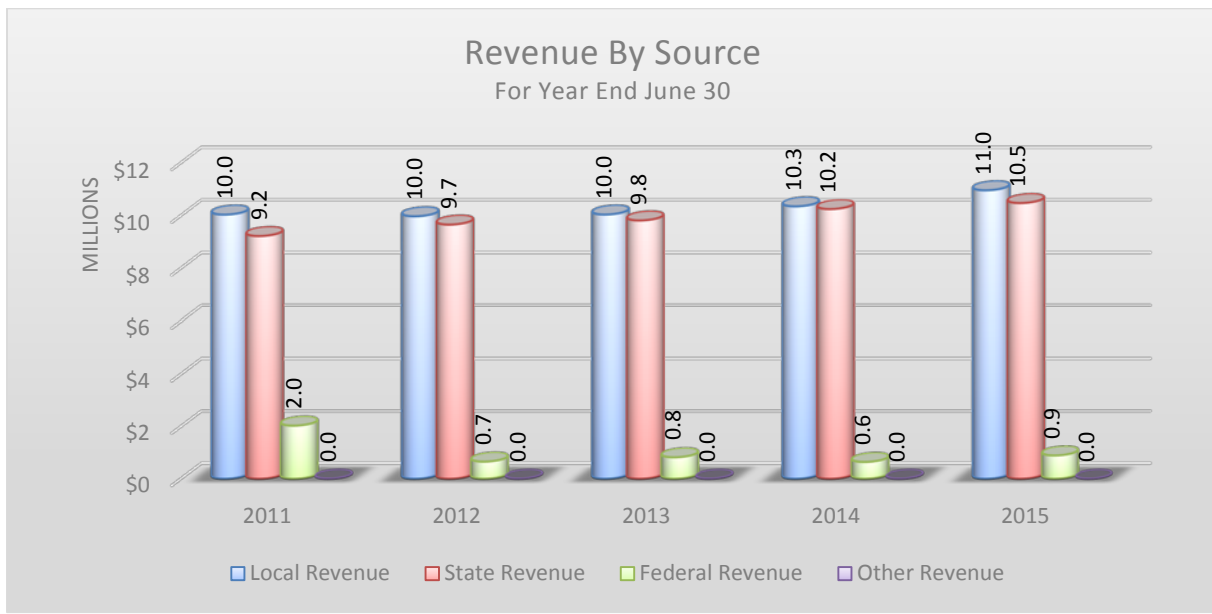
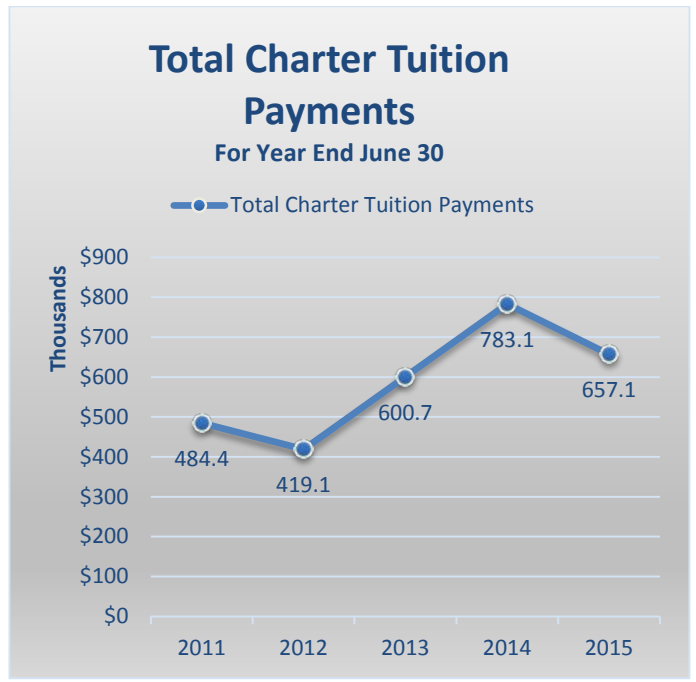
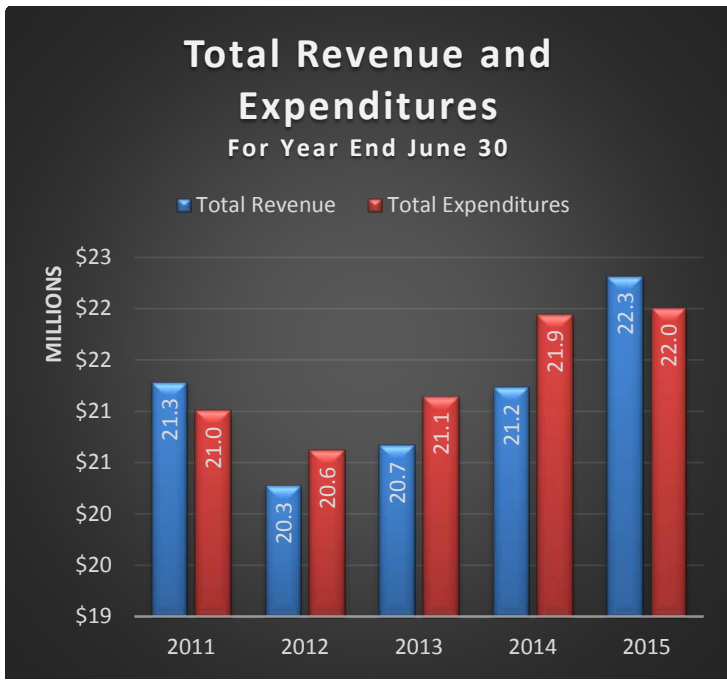
## Financial Information

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**.



<sup>1</sup> 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



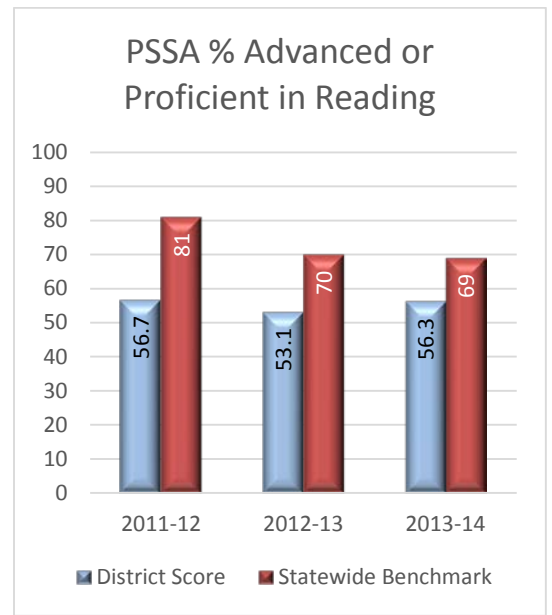
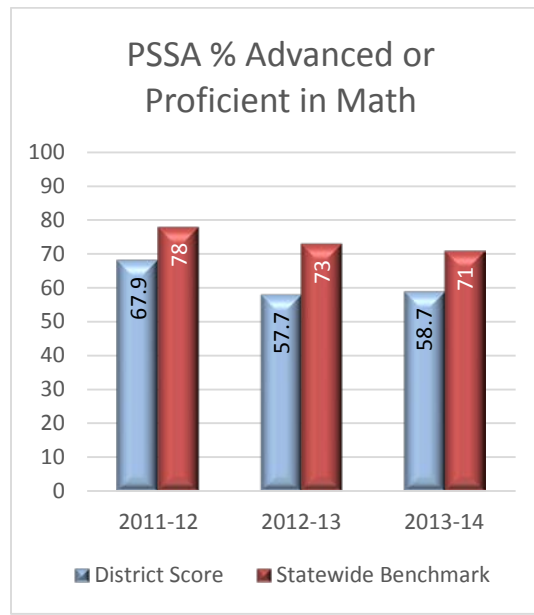
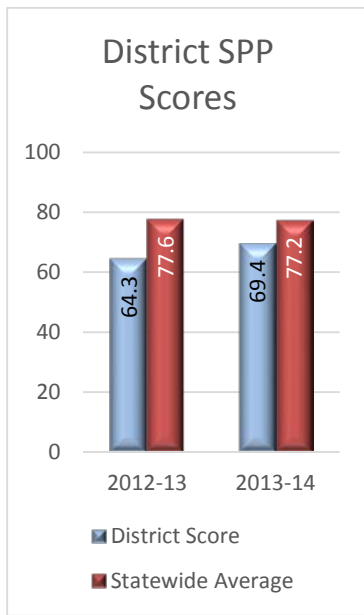
## Academic Information

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.<sup>2</sup> 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.<sup>3</sup> PSSA benchmarks and goals are determined by PDE each school year and apply to all public school entities.<sup>4</sup> 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>Columbia Borough SD</i>	64.3	69.4	67.9	57.7	58.7	56.7	53.1	56.3
<i>SPP Grade</i> <sup>5</sup>	D	D						



<sup>2</sup> PDE is the sole source of academic data presented in this report. All academic data was obtained from PDE’s publicly available website.

<sup>3</sup> Statewide averages for SPP scores were calculated based on all district school buildings throughout the Commonwealth, excluding charter and cyber charter schools.

<sup>4</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>5</sup> 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).

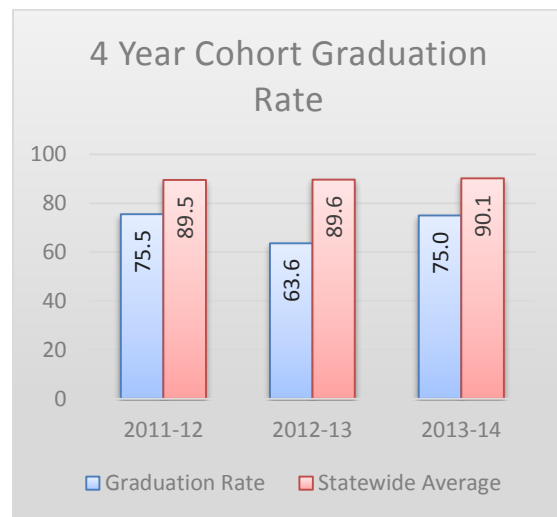
**Individual School Building SPP and PSSA Scores**

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.<sup>6</sup>

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
<i>Statewide Benchmark</i>	77.6	77.2	78	73	71	81	70	69
<i>Columbia Junior Senior High School</i>	54.4	55.9	62.3	45.9	47.4	52.1	48.3	59.9
<i>Park Elementary School</i>	59.8	72.9	72.4	59.2	55.7	58.2	51.5	47.3
<i>Taylor Elementary School</i>	78.7	79.4	69.1	68.0	73.1	59.8	59.6	61.7

**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.<sup>7</sup>



<sup>6</sup> PDE’s data does not provide any further information regarding the reason a score was not published.

<sup>7</sup> <http://www.education.pa.gov/Data-and-Statistics/Pages/Cohort-Graduation-Rate-.aspx#.V1BFCDTD-JA>.

## **Finding(s)**

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**F**or the audited period, our audit of the District resulted in no findings.



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

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Our prior audit of the District released on January 14, 2013, 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 PDE, interviewed District personnel, and performed audit procedures as detailed in each status section below.

### **Auditor General Performance Audit Report Released on January 14, 2013**

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**Prior Finding:**                      **Inadequate Internal Controls Over Pupil Membership and Instructional Time Data**

Prior Finding Summary: Our prior audit of student membership for the 2008-09 and 2009-10 school years, found membership and instructional time data reported to PDE by District personnel was inaccurate for the 2009-10 school year, due to inadequate internal controls. Membership reports from the District's student information system were never reconciled by District personnel to final Pennsylvania Information Management System (PIMS) reports. We found numerous discrepancies with the data reported to PDE. District personnel were able to provide explanations for the majority of the discrepancies; however, not all discrepancies could be reconciled and verified due to inadequate source documents. Because we could not verify all pupil membership data for accuracy, no monetary adjustments could be made to the District's subsidies received.

Prior Recommendations: We recommended that the District should:

1. Develop and implement written procedures for collecting and maintaining membership data.
2. Develop and implement procedures to ensure detailed pupil membership reports are reconciled to final PIMS reports.
3. Ensure that all pupil membership is properly reported under the correct classification.
4. Ensure annual placing agency letters are obtained and retained for all children placed in private homes.
5. Ensure instructional time and days are reported based on the actual bell schedules and school calendar.

6. Review membership data submitted to PDE for years subsequent to our audit. If errors are found, submit the revisions to PDE.

Current Status:

The District implemented five of our six recommendations. We again recommend that the District develop and implement procedures to ensure detailed pupil membership reports are reconciled to final PIMS reports. Comprehensive, end of year reconciliations are necessary to ensure that data maintained by the District agrees with the data that is reported to PDE.

## **Appendix: Audit Scope, Objectives, and Methodology**

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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, PDE, and other concerned entities.

Our audit, conducted under authority of Section 402 and 403 of The Fiscal Code,<sup>8</sup> 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, 2015. In addition, the scope of each individual audit objective is detailed on the next page.

The District's management is responsible for establishing and maintaining effective internal controls<sup>9</sup> to provide reasonable assurance that the District is in compliance with certain relevant state laws, regulations, contracts, grant requirements, and administrative procedures (relevant requirements). In conducting our audit, we obtained an understanding of the District's internal controls, including any information technology controls, that 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.

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<sup>8</sup> 72 P.S. § 402 and 403.

<sup>9</sup> 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, grant requirements, 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, financial reports, annual budgets, and new or amended policies and procedures. 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:

- ✓ Administrator Contract Buy-Out
- ✓ Data Integrity
- ✓ Financial Stability
- ✓ 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 pursue a contract buy-out with an administrator and if so, what was the total cost of the buy-out and what were the reasons for the termination/settlement?
  - To address this objective, we reviewed the contracts, board meeting minutes, board policies, and payroll records for all four administrators (three Superintendents and one Business Manager) who left the District during the period July 1, 2012 through March 14, 2016. Our review found that all four individuals were paid in accordance with their contracts and no buy-outs occurred.
- ✓ Did the District ensure that the membership data it reported in PIMS was accurate, valid, and reliable?
  - To address this objective, we conducted an interview with the child accounting coordinator and reviewed child accounting data that was reported to PDE for the 2014-15 school year. We confirmed the District properly reported the total number of days for all orphans and children placed in private homes for the 2014-15 school year. In addition, we reviewed all six school terms reported on the Instructional Time Membership Reports (ITMR) and matched them to District records for the 2014-15 school year. Our review disclosed the District properly reported membership for orphans and children placed in private homes. Our review also disclosed minor differences in resident membership between the ITMR's and District records. However, the differences were insignificant, so testing was concluded. Furthermore, we verified that instructional time and days in session were accurate for the 2014-15 school year. We noted one concern with performing end of year reconciliations, which is addressed in the Status of Prior Audit Findings and Observations section above.

- ✓ Based on an assessment of fiscal benchmarks, was the District in a declining financial position, and did it comply with all statutes prohibiting deficit fund balances and the over expending of the District's budget?
  - To address this objective, we reviewed the District's annual financial reports, budget, independent auditor's reports, summary of child accounting, and general ledger for fiscal years 2011-12 through 2014-15. The financial and statistical data was used to calculate ratios and trends for 22 benchmarks, which were deemed appropriate for assessing the District's financial stability. The benchmarks are based on best business practices established by several agencies, including PASBO, the Colorado Office of the State Auditor, and the National Forum on Education Statistics. Our review of this objective resulted in no reportable issues.
  
- ✓ Did the District take appropriate actions to ensure it provided a safe school environment?
  - To address this objective, we reviewed a variety of documentation including, safety plans, training schedules, and anti-bullying policies. Due to the sensitive nature of school safety, the results of our review of objective area are not described in our audit report. The results of our review of school safety are shared with District officials and, if deemed necessary, PDE.

## **Distribution List**

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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 Timothy Reese**

State Treasurer  
Room 129 - Finance Building  
Harrisburg, PA 17120

**Mrs. Danielle Mariano**

Director  
Bureau of Budget and Fiscal Management  
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**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](http://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](mailto:news@PaAuditor.gov).