

LIMITED PROCEDURES ENGAGEMENT

Dallastown Area School District York County, Pennsylvania

May 2017



Commonwealth of Pennsylvania
Department of the Auditor General

Eugene A. DePasquale • Auditor General



Commonwealth of Pennsylvania
Department of the Auditor General
Harrisburg, PA 17120-0018
Facebook: Pennsylvania Auditor General
Twitter: @PAAuditorGen
www.PaAuditor.gov

EUGENE A. DePASQUALE
AUDITOR GENERAL

Dr. Ronald E. Dyer, Superintendent
Dallastown Area School District
700 New School Lane
Dallastown, Pennsylvania 17313

Mr. Ronald J. Blevins, Board President
Dallastown Area School District
700 New School Lane
Dallastown, Pennsylvania 17313

Dear Dr. Dyer and Mr. Blevins:

We conducted a Limited Procedures Engagement (LPE) of the Dallastown 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 findings made in our prior audit?

Dr. Ronald E. Dyer
Mr. Ronald J. Blevins
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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

April 24, 2017

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

Background Information

School Characteristics 2016-17 School Year ^A	
County	York
Total Square Miles	54
Resident Population ^B	40,390
Number of School Buildings	8
Total Teachers	427
Total Full or Part-Time Support Staff	259
Total Administrators	27
Total Enrollment for Most Recent School Year	6,327
Intermediate Unit Number	12
District Vo-Tech School	York County School of Technology

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

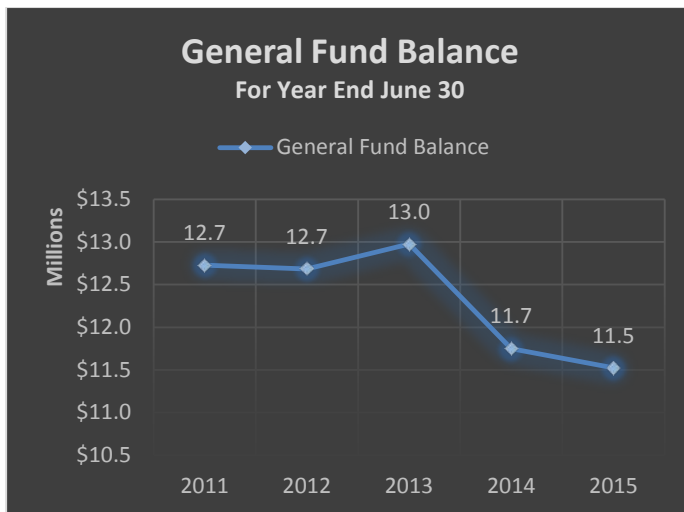
B - Source: United States Census
<http://www.census.gov/2010census>.

Mission Statement^A

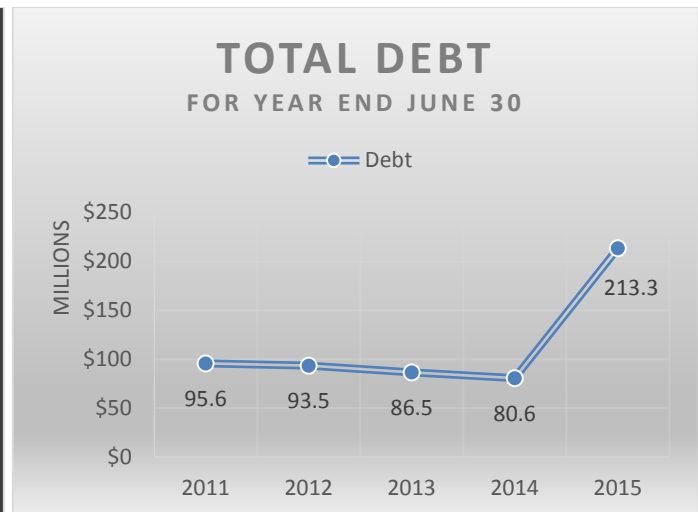
Provide a safe, challenging, and relevant learning environment that inspires and creates pathways for student success.

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**.

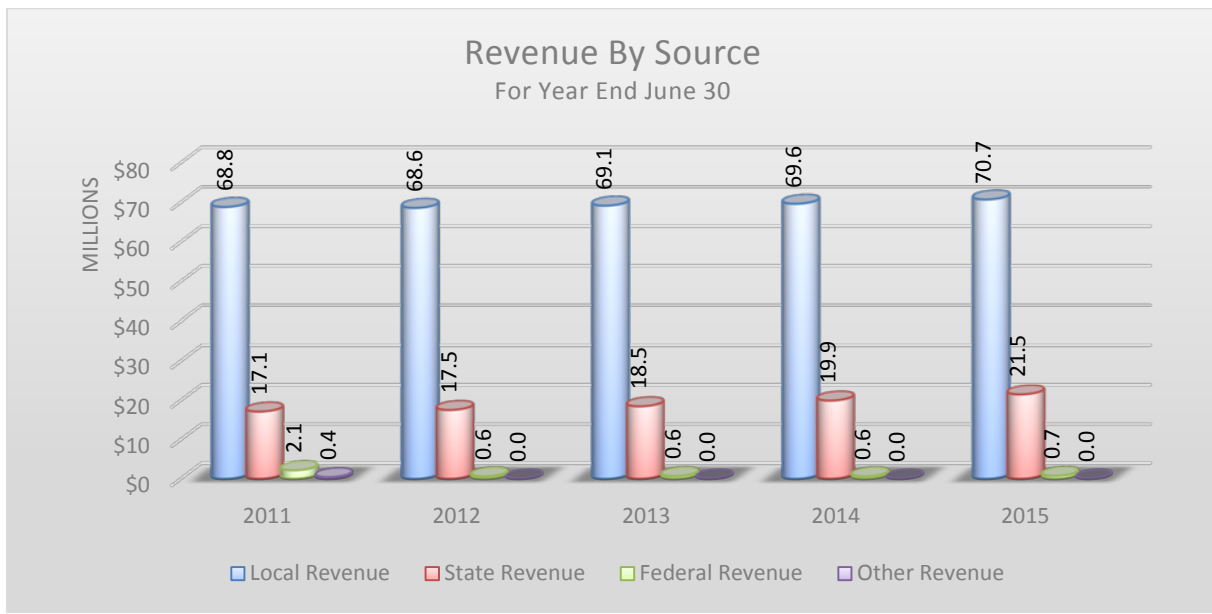
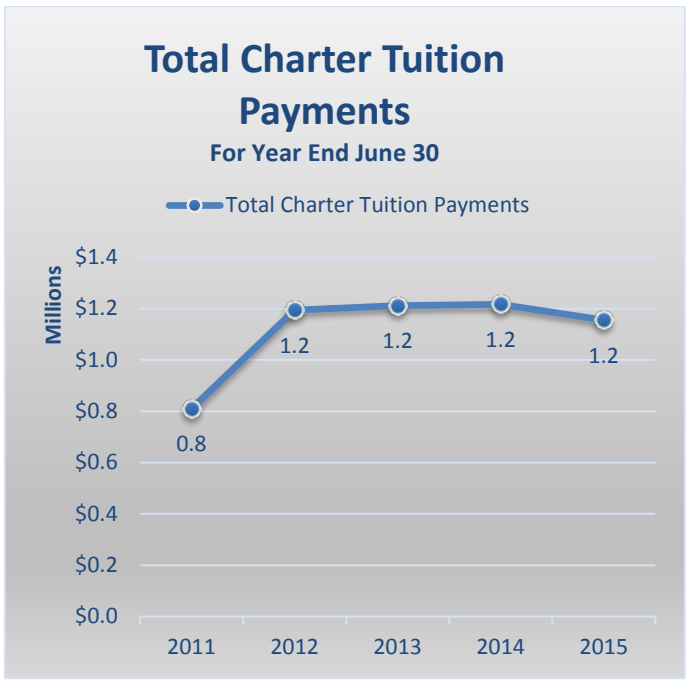
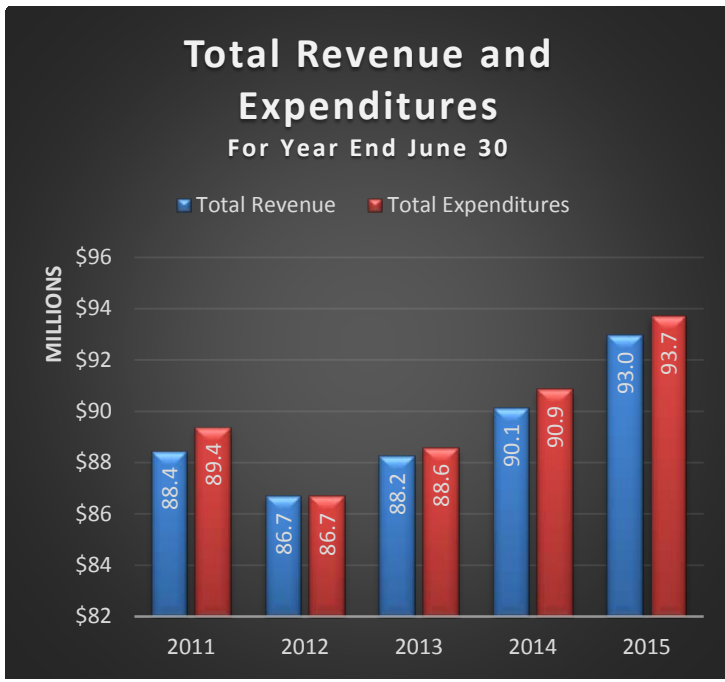


Note: General Fund Balance is comprised of the District's Committed, Assigned and Unassigned Fund Balances.



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



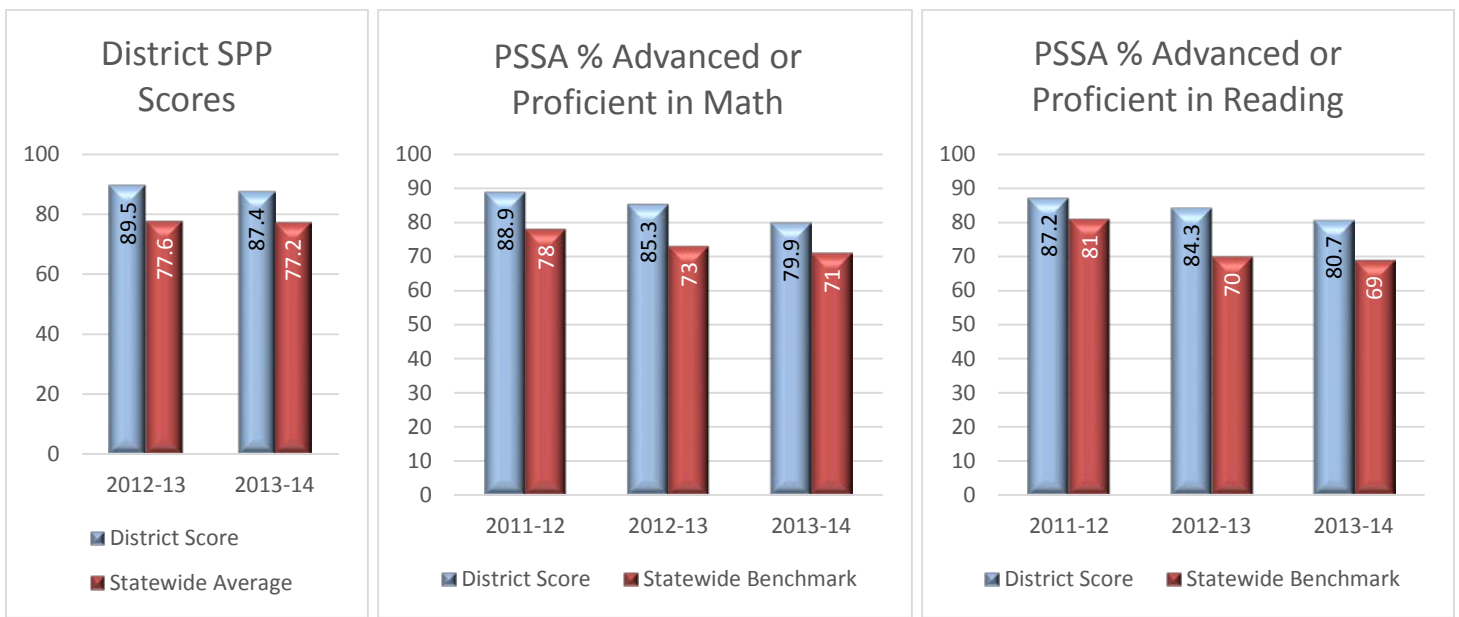
Academic Information

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>Dallastown Area SD</i>	89.5	87.4	88.9	85.3	79.9	87.2	84.3	80.7
<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).

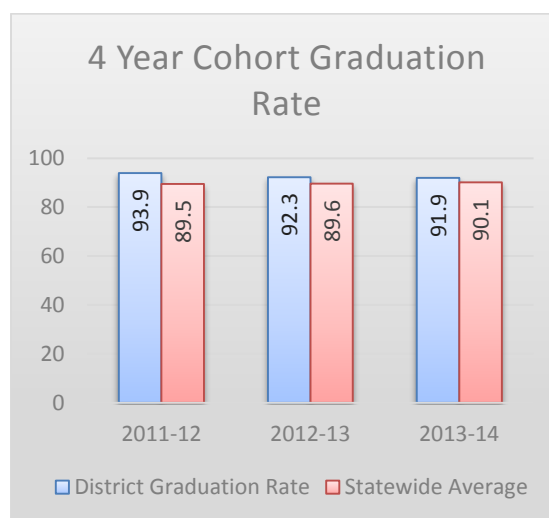
Individual School Building SPP and PSSA Scores

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>Dallastown Area Intermediate School</i>	87.8	90.6	87.0	79.7	79.5	83.1	78.2	79.1
<i>Dallastown Area Middle School</i>	94.0	87.9	87.9	85.1	87.4	90.5	87.5	87.1
<i>Dallastown Area Senior High School</i>	89.5	93.6	72.2	72.1	76.7	78.3	80.2	79.8
<i>Dallastown Elementary School</i>	82.0	82.8	92.3	81.8	71.7	92.3	77.3	78.3
<i>Leaders Heights Elementary School</i>	96.5	86.6	93.4	95.6	79.5	88.8	95.6	82.1
<i>Loganville-Springfield Elementary School</i>	97.6	88.7	97.1	96.0	85.7	95.1	97.0	83.2
<i>Ore Valley Elementary School</i>	81.9	90.7	89.1	83.1	86.3	82.0	76.5	87.0
<i>York Township Elementary School</i>	86.7	78.5	92.0	89.2	72.6	87.5	82.0	69.0

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 November 22, 2013, resulted in two findings as shown below. As part of our current engagement, 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 November 22, 2013

Prior Finding No. 1: Former Superintendent Received Compensation Beyond Contract Provisions

Prior Finding Summary: During our prior review of the District's former Superintendent's vehicle expenditures from July 1, 2004, through February 9, 2012, we found that his costs for repairs and maintenance, rental of equipment, gasoline, and auto insurance were \$8,324 in excess of the total permitted costs over the eight school years from 2004-05 through 2011-12. It was noted that the District's business office was not empowered to oversee the implementation of the former Superintendent's contract. As a result, his vehicle costs were not monitored for compliance with the terms of his contract.

Prior Recommendations: We recommended that the District should:

1. Implement procedures to ensure the business office is provided and/or has access to all contracts with the District so payments and compliance with the contracts can be monitored for compliance.
2. Implement adequate procedures to ensure gas cards are used and monitored to ensure use is for business purposes only.
3. Replace the District's potentially non-accountable mileage allowance plan with an accountable plan, which requires the submission of receipts and mileage driven.
4. Request repayment of the \$8,324 from the former Superintendent who was paid beyond the contract provisions, if automobile expense is considered an accountable plan.
5. Ensure negotiations do not include compensation which is not earned or required by contract (e.g., automobile allowance when not employed by the District).

Current Status:

Our current review found that the District did implement our recommendations. The District's business office currently has access to all contracts and supporting documents to ensure that all payments can be supported prior to payment. Also, the District discontinued the practice of providing the Superintendent with a District paid gas card and reimbursement for vehicle maintenance costs. The District did request repayment of the \$8,324 from the former Superintendent. The former Superintendent refused to repay this amount, and the District decided to not pursue the matter further stating that the legal costs to pursue repayment would exceed \$8,324.

Prior Finding No. 2: Possible Improper Reporting of Retirement Wages

Prior Finding Summary: Our prior audit review of the former Superintendent's employment agreements and payroll records found that the District reported ineligible retirement wages in the amount of \$3,678 to the Public School Employees' Retirement System (PSERS) for the 2011-12 school year.

Prior Recommendations: We recommended that the District should:

1. Contingent upon PSERS' final determination, report to PSERS only those wages allowable for retirement purposes, as provided for in the PSERS' Employer Reference Manual.
2. Implement procedures for reviewing all salary and contribution reports in order to ensure that only eligible wages are being reported to PSERS for retirement contributions.

We also recommended that PDE should:

3. Review the former Superintendent's salary payments and determine what action, if any, is necessary with regard to the District's inclusion of his \$3,678 automobile allowance payments for retirement contributions.

Current Status:

During our current audit, we determined the District did implement our recommendations. The District implemented a two-step review process to ensure only eligible wages are reported to PSERS for retirement contributions. We also confirmed that PSERS adjusted the former Superintendent's wages by removing the \$3,678 cited in the prior finding.

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 Joe Torsella

State Treasurer
Room 129 - Finance Building
Harrisburg, PA 17120

Mrs. Danielle Mariano

Director
Bureau of Budget and Fiscal Management
Pennsylvania Department of Education
4th Floor, 333 Market Street
Harrisburg, PA 17126

Dr. David Wazeter

Research Manager
Pennsylvania State Education Association
400 North Third Street - Box 1724
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.