

LIMITED PROCEDURES ENGAGEMENT

Trinity Area School District Washington County, Pennsylvania

January 2017



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

Dr. Michael P. Lucas, Superintendent
Trinity Area School District
231 Park Avenue
Washington, Pennsylvania 15301

Mrs. Jennifer Morgan, Board President
Trinity Area School District
231 Park Avenue
Washington, Pennsylvania 15301

Dear Dr. Lucas and Mrs. Morgan:

We conducted a Limited Procedures Engagement (LPE) of the Trinity 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 finding and observation made in our prior audit, and were the actions taken into effect?

Dr. Michael P. Lucas
Mrs. Jennifer Morgan
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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

January 25, 2017

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

Background Information

School Characteristics 2015-16 School Year ^A	
County	Washington
Total Square Miles	81
Resident Population ^B	26,055
Number of School Buildings	6
Total Teachers	248.5
Total Full or Part-Time Support Staff	162.5
Total Administrators	17
Total Enrollment for Most Recent School Year	3,149
Intermediate Unit Number	1
District Vo-Tech School	Western Area CTC

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

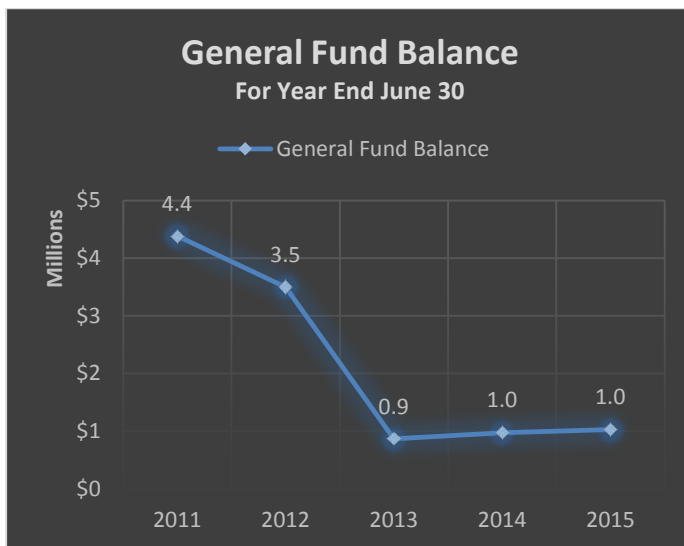
B - Source: United States Census
<http://www.census.gov/2010census>

Mission Statement^A

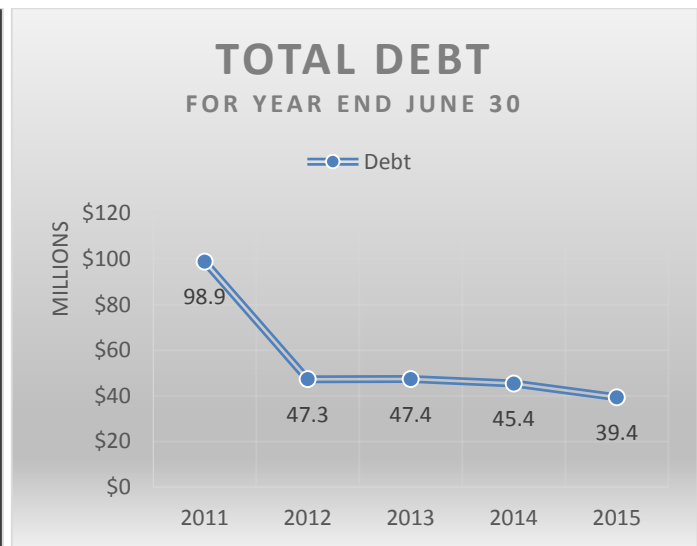
“The Trinity Area School District, in partnership with the parents and the community, prepares students to reach their fullest potential and to become contributing members of society.”

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**.

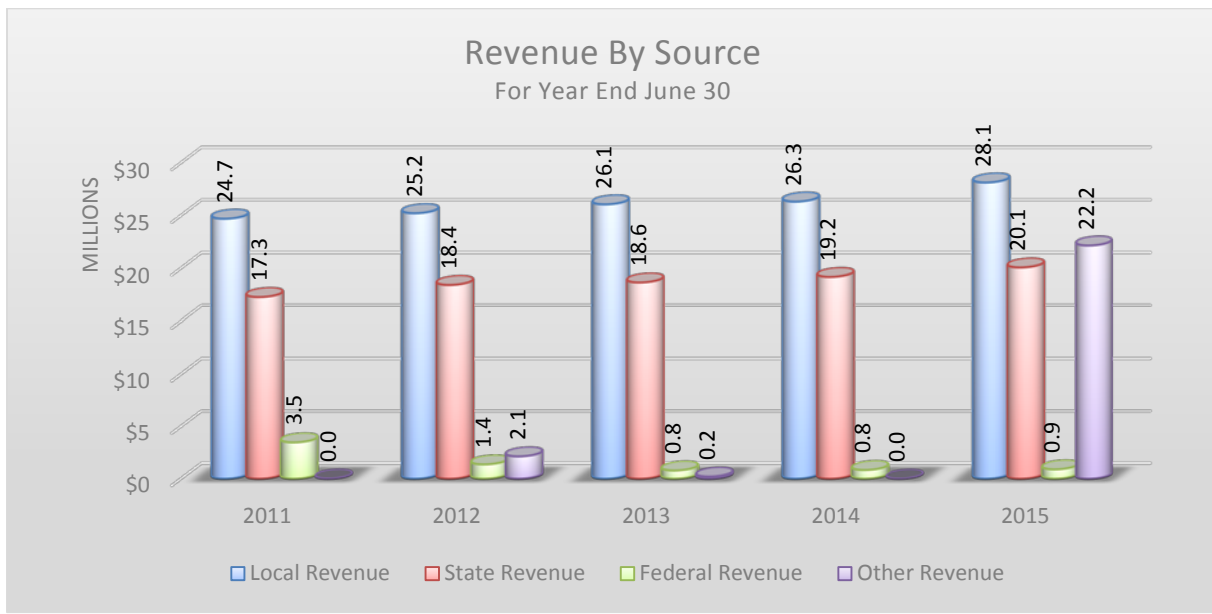
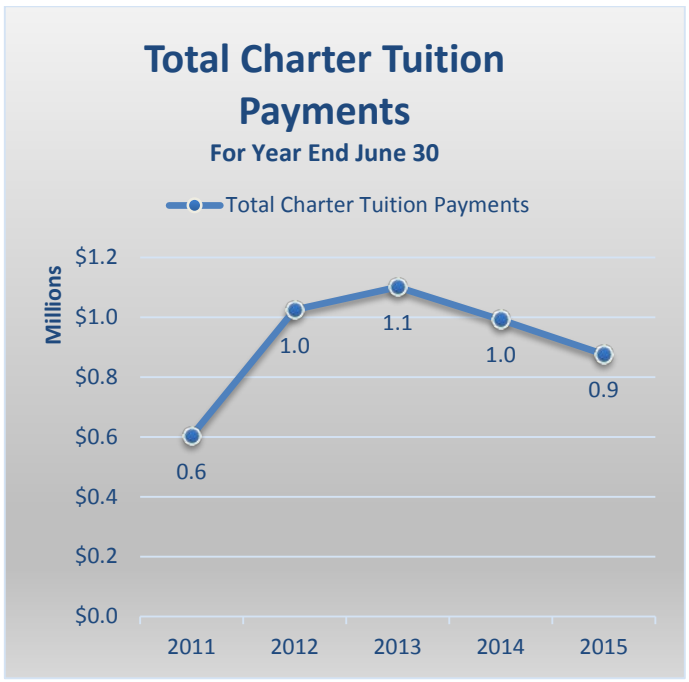
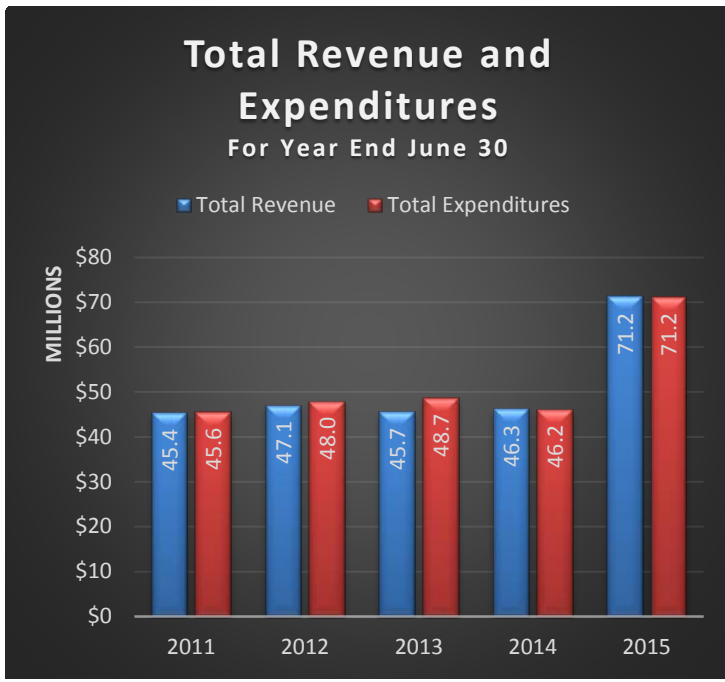


Note: General Fund Balance is comprised of the District’s Committed, Assigned and Unassigned Fund Balances.



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



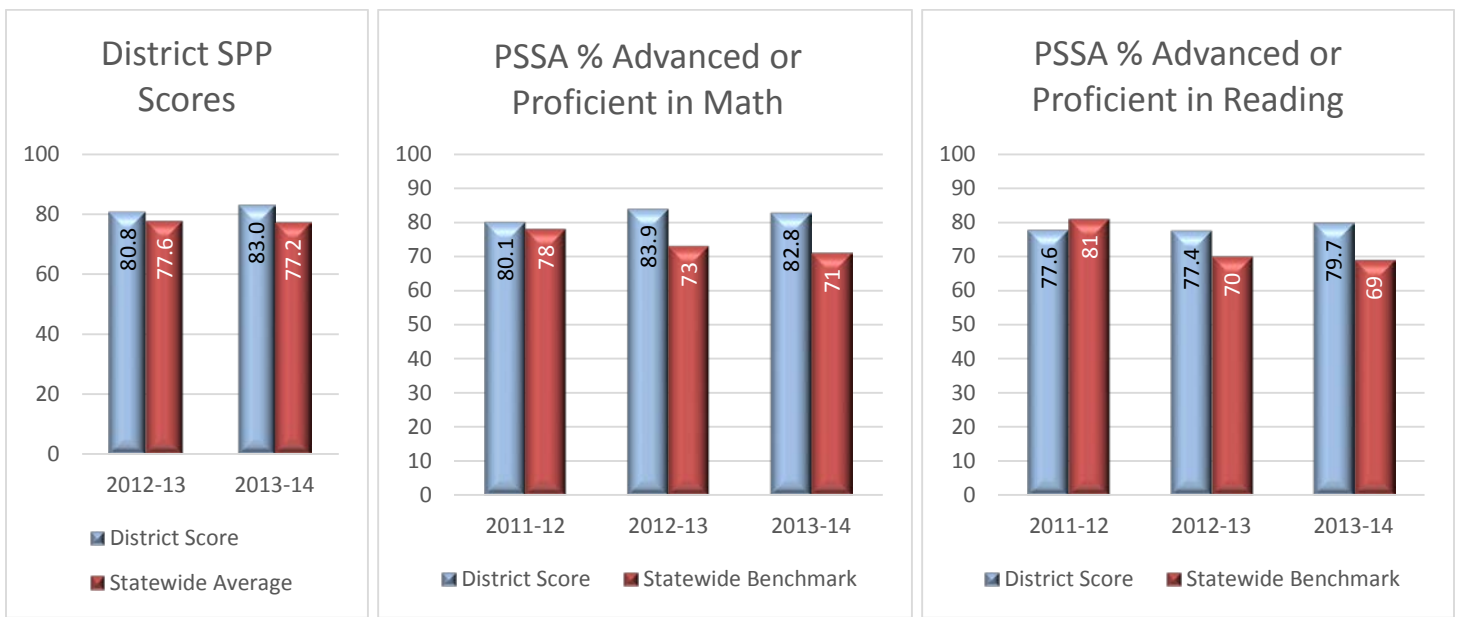
Academic Information

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>Trinity Area SD</i>	80.8	83.0	80.1	83.9	82.8	77.6	77.4	79.7
<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).

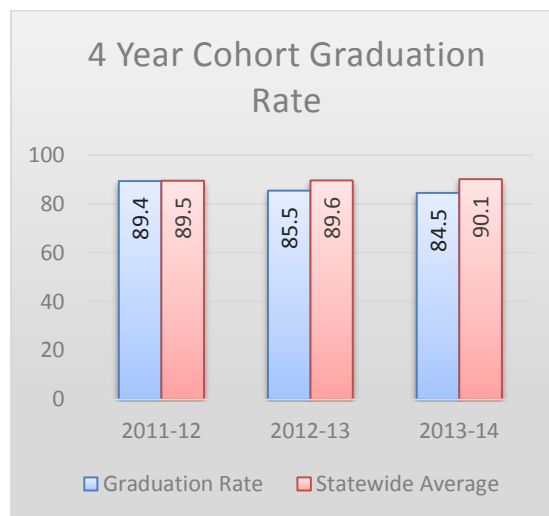
Individual School Building SPP and PSSA Scores

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
Trinity East Elementary School	92.6	82.5	96.8	96.8	93.3	88.8	87.3	85.7
Trinity Middle School	74.0	77.2	82.5	79.4	78.2	80.7	75.4	78.6
Trinity North Elementary School	75.9	87.0	79.7	83.8	81.8	71.7	74.5	75.5
Trinity Senior High School	80.5	84.0	62.1	72.5	78.9	75.2	79.8	81.5
Trinity South Elementary School	83.5	86.5	88.0	88.5	84.6	74.0	75.4	80.8
Trinity West Elementary School	78.4	80.5	71.3	82.1	80.2	75.4	72.3	76.5

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 June 19, 2014, resulted in one finding and one observation, 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 interviewed District personnel and performed audit procedures as detailed in each status section below.

Auditor General Performance Audit Report Released on June 19, 2014

Prior Finding: **Inadequate Documentation Supporting \$39,005 in Tuition for Children Placed in Private Homes and a Lack of Sufficient Internal Controls Over Its Student Record Data**

Prior Finding Summary: During our prior audit of the District's pupil membership records for the 2008-09, 2009-10, 2010-11, and 2011-12 school years, we found that the District did not maintain adequate documentation to support the students reported to PDE as nonresident students placed in private homes (foster children).

Prior Recommendations: Our prior audit finding recommended the District should:

1. Provide regular in-service training to administrative and clerical personnel responsible for recording and reporting membership data. This training should stress the importance of maintaining accurate and complete records and the relationship of membership data to state subsidies and reimbursements.
2. Develop procedures to ensure proper classification of students enrolling in the District as resident or nonresident students and documents the district of residence of the natural parent or guardian.
3. Review membership reports submitted to PDE for years subsequent to the audit, and if similar errors are found, submit reviewed reports to PDE.
4. Consider centralizing the entry/withdrawal process to limit input errors and training requirements.

Current Status: During our current review, we found that the District did implement all of our prior recommendations. The District centralized the enrollment process and hired a District Enrollment and Pennsylvania Information Management System (PIMS) Data Entry Secretary. The District developed procedures for identifying nonresident students and

instituted PIMS/student accounting training. The District also reviewed subsequent reports prior to submission to PDE to ensure nonresident students had been properly reported.

Prior Observation: The Trinity Area School District is in a Financially Declining Position Which May Lead to Distressed Status

Prior Observation Summary:

During our prior audit, we found that the District passed a budget with expenditures exceeding revenues for the 2012-13 school year. We reviewed 22 financial benchmarks based on best business practices established by several agencies, including the Pennsylvania Association of School Business Officials, the Colorado State Auditor, and the National Forum on Education Statistics. The following were among the general areas we evaluated: (1) the level of the general fund balance (assigned and unassigned), (2) the amount of total debt service, (3) the current ratio (current assets ÷ current liabilities) of all governmental funds, and (4) the trend of annual changes in financial position for all governmental funds.

Prior Recommendations: Our prior audit observation recommended the District should:

1. Pass balanced budgets in accordance with Section 6-687(b) of the Public School Code.
2. Provide the Board of School Directors with standard monthly updates on key financial benchmarks so that policy changes can be made before the District's financial condition worsens.
3. Maintain and monitor sensitive budgetary controls so that expenditures do not exceed revenues.
4. Open a dialogue with the District's community to keep stakeholders informed of the financial status and health of the District.
5. Conduct a survey of parents sending children to a charter school to determine the reason why the District is losing more students to charter schools.

Current Status:

During our current review, we found the District implemented all of our prior recommendations except for recommendation number five. We continue to recommend the District conduct a survey with the parents of charter school students to determine the reason students are leaving the District.

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.