



Berlin-Boylston
Regional School District Review
Executive Order 393

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I. Introduction

The Massachusetts Education Reform Act (MERA) of 1993 has three major goals: to increase student achievement; to achieve adequate funding for all local and regional school districts over a seven-year period; and to bring equity to local taxation efforts based on a community's ability to pay. In February 1997, the Governor issued Executive Order 393 to evaluate the education reform program that was nearing the end of its fourth year. In FY99, Massachusetts General Laws (M.G.L.) Ch. 70 state aid for education reached \$2.6 billion. With an investment of this magnitude in the Commonwealth's schools, it is critical to "review, investigate and report on the expenditures of funds by school districts, including regional school districts, consistent with the goals of improving student achievement." To that end, Executive Order 393 established the Education Management Accountability Board (EMAB).

The Secretary of Administration and Finance, serving as chief of staff to the EMAB, selected a team of auditors from the Department of Revenue's (DOR) Division of Local Services (DLS) to conduct the school district reviews. DOR's Director of Accounts is the chief investigator with authority to examine municipal and school department accounts and transactions pursuant to M.G.L. Ch. 44, §§45 and 46A. The reviews are conducted in consultation with the State Auditor and the Commissioner of Education (COE).

The audit began the review of Berlin-Boylston Regional School District (BBRSD) in August 2000, and was completed in August 2000. School officials cooperated fully with the audit team.

The Executive Summary includes some of the more significant observations and findings of the review of BBRSD's operations. The report discusses all results, deficiencies and recommendations in greater detail in the "General Conditions and Findings" section.

II. Executive Summary

Berlin and Boylston comprise BBRSD. Although the agreement apportions costs between these towns actual apportionment of costs are not made in accordance with the agreement. BBRSD academically has achieved good to excellent MCAS scores over the first two administrations of the test and its member towns' per capita income exceeds the state average. During FY00 budget constraints had a major impact on the school system. Unanticipated special education costs resulted in a budget deficit of \$32,251 which led to limited spending in other areas.

In FY99, the district had a student population of 414 and \$3.6 million in total school district expenditures. In recent years, the district has exceeded both foundation budget and net school spending, but key area spending targets have generally not been met. BBRSD did not meet the minimum dollar amount per student on professional development for FY98 and FY99. From FY97 to FY99, per pupil spending for day programs decreased by about 1.5 percent.

The district recently (May 2000) hired a new Director of Finance. Currently, due to a small central office and school based management staff, administrators have multi roles in working team model. The Superintendent also serves as the district's director of curriculum. A lack of

internal control regarding the safeguarding of treasury functions has been identified by the audit team.

OVERVIEW [Section 1]

- Per capita income reported as of 1990 for both member towns was \$19,118 for Berlin and \$22,571 for Boylston, both above the state average of \$17,224.
- FY99 school choice revenues of \$585,815 accounted for 13 percent of all revenues and 55 percent of all revenues excluding assessments and state aid.

DISTRICT MANAGEMENT [Section 2]

- The regional school committee is a six member appointed board, that is usually represented by the six elected members of the town school committees. Terms are for three years and the chairmanship is a one-year appointment that usually rotates between the two towns.
- The Superintendent is in the final year of his first four-year contract with the region. He has been notified by the school committee that his contract will be renewed. The Superintendent indicated that his evaluation is not linked to salary enhancement.
- BBRSD developed a “New Educational Vision For a New Century” statement that represents BBRSD strategic plan.
- The evaluation system for BBRSD administrators is comprehensive and strong with detailed documentation to support expectations and results.
- BBRSD teachers have returned to school for school year 2000/01 without a contract. The previous contract expired on 8/31/00. Teachers are currently working under the conditions and salary provisions of the previous contract while negotiations continue between the Tahanto Regional Teacher’s Union and the school committee.

REGIONAL SCHOOL DISTRICT AGREEMENT [Section 3]

- The regional school district agreement was entered into in 1959 pursuant to M.G.L. Ch.71 by and between the towns of Berlin and Boylston. The agreement has been amended through the years.
- The agreement divides costs into capital and operating and further indicates that both costs be apportioned according to the respective pupil enrollments as of the preceding October 1 report.
- The audit team reviewed the district form used in FY01 to calculate the member town’s apportionment and found that the apportionment of costs are not made in accordance

with the district agreement. They are apportioned in accordance with net school spending.

ENROLLMENT [Section 4]

- BBRSD headcount increased from 323 in school year 1992/93 to 408 in school year 1999/00, or 26.3 percent. This increase was twice the state average.
- School choice students have made up an average of 20.5 percent of BBRSD's total headcount over the past five years. The school committee has capped school choice enrollment at 85 for the current school year.
- BBRSD foundation enrollment increased from 313 in FY93 to 359 in FY00, or by 14.7 percent. Statewide, foundation enrollment during this period increased by 15.7 percent.

SCHOOL BUDGET REVIEW PROCESS [Section 5]

- The Superintendent submits a proposed budget to the regional school committee for its recommendation and approval. Input is sought from boards of finance and selectmen in each of the two towns prior to finalizing the budget. The budget is adopted after a vote of the respective town meetings usually in the month of May.
- During FY00 budget constraints had a major impact on the school system. Unanticipated special education costs resulted in a budget deficit of \$32,251 which led to limited spending in other areas.

TOTAL SCHOOL DISTRICT EXPENDITURES [Section 6]

- Total school district expenditures for FY99 were \$3.6 million, or 11 percent higher than in FY97.
- The five year estimated budget on technology spending for the Berlin-Boylston School District was \$212,332. As of FY99 the district's technology expenditures totaled \$223,565, exceeding the five-year budget.
- End-of-year reports show an increase in payments to other districts from \$292,054 in FY97 to \$436,185 in FY99.
- BBRSD per pupil spending for total day has decreased from \$8,727 in FY97 to \$8,595 in FY99.

MAINTENANCE AND CAPITAL IMPROVEMENT [Section 7]

- The Tahanto Regional High School was built in 1962 and houses grades 7 through 12. The building is in very good condition and is clean and well maintained although natural aging has caused problems with the facility's electrical and HVAC systems .
- There is no evidence of a long-range capital plan. The district is currently undergoing a comprehensive needs assessment study. This facilities study is expected to be completed by November 2000.
- For FY99 the district's school building maintenance spending requirement was \$79,796. Expenditures for maintenance submitted to DOE on the FY99 end-of-year report were \$159,591. For FY00 the district's spending requirement was \$82,271 and the actual expenditures for maintenance totaled \$164,543.

COMPLIANCE WITH SPENDING REQUIREMENTS [Section 8]

- BBRSD exceeded the foundation budget from FY97 to FY00. Budgeted net school spending is 164.6 percent of the FY00 foundation budget.
- BBRSD's local contribution to actual net school spending increased by \$300,000 from FY97 to budgeted FY00 while state aid increased by \$100,000.
- Expenditures reached foundation budget only for books and equipment for FY97 to FY99.
- The salary of the Superintendent's executive secretary was incorrectly reported under central office salaries on the end-of-year report which caused the administrative expenses to exceed the foundation budget.
- BBRSD exceeded required net school spending in every fiscal year from FY97 to FY00. Budgeted FY00 also exceeds the FY00 requirement.

ACCOUNTING AND REPORTING [Section 9]

- The audit team was satisfied that sufficient controls exist to ensure accurate financial reporting.

REVIEW OF EXPENDITURES AND CASH CONTROLS [Section 10]

- As in many regional school districts, there is insufficient segregation of duties between accounting for the region's funds and the disbursement of those funds.

Audit Recommendations

1. BBRSD should review its apportionment methodology to determine whether it is in compliance with the district agreement or with any understanding the district may already have with its members. An amendment to the district agreement regarding cost apportionment and net school spending may be needed. [page 12]
2. In the future BBRSD should file a report with the Commissioner of Education's office as required by law stating its reasons for not meeting the foundation budget target levels in any of the four key areas noted in *Chart 8-3*. [page 21]
3. In the future BBRSD should not include the salary of the Superintendent's executive secretary under central office salaries on the end-of-year report. It should be reported under clerical salaries. [page 21]
4. Sufficient funds should be budgeted and spent on professional development to meet DOE spending requirements. [page 22]
5. BBRSD should hire a part-time treasurer to perform all the treasury functions of the region providing for the segregation of normally incompatible duties: those involving both the processing and review of transactions within the treasury function. [page 24]

Auditee's Response

The audit team held an exit conference with the Superintendent and his administrative staff on December 19, 2000. The team invited BBRSD to suggest specific technical corrections and make a formal written response. A response has been received and is included in this report as *Appendix D*.

Review Scope

In preparation for the school district reviews, the audit team held meetings with officials for DOE, the State Auditor's Office and other statewide organizations and read published reports on educational and financial issues.

The audit team met with the private audit firm that conducts financial audits of the regional school district. DOE provided data including the end-of-year reports, foundation budgets and statewide comparative data. The DOR's Division of Local Services (DLS) Municipal Data Bank provided demographic information, community profiles and overall state aid data. While on site, the audit team interviewed officials including, but not limited to the Superintendent, Director of Finance, the administrative assistant to the Superintendent, and the middle/high school principal. Documents reviewed included vendor and personnel contracts, invoices, payroll data, statistics on students and teachers as well as reports submitted to DOE.

In keeping with the goals set out by the EMAB, the school district review was designed to determine whether or not basic financial goals related to education have been met. The audit team gathered data related to performance such as test scores, student to teacher ratios and class sizes to show results and operational trends. However, this report does not intend to

present a definitive opinion regarding the quality of education in BBRSD, or its successes and failures in meeting particular education reform goals. Rather, it is intended to present a relevant summary of data to the EMAB for evaluation and comparison purposes.

The focus of this review was on operational issues. It did not encompass all of the tests that are normally part of a year-end financial audit such as: review of internal controls; cash reconciliation of accounts; testing compliance with purchasing and expenditures laws and regulations; and generally accepted accounting principals. The audit team tested financial transactions on a limited basis only. The audit team also excluded federal and state grants, revolving accounts and student activity accounts. The audit team did not test statistical data relating to enrollment, test scores and other measures of achievement. This report is intended for the information and use of EMAB and BBRSD. However, this report is a matter of public record and its distribution is not limited.

III. General Conditions and Findings

1. Overview

The Berlin-Boylston Regional School District (BBRSD) was formed November 1959, and regional classes began in 1962 after the completion of Tahanto Regional Middle/High School. The regional school district represents the towns of Berlin and Boylston and educates students in grades seven through twelve. Tahanto Regional Middle/High School located in Boylston is the district's sole academic building.

The Division of Local Services classifies both towns, Berlin and Boylston, as residential suburbs. Berlin's 1996 population was 2,332, while Boylston's population from the same year was 3,791. Per capita income reported as of 1990 for each member town was \$19,118 for Berlin and \$22,571 for Boylston, both above the state average of \$17,224. Both towns are governed by selectmen with an open town meeting, and Boylston also has a town administrator.

The town of Boylston has a very small commercial tax base, and the brunt of the town's expenses are assumed by the town's residents. The residents of Boylston voted against an override of proposition 2 ½ for educational expenses as recently as May 2000. The town of Berlin received a large economic benefit from the 1996 opening of the Solomon Pond Mall. The facility has increased the town's tax revenue greatly in recent years.

As of our audit date, the Superintendent, who also serves as the director of curriculum, has been in his position for three years. The Director of Finance was hired in May of 2000, the Pupil Personnel Director (Special Education) has been in the position for two years, and the District Technology Coordinator has been in the position for three years. The region's only principal has been at Tahanto Regional Middle/High School for 16 years. All central office administrators are employed by both towns and the regional district. Administrators receive three paychecks each pay period. Their salaries are assumed as 25 percent each to the Berlin School Department and the Boylston School Department and 50 percent to the Berlin-Boylston Regional School District.

As with many Massachusetts school districts, BBRSD faced budgetary pressures in the early 1990's as a result of an economic recession, the associated decline in municipal state aid for education and in financial contributions to schools. In an effort to enhance revenues the district utilizes school choice. FY99 school choice revenues of \$585,815 accounted for 13 percent of all revenues and 55 percent of all revenues excluding assessments and state aid.

Transportation is provided to all regional school students from both towns. Cost allocation of the regional district's transportation costs are assumed according to the same structure as other operating costs per the regional school district agreement.

Chart 1-1 shows some key statistics for the regional school district.

Chart 1-1

**Berlin-Boylston Regional School
Demographic Data 1998/99**

1999	BBRSD	State	1998	BBRSD	State
<u>Race / Ethnicity:</u>					
White	97.6%	77.1%	% Attending Private School	13.2%	10.0%
Minority	2.4%	22.9%	High School Drop-Out Rate	1.3%	3.4%
Grade 8 MCAS - English	245	238	Grade 8 MCAS - English	244	237
Grade 10 MCAS - English	240	229	Grade 10 MCAS - English	243	230
Grade 8 MCAS - Math	238	226	Grade 8 MCAS - Math	236	227
Grade 10 MCAS - Math	232	222	Grade 10 MCAS - Math	228	222
Limited English Proficiency	0.0%	4.7%	Plan of Graduates:		
Special Education	17.2%	16.6%	4 Year College	62.5%	53.2%
Eligible for Free/Reduced Priced Lunch	4.6%	25.8%	2 Year College	22.9%	18.6%
			Work	6.3%	16.2%

Note: Data provided by DOE. Special Education data as of October 1998.

2. District Management

The purpose of this section is to review certain management practices of the district school committee and Superintendent and to review whether good management practices have been incorporated into evaluation instruments for administrators and/or into teacher contracts.

School Committee

The regional school committee is made up of six members, who are appointed by the elected school committees of the respective towns. Generally, the three elected members of each town's school committee appoint themselves as the town representatives to the regional school committee. Terms are for three years and are staggered so that one member from each town is up for re-appointment each year. The chairmanship of the committee is a one-year appointment and typically rotates back and forth between the two towns on a yearly basis. The whole

committee meets twice per month and the Superintendent's office mails each member an information packet covering the upcoming agenda about a week in advance of the scheduled meeting.

Currently, the school committee has three, three member, sub-committees that meet as needed. The sub-committees are personnel, which deal with collective bargaining; regional study committee, which is investigating the possibilities of expanding the region to include K-12 or the possibility of adding another member town; and lastly, a building needs committee, which deals with capital needs and planning.

Evaluation of Superintendent by School Committee

The Superintendent's evaluation process begins in the summer preceding every school year when the Superintendent develops a series of personal goals during the upcoming school year. Goals address many areas including facility issues, curriculum and instruction, public relations and personnel growth. The school committee reviews, discusses and amends the Superintendent's goals to develop an approved version. The Superintendent's approved goals for school year 2000-01 include nine categories, each containing between one and thirteen specific items to address.

The Superintendent attends all school committee meetings and sub-committee meetings for both the town schools and the regional school throughout the year. In April, each member of the regional school committee is provided a copy of the evaluation tool for the Superintendent and a copy of the Superintendent's self-evaluation. The Superintendent's self-evaluation reports progress or failure in reaching goals.

Each committee member completes an evaluation of the Superintendent. The evaluation tool covers eight sections such as, education leadership, administration and management, relationship to the board, the staff, and the community. Each of the eight sections has subsections that state the responsibility of the Superintendent in that area and committee members must give the Superintendent a numeric score between one (poor) and five (excellent). Space in each section is provided for comments and suggested future goals. Each committee member turns his/her signed evaluation into the chairperson, who tallies a composite score based on all evaluations. The chairperson also writes a summary evaluation to accompany the individual comments, all of which are provided to the Superintendent. The Superintendent states that although no direct relationship exists between the evaluation and salary enhancement, i.e. a certain score equals a certain percentage increase, it is a factor in determining salary.

Superintendent's Contract

The Superintendent of BBRSD is currently entering the final year of a four year contract. The Superintendent was notified prior to the final year of the contract that the district intended to renew the contract. The contract makes no mention of how goal setting and the Superintendent's evaluation are related to salary.

Evaluation by Superintendent of Administrative Staff

The administrative evaluation process in BBRSD is very strong. Administrators have job specific evaluation tools and personal goals against which they are evaluated. The Superintendent has frequent communication with his staff regarding their duties and performance. Significant documentation exists throughout the process that details both the administrators and Superintendents perception of the administrator's performance.

The Superintendent evaluates the principal of Tahanto Regional Middle/High School, as well as all central office personnel including the Director of Finance, the Director of Pupil Personnel and the Director of Technology. These administrators are required to develop goals, both personal and job related, based on their evaluation from the previous year. During the course of the school year the Superintendent states he unofficially meets with all administrators an average of three to five times per week. A mid-year progress review occurs between the Superintendent and each administrator on an individual basis during January or February. The progress review involves a sit down meeting and a written summary of mid-year progress written by the Superintendent. The final evaluation occurs in June. Each administrator is required to submit a self-evaluation, which reviews their progress towards their goals, as well as any other district initiatives or issues. The Superintendent completes the evaluation document designed for that particular administrator. BBRSD does not use generic documentation for their administrator's evaluations. The documents, although similar, have been structured to reflect the administrator's duties in the district. The Superintendent also writes a summative evaluation of the administrators overall performance.

District Management

The Superintendent meets monthly with all central office personnel and the principal of Tahanto Regional Middle/High School. The meetings are to discuss administrative issues and district events. School committee directives and initiatives are often the topic of these meetings.

BBRSD developed a "New Education Vision For a New Century" statement in 1999. This document represents BBRSD's strategic plan, it details the region's seven core values, three primary goals, eight core learning competencies. In addition, it requires local student assessment and action research program, which will provide for multiple forms of student assessment. This portion of the plan is currently in development. The plan was developed with input from administrators, teachers, students, the communities, the school committees, and the school councils. A contest to design a logo for the plan was held among the students.

The district makes an effort to ensure that goal setting is done so that individual and building goals overlap and have cohesiveness. School committee, school improvement plans and personal goals are connected whenever possible. Community input plays a large role in the development of school committee and school improvement goals. Individual goals are developed mainly out of the evaluation process, which puts an emphasis on community relations and involvement.

The Superintendent states that he makes an effort to make himself accessible to all members of the communities. The Superintendent attends all meetings of the three school committees, Berlin, Boylston and the region.

Principal's Contract

The region's only principal has just begun the first year of new three year contract that is set to expire in June 2003. The only stated salary is for the first year of the contract. Additional compensation is listed for a longevity increment and a small monetary incentive is provided if all administrative goals and objectives are met. The contract calls for the principal to submit to the Superintendent an annual individual professional development plan and provides for some financial assistance in fulfilling the plan. The contract does not state how future salary levels will be calculated, but the Superintendent stated that he sets administrative salaries, within the guidelines established by the school committee, based on a number of factors, including administrator's performance reviews.

Teachers' Union Contract

The most recent contract between the Tahanto Regional Teacher's Union and school committee expired on 8/31/00. The contract was for three years in length and granted two four percent raises during the contract. The average step increase during the contract was 4.22 percent, but teachers were required to take three semester hours of post-graduate training (approved by the district) every third year of employment in order qualify for step increases. The contract also gave a very detailed account of the teacher evaluation process, including sample documentation of the evaluation tool, as well as the improvement plan for underperforming teachers.

3. Regional School District Agreement

This section reviews provisions of the regional school agreement especially with regard to assumption and apportionment of costs, and whether agreement provisions concur or conflict with the requirements of education reform.

Agreement Provisions

The Berlin-Boylston regional school agreement was signed in 1959 pursuant to M.G.L. Ch.71. The agreement contains language for amending the original agreement. Amendments may be initiated by a majority vote of the school committee or by a petition signed by 10 percent of the registered voters of either member town. Amendments are then included in the warrant for the next annual or special town meeting.

The agreement also contains provisions regarding admission of a new town(s) and withdrawal of a member town. Terms of admitting a new town are to be specified in the amendment as agreed upon by the towns involved. A member town seeking to withdraw from the district must notify the district school committee in writing that the town has voted to request an amendment to the agreement that allows that community to withdraw from the district. The amendment will be included in the next warrant voted on at each town's next annual or special town meeting. A

town that has withdrawn from the district is required to assume the town's annual share of any future installment of principal and interest on obligations outstanding on the effective date of its withdrawal. This amount will be fixed at the percentage prevailing for the withdrawn town at the last annual apportionment made prior to the effective date of the withdrawal. The district may use payments made by the withdrawn town only for the payment of funded indebtedness and interest.

Apportionment of Costs

The regional school district agreement divides cost into two categories: capital costs and operating costs. Capital costs include payment of principal and interest on bonds or other obligations issued by the district to finance capital costs. Operating costs include all costs not included in capital costs.

All costs, capital and operating, are apportioned each fiscal year based on computing the ratio of the town's pupil enrollment to total member enrollment based on the previous year's October 1 enrollment.

Expected payments by each member town are as follows:

- | | |
|----------------------|---|
| • Pay by July 1 | at least 16 $\frac{2}{3}$ % of annual share |
| • Pay by September 1 | at least 33 $\frac{1}{3}$ % of annual share |
| • Pay by November 1 | at least 50% of annual share |
| • Pay by January 1 | at least 66 $\frac{2}{3}$ % of annual share |
| • Pay by March 1 | at least 83 $\frac{1}{3}$ % of annual share |
| • Pay by May 1 | 100% of annual share. |

The audit team reviewed the district forms used in FY98 - FY01 to calculate the member town's apportionment and found that:

- The operating budget, less transportation and other revenues including school choice tuition, was apportioned on the basis of the net school spending provision of education reform.
- Additional spending above net school spending was apportioned on the basis of October 1 foundation enrollment. Foundation enrollment is not specified in the agreement. It differs from other enrollment calculations generally in that it includes tuitioned out special education, out-of-district charter and school choice students and excludes tuitioned in students.
- Transportation costs were apportioned on the basis of October 1 enrollment as specified in the agreement.
- The Superintendent indicated and past year allocations show that supplemental assessments are apportioned based on the agreement guidelines.

Finding

The apportionment of costs do not appear to be made in accordance with the district agreement.

With respect to apportioning the operating budget, it is commonly understood that the net school spending provision of education reform would supercede any apportionment calculation based upon enrollment. No discussion between the administration and the school committee has been held in this regard and no attempt has been made to amend the agreement.

Recommendation 1

BBRSD should review its apportionment methodology to determine whether it is in compliance with the district agreement or with any understanding the district may already have with its members. An amendment to the district agreement regarding cost apportionment and net school spending may be needed.

Chart 3-1 illustrates the recent history of total assessments to the member towns in the region.

Chart 3-1

Berlin-Boylston Regional School District Assessment to Member Towns (in thousands of dollars)

Member	FY97	% of Total	FY98	% of Total	FY99	% of Total
Berlin	\$ 706	32.7%	\$ 802	34.8%	\$ 891	36.5%
Boylston	\$ 1,451	67.3%	\$ 1,501	65.2%	\$ 1,553	63.5%

Note: Data obtained from BBRSD

4. Enrollment

Several measures may be used to report actual student enrollment. This audit uses actual and projected student headcount and also foundation enrollment, both as of October 1. Actual and projected enrollment is reviewed by the audit team to determine accuracy in the apportionment of costs, reasonableness in methodology and use in school construction or in academic decision making. Foundation enrollment is reviewed to determine accuracy in the distribution of Chapter 70 state aid.

Headcount: Actual and Projected

Headcount is based upon students enrolled at each school as annually reported to DOE on the Individual School Reports. Projected enrollments are prepared for the district by the New England School Development Council (NESDEC) and are used in this section. NESDEC projections do not include school choice students; that is out-of-district students that attend BBRSD.

School choice students have made up an average of 20.5 percent of BBRSD's total enrollment over the past five years. School choice tuition for FY99 was \$585,815, which represented 13 percent of BBRSD total revenue. The district does an annual review of the school choice program and sets a cap on the number of students the district will accept. If there are more new applicants than openings, then a lottery is held. Currently, the BBRSD school committee has set the cap on school choice students at 85. This number has been added to NESDEC projections in *Chart 4-1* for the purpose of projecting enrollment.

Chart 4-1 illustrates BBRSD's actual and projected student enrollment as well as percentage distribution by grade level for selected school years from October 1, 1992 to October 1, 2004.

Chart 4-1 indicates that:

- BBRSD's total enrollment percentage increase between school year 1992/93 and 1999/00 was more than twice the state average.
- Total enrollment is projected to continue to rise, especially at the middle school level.

Chart 4-1

Berlin-Boylston Regional School District
Actual/Projected Student Enrollment and Percentage Distribution

Selected School Year	Middle School		High School		Total Enrollment	
	Grades		Grades		Grades	
	7 - 8	%	9 - 12	%	7 - 12	%
1992/93	124	38%	199	62%	323	100%
1996/97	163	43%	217	57%	380	100%
1997/98	166	42%	234	59%	400	100%
1998/99	170	41%	244	59%	414	100%
1999/00	160	39%	248	61%	408	100%
2000/01	166	38%	267	62%	433	100%
2001/02	176	40%	263	60%	439	100%
2002/03	170	39%	271	61%	441	100%
2003/04	186	40%	274	60%	460	100%
2004/05	199	42%	276	58%	475	100%
BBRSD 93-00						
% Change	29.0%		24.6%		26.3%	
State 93-00						
% Change	19.1%		14.5%		12.8%	
BBRSD 00-05						
% Change	24.4%		11.3%		16.4%	

Note: Data obtained from BBRSD. Actual and projected enrollments separated by double line. Projected enrollment numbers contain an estimate of 85 school choice students per year.

Chart 4-2 details the actual and projected student enrollments and percentage changes by member community. The projection for FY05 was prepared for the district by NESDEC.

Chart 4-2

Berlin-Boylston Regional School District
Actual/Projected Student Enrollment and Percentage
Distribution By Member Community

District Member	FY93	FY97	FY00	FY05	FY93 - FY00	FY00 - FY05
					% Incr./ (Decr.)	% Incr./ (Decr.)
Berlin	101	97	120	132	18.8%	10.0%
Boylston	197	214	217	258	10.2%	18.9%

Note: Data obtained from BBRSD

Foundation Enrollment

Foundation enrollment is based upon students for whom the district is financially responsible. It is used in the calculation of each district's required spending on its own students and the amount of Chapter 70 state aid each district receives to assist with the cost. Foundation enrollment is reported as of October 1 annually by each district. In a regional school district, DOE attributes foundation enrollment per member community using information found on the Individual School Report.

BBRSD foundation enrollment increased from 313 in FY93 to 359 in FY00, or by 14.7 percent. Statewide, foundation enrollment during this time period increased by 15.7 percent.

5. School Budget Review Process

This section examines the regional school committee's budget review process to determine how financial and educational decisions are made and how some of the goals and objectives of education reform are considered.

District School Committee's Role

The budget development process starts with the individual classroom teachers submitting their requests to their respective department chairs. After reviewing the requests, the department chairs submit to the principal prepared forms with item descriptions, quantities and costs. The principal, department chairs and faculty meet to discuss and prioritize the requested needs. The revised proposals are then presented by the principal to the school council for review, and then submitted to the Superintendent. After additional revisions, the Superintendent submits a proposed budget to the regional school committee for its recommendation and approval. Input is sought from the boards of finance and selectmen in each of the two towns prior to finalizing the budget. Public hearings are then held for discussion and the rationale supporting the budgeted items. The budget is adopted after a vote of the respective town meetings usually in the month of May. The budget is then implemented and monitored by the school administration and school committee.

Certain Goals and Objectives

BBRSD budgets an amount greater than foundation and net school spending. Key area foundation budget categories are not considered during the budget process. The audit team has found that not providing for foundation amounts in the key areas is not uncommon in districts throughout the state. Foundation budgeting and net school spending will be discussed in section 8 of this audit.

During FY00 budget constraints had a major impact on the school system. Unanticipated special education costs resulted in a budget deficit of \$32,251. This led to limited spending in other areas.

6. Total School District Expenditures

Total school district expenditures include expenditures by the school committee as reported in the DOE end-of-year report. This section reviews spending by function, by program and by per pupil. One measure of per pupil spending calculated and reported by DOE is presented for comparison purposes. The audit team reviewed spending factors but not student FTEs or methodologies used in DOE's calculations.

Spending By Function

Chart 6-1 illustrates in summary total school district expenditures by function and by percentage distribution for selected fiscal years. *Appendix A-1* provides the detail for this chart. The chart indicates that in FY99, instructional services comprised a smaller percentage of total expenditures than in FY97. According to *Appendix A-1*, this is due in large part to an increase in payments to other districts.

Chart 6-1

Berlin Boylston Regional School District

Total School District Expenditures By Function (in millions of dollars) and By Percentage Distribution

	FY97	% of Total	FY98	% of Total	FY99	% of Total	FY97 - FY99	
							\$ Diff	% Diff
Instructional Services	\$1.9	58.9%	\$1.9	56.5%	\$2.0	55.3%	\$0.1	4.4%
Other Services	\$1.3	41.1%	\$1.5	43.5%	\$1.6	44.7%	\$0.3	20.6%
Total School District:	\$3.2	100.0%	\$3.3	100.0%	\$3.6	100.0%	\$0.4	11.0%

Note: Data provided by BBRSD. Percentages may not add due to rounding.

Appendix A-1 also shows that:

- supervisory expenditures increased between FY97 and FY99 by 97 percent due in large part to the addition of the Director of Technology position.
- no expenditures were charged to extraordinary maintenance between FY97 and FY99.
- employee benefits and insurance expenditures increased by 22.4 percent from FY97 to FY99.

Further details within the end-of-year report indicate:

- a decrease in textbook expenditures of 33.7 percent from FY97 to FY99.
- an increase in school choice revenues from \$504,440 in FY97 to \$585,815 in FY99.

Overall, the audit team was satisfied that the expenditure reports were generally an accurate representation of Berlin-Boylston Regional School District expenditures.

DOE approved the five-year technology plan in August of 1997. The technology plan is a collaborative effort of the Berlin School District, the Boylston School District and the Berlin-Boylston Regional School District. The five year estimated budget on technology spending for

the Berlin-Boylston Regional School District was \$212,332. As of FY99 the district's technology expenditures totaled \$223,565, exceeding the five-year budget. Currently the plan is in its fourth year.

Spending By Program

Chart 6-2 illustrates in summary total school district expenditures by program and percentage distribution for selected fiscal years. *Appendix A-2* provides the detail for this chart. Undistributed expenditures are those not reported by the program.

Chart 6-2

Berlin Boylston Regional School District

Total School District Expenditures By Program (in millions of dollars) and By Percentage Distribution

	\$	%	\$	%	\$	%	FY97 - FY99	
	FY97	FY97	FY98	FY98	FY99	FY99	\$ Diff	% Diff
Regular Day	\$1.7	52.5%	\$1.6	48.7%	\$1.7	46.0%	\$0.0	-2.6%
Special Education	\$0.4	12.2%	\$0.5	16.1%	\$0.6	17.5%	\$0.2	59.7%
Undistributed	\$1.1	35.3%	\$1.2	35.2%	\$1.3	36.4%	\$0.2	14.5%
Total:	\$3.2	100.0%	\$3.3	100.0%	\$3.6	100.0%	\$0.4	11.0%
Total School District:	\$3.2	100.0%	\$3.3	100.0%	\$3.6	100.0%	\$0.4	11.0%

Note: Data provided by BBRSD. Percentages may not add due to rounding.

Per Pupil Spending

DOE annually calculates per pupil spending based upon programmatic costs and total average membership in FTE's reported on the end-of-year reports. Certain expenditures and school choice tuition are excluded. Regular day programs are those where students receive a general course of instruction. Special education programs are for students whose educational needs cannot be satisfied in a regular day program. Total day costs are the sum of all programmatic costs.

Chart 6-3 shows DOE's calculation of per pupil spending for regular, special education and total day programs.

*Chart 6-3***Berlin Boylston Regional School District
Per Pupil Spending - Day Program**

Fiscal Year	Regular Day			Special Education			Total Day		
	BBRSD%			BBRSD %			BBRSD%		
	State	Avg.	of State	State	Avg.	of State	State	Avg.	of State
	BBRSD			BBRSD			BBRSD		
FY97	\$8,037	\$4,933	162.9%	\$11,134	\$9,391	118.6%	\$8,727	\$6,015	145.1%
FY98	\$8,019	\$5,221	153.6%	\$12,281	\$9,873	124.4%	\$8,802	\$6,361	138.4%
FY99	\$7,775	\$5,481	141.9%	\$12,997	\$10,502	123.8%	\$8,595	\$6,684	128.6%

Note: Data provided by DOE

7. Maintenance and Capital Improvement

The purpose of this section is to review how Berlin Boylston Regional School District maintains its facilities to ensure a safe, healthy educational environment and how the district plans for future facility needs. In this review, the audit team visited Tahanto Regional Middle/High School.

Maintenance and Site Visits

The Tahanto Regional Middle/High School was built in 1962 and houses grades 7 through 12. The building is in very good condition. It is clean and well maintained. The building has experienced some challenges associated with the natural aging of the facility including problems with electrical system and heating/air conditional (HVAC) system.

The custodial staff includes one head custodian, one full time day custodian and two full time evening custodians. All custodians report to the head custodian who reports to the principal. The custodial staff completes all routine maintenance and repairs to the building, grounds and athletic fields. Contractors and vendors complete any major renovations or repairs.

Capital Improvements

There is no evidence of a long-range capital plan. The district is currently undergoing a comprehensive needs assessment study. This facilities study is expected to be completed by November 2000. The 1995 NEASC report recommended that the district implement a long-range facility and capital improvement plan. The five-year progress report (March 2000) indicated that this recommendation is in progress.

Major renovations to the building include a roof replacement, an upgrade of fuel and propane storage tanks and a replacement of the main electric transformers due to hazardous PCB chemicals. In December of 1999 two elevators were installed to make the entire building handicap accessible. The two towns of the region appropriated \$350,000 for the installation of the elevators.

Chapter 194 § 241 of the acts of 1998 established school building maintenance spending requirements. Each school district's compliance with the requirement is based on the district's actual spending as reported on the end-of-year report. Any district not meeting the requirement has an opportunity to request a waiver based on unanticipated or extraordinary changes in maintenance spending. The waiver must be approved by the Commissioner of Education and by the Deputy Commissioner of Revenue for Local Services. Districts that do not meet the requirement and which do not qualify for a waiver must work with DOE and DOR to develop a remediation plan. If appropriate action is not taken, school building assistance funds will be jeopardized. For FY99 the district's spending requirement was \$79,796. Expenditures for maintenance submitted to DOE on the FY99 end-of-year report were \$159,591. For FY00 the district's spending requirement was \$82,271 and the actual expenditures for maintenance totaled \$164,543.

8. Compliance with Spending Requirements

Pursuant to education reform, DOE determines a required school spending target, a foundation budget, and an annual school spending requirement, or net school spending, for each school district. In addition, the law requires action on the part of a district when certain spending amounts are not met. This action determines compliance with these requirements. One measure of per pupil spending reported by DOE is presented for comparison purposes.

The foundation budget is a target level of spending designed to ensure a quality level of education in each school district. DOE determines a foundation budget by using several factors and by including an annual adjustment for inflation. All school districts are expected to meet their total foundation budget by FY00.

Net school spending is the amount a school district must spend for the support of public education including certain expenditures made by the municipality on behalf of the local school district. It does not include expenditures for certain classes of long-term debt service, school lunches, community services, fixed assets and student transportation. It also does not include tuition revenue.

According to *Chart 8-1*, Berlin-Boylston Regional School District exceeded the foundation budget for the fiscal years shown.

Chart 8-1

**Berlin Boylston Regional School District
Meeting Total Foundation Budget Target
(in millions of dollars)**

	FY97	FY98	FY99	FY00
Foundation Budget Target	\$1.8	\$1.9	\$2.1	\$2.1
Required NSS as % of Foundation	148.5%	151.5%	147.8%	152.2%
<u>Actual NSS as % of Foundation</u>	<u>166.4%</u>	<u>166.5%</u>	<u>164.6%</u>	<u>164.6%</u>

Note: Data obtained from DOE. FY00 actual NSS is budgeted.

A district's net school spending requirement is the sum of the school district's minimum local contribution and chapter 70 state aid. Local and regional school districts must provide at least 95 percent of the net school spending requirement.

According to *Chart 8-2*, BBRSD's local contribution to actual net school spending increased by \$300,000 from FY97 to budgeted FY00 while state aid increased by \$100,000.

Chart 8-2

Berlin Boylston Regional School District
Local and State Contributions to Actual Net School Spending
(in millions of dollars)

	FY97	FY98	FY99	FY00
Actual Net School Spending	\$3.1	\$3.1	\$3.4	\$3.5
Actual Local Contribution \$	\$2.4	\$2.4	\$2.6	\$2.7
State Contribution \$	\$0.7	\$0.7	\$0.7	\$0.8
Actual Local Contribution %	77.6%	77.5%	78.0%	77.1%
State Contribution %	22.4%	22.5%	22.0%	22.9%

Note: Data obtained from DOE. FY00 actual NSS is budgeted.

The foundation budget also establishes spending targets by grade and program. These targets are intended as guidelines only and are not binding on school districts. To encourage an appropriate level of spending, M.G.L. Ch.70, §9 requires the Superintendent to report to the Commissioner of Education when the district has either:

- Failed to meet the spending target in any one of four key functional areas: professional development, books and instructional equipment, expanded programs and extraordinary maintenance and/or
- Exceeded the spending target for administrative expenses.

The Superintendent must explain the reasons for the shortfall or additional costs.

Finding

As shown in *Chart 8-3*, expenditures reached foundation budget only for books and equipment for the fiscal years shown. The Superintendent did not file a report with the Commissioner's office as required by law for these fiscal years stating the reasons for not meeting these levels nor did DOE direct BBRSD to submit such a report.

Chart 8-3 and *Appendix B* also show that BBRSD exceeded the spending target for administrative expenses for the fiscal years shown. BBRSD exceeded the foundation budget target for administrative expenses because the salary of the Superintendent's executive secretary was included in the central office salaries line item on the end-of-year report. Had the executive secretary's salary not been included, BBRSD would not have exceeded the spending

target for administrative expenses. BBRSD's administrative expenses include the salaries of the Superintendent and the Financial Supervisor, the district's only two central office administrators.

Finding

The salary of the Superintendent's executive secretary was incorrectly reported under central office salaries on the end-of-year report which caused the administrative expenses to exceed the foundation budget.

Chart 8-3

Berlin Boylston Regional School District Foundation Budget Target for Key Areas (by percentage)

	FY97	FY98	FY99
Professional Development	58.5%	60.0%	58.9%
Books and Equipment	109.0%	117.6%	124.3%
Expanded Program	0.0%	0.0%	0.0%
Extraordinary Maintenance	0.0%	0.0%	0.0%
<u>Administrative Expenses</u>	<u>123.8%</u>	<u>107.6%</u>	<u>119.0%</u>

Note: Data obtained from BBRSD and DOE

Recommendation 2

In the future BBRSD should file a report with the Commissioner of Education's office as required by law stating its reasons for not meeting the foundation budget target levels in any of the four key areas noted in the chart above.

Recommendation 3

In the future BBRSD should not include the salary of the Superintendent's executive secretary under central office salaries on the end-of-year report. It should be reported under clerical salaries.

Professional Development Minimum Spending

DOE requires school districts to spend a minimum dollar amount per student on professional development. The requirement was \$50 per pupil for FY97, \$75 for FY98 and \$100 for FY99. *Chart 8-4* illustrates BBRSD's spending for professional development.

Finding

As shown in *Chart 8-4* BBRSD did not meet the minimum dollar amount per student on professional development for FY98 and FY99.

Chart 8-4

**Berlin Boylston Regional School District
Expenditures for Professional Development
(in whole dollars)**

	Professional Development	Minimum Spending Requirement	Total Spent as % of Requirement
FY97	\$16,664	\$16,650	100.1%
FY98	\$17,626	\$25,200	69.9%
FY99	\$18,748	\$35,000	53.6%

Note: Data obtained from BBRSD

Recommendation 4

Sufficient funds should be budgeted and spent on professional development to meet DOE spending requirements.

Net School Spending

According to *Chart 8-5*, BBRSD exceeded required net school spending from FY97 to FY00. The statewide percentage of actual net school spending was about 106 percent from FY97 to FY00.

Chart 8-5

**Berlin Boylston Regional School District
Meeting Net School Spending
(in millions of dollars)**

	FY97	FY98	FY99	FY00
Required Net School Spending	\$2.7	\$2.9	\$3.0	\$3.2
Actual Net School Spending	\$3.1	\$3.1	\$3.4	\$3.5
Actual as Percentage of Required	112.0%	109.9%	111.4%	108.1%

Note: Data obtained from DOE. FY00 actual NSS is budgeted.

Per Pupil Actual Net School Spending

Chart 8-6 illustrates BBRSD's and the state's actual net school spending in actual and constant (1996) dollars on a per student basis. Actual net school spending is calculated by DOE.

Chart 8-6

**Berlin Boylston Regional School District
Actual Net School Spending Per Student
Actual and Constant (1996=100) Dollars**

		FY97	FY98	FY99	FY00	FY97 to FY00 Change
BBRSD	in Actual \$	\$9.164	\$9.361	\$9.667	\$9.686	5.7%
	in 1996 \$	\$8,976	\$9,010	\$9,077	\$8,870	-1.2%
State	in Actual \$	\$6.359	\$6.666	\$7.006	\$7.306	14.9%
	in 1996 \$	\$6,228	\$6,416	\$6,578	\$6,690	7.4%

Note: Data obtained from DOE. FY00 actual NSS is budgeted.

9. Accounting and Reporting

Observation

The Director of Finance is responsible for the procurement of supplies and various services such as the transportation contract, the accounting for expenditures and the disbursement of funds. The current Director of Finance is a new staff member of BBRSD since May 2000, having replaced a person who had been in the position for 19 years.

The audit team reviewed a sample of expenditures for FY98 and FY99 and traced them through the BBRSD's accounting records to the end-of-year reports. The audit team was satisfied that there were sufficient controls to ensure the accurate reporting of expenditures.

The CPA audit report included a finding that the Activity Treasurer, who also reconciles the bank statements and prepares the subsidiary ledger, signs student activity checks. This process results in a lack of internal control. The CPA firm recommended that BBRSD revise its procedures to separate functions. These recommendations concerning student activity funds were complied with by BBRSD.

10. Review of Expenditures and Cash Controls

Observation

The BBRSD's treasurer is a member of the School Committee and not the Director of Finance. However, the basic decisions of preparing and signing checks is in the business office under the supervision of the Director of Finance. Although this would appear as a separation of functions, in reality all functions are authorized in the business office.

Finding

The duties of preparing and signing checks, custody of the treasurer's signature plate, reconciling bank statements and other general treasury functions should be separated from the business office. The audit team believes this exhibits a lack of internal control structure.

Recommendation 5

BBRSD should hire a part-time treasurer to perform all the treasury functions of the region providing for the segregation of normally incompatible duties: those involving both the processing and review of transactions within the treasury function.

IV. Appendix

Appendix A	Total School District Expenditures by Function
Appendix B	Total School District Expenditures by Program and Percentage Distribution
Appendix C	Net School Spending by Foundation Budget Categories FY97-FY99 – Table
Appendix C-1, C-2	Net School Spending by Foundation Budget Categories FY97-FY99 – Graph
Appendix D	Auditee's Response

Berlin-Boylston Regional School
Total School District Expenditures By Function
(in thousands of dollars)

	FY97	FY98	FY99	FY99 % of Total	FY97 - FY99	
					\$ Diff.	% Diff.
Instructional Services:						
Supervisory	\$38	\$61	\$75	2%	\$37	97.0%
Principal	\$188	\$196	\$204	6%	\$16	8.3%
Principal Technology	\$0	\$0	\$4	0%	\$4	N/A
Teaching	\$1,397	\$1,360	\$1,389	39%	-\$8	-0.6%
Professional Development	\$17	\$18	\$19	1%	\$2	12.5%
Textbooks & Inst. Equipment	\$41	\$14	\$27	1%	-\$14	-33.7%
Instructional Technology	\$0	\$7	\$19	1%	\$19	N/A
Educational Media	\$82	\$89	\$101	3%	\$19	23.7%
Guidance & Psychological	\$141	\$144	\$149	4%	\$8	5.8%
Subtotal:	\$1,904	\$1,890	\$1,987	55%	\$83	4.4%
Other Services:						
General Administration	\$152	\$149	\$172	5%	\$20	13.1%
Health	\$29	\$30	\$33	1%	\$3	11.1%
Pupil Transportation	\$189	\$198	\$207	6%	\$17	9.2%
Food Service	\$0	\$0	\$1	0%	\$1	4347.1%
Athletics	\$92	\$94	\$104	3%	\$12	13.5%
Other Student Body Activities	\$24	\$25	\$27	1%	\$3	13.0%
Operations and Maintenance	\$285	\$287	\$283	8%	-\$1	-0.5%
Networking & Telecomm.	\$0	\$0	\$5	0%	\$5	N/A
Employee Benefits & Ins.	\$274	\$281	\$336	9%	\$61	22.4%
Payments To Other Districts	\$285	\$389	\$436	12%	\$152	53.3%
Subtotal:	\$1,330	\$1,453	\$1,603	45%	\$273	20.6%
Total School Committee Expenditures By Function:	\$3,233	\$3,343	\$3,590	100%	\$357	11.0%

Note: Data provided by DOE. Percentages may not add due to rounding. Health and Pupil Transportation include non-Public. N/A indicates no category in that fiscal year or dividing by "0". Certain lines omitted due to no dollar entry.

Berlin Boylston Regional School District
Total School District Expenditures
By Program (in thousands of dollars) and By Percentage Distribution

	\$ FY97	% FY97	\$ FY98	% FY98	\$ FY99	% FY99	FY97 - FY99 \$ Diff % Diff.	
Instructional:								
Regular Day	\$1,421	44.0%	\$1,348	40.3%	\$1,383	38.5%	-\$38	-2.7%
Special Education	\$196	6.1%	\$231	6.9%	\$257	7.1%	\$61	31.1%
Undistributed	\$286	8.9%	\$311	9.3%	\$347	9.7%	\$61	21.2%
Subtotal Instructional:	\$1,904	58.9%	\$1,890	56.5%	\$1,987	55.3%	\$83	4.4%
Other Services:								
Regular Day	\$275	8.5%	\$280	8.4%	\$270	7.5%	-\$6	-2.0%
Special Education	\$198	6.1%	\$307	9.2%	\$373	10.4%	\$174	87.9%
Undistributed	\$856	26.5%	\$866	25.9%	\$960	26.8%	\$105	12.2%
Subtotal Other Services:	\$1,330	41.1%	\$1,453	43.5%	\$1,603	44.7%	\$273	20.6%
Total School Expenditures:								
Regular Day	\$1,697	52.5%	\$1,628	48.7%	\$1,653	46.0%	-\$44	-2.6%
Special Education	\$394	12.2%	\$538	16.1%	\$630	17.5%	\$235	59.7%
Undistributed	\$1,142	35.3%	\$1,177	35.2%	\$1,307	36.4%	\$165	14.5%
Total:	\$3,233	100.0%	\$3,343	100.0%	\$3,590	100.0%	\$357	11.0%

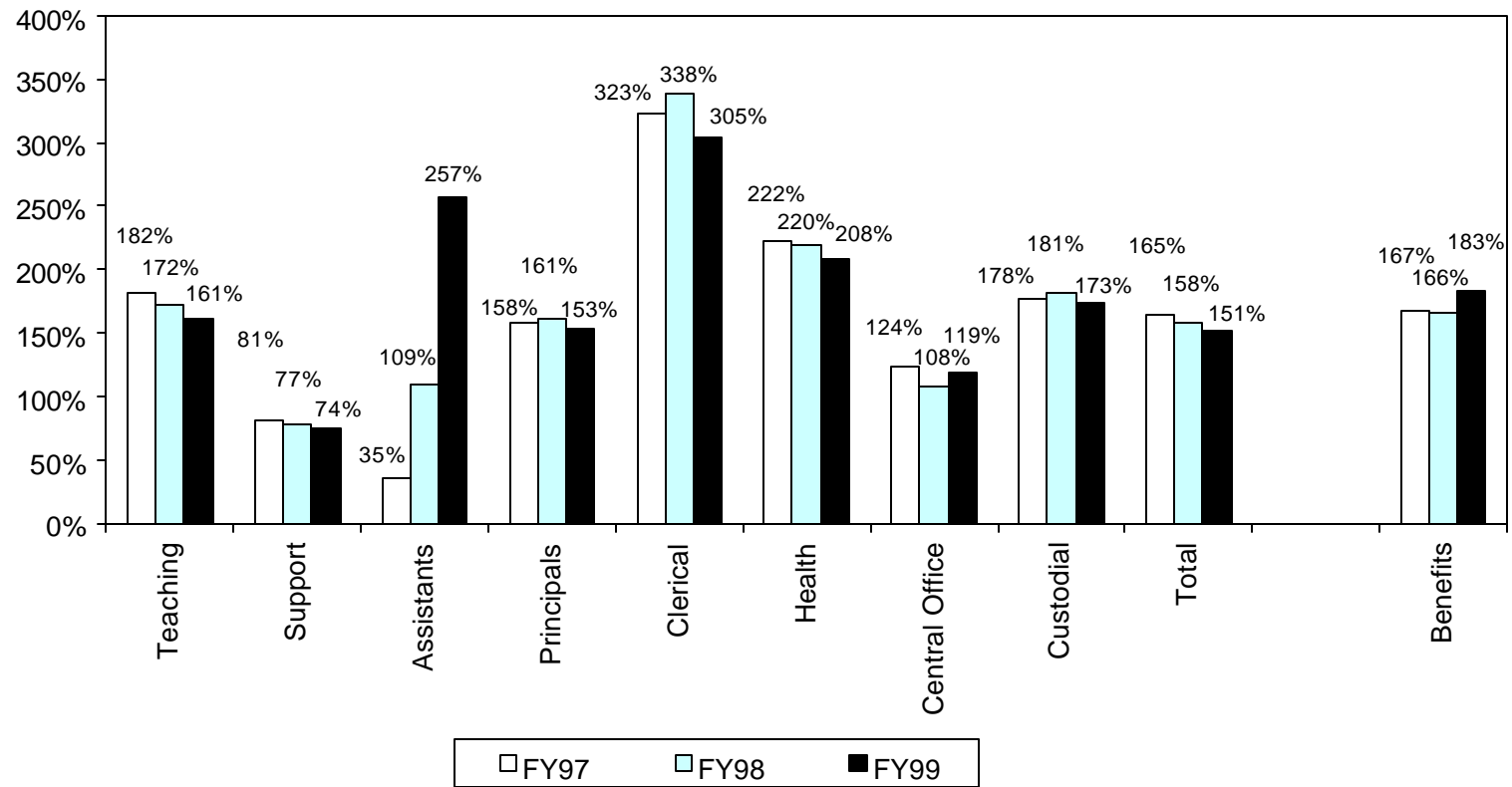
Note: Data provided by DOE

Berlin Boylston Regional School District
Net School Spending According to Foundation Budget Categories
(in thousands of dollars)

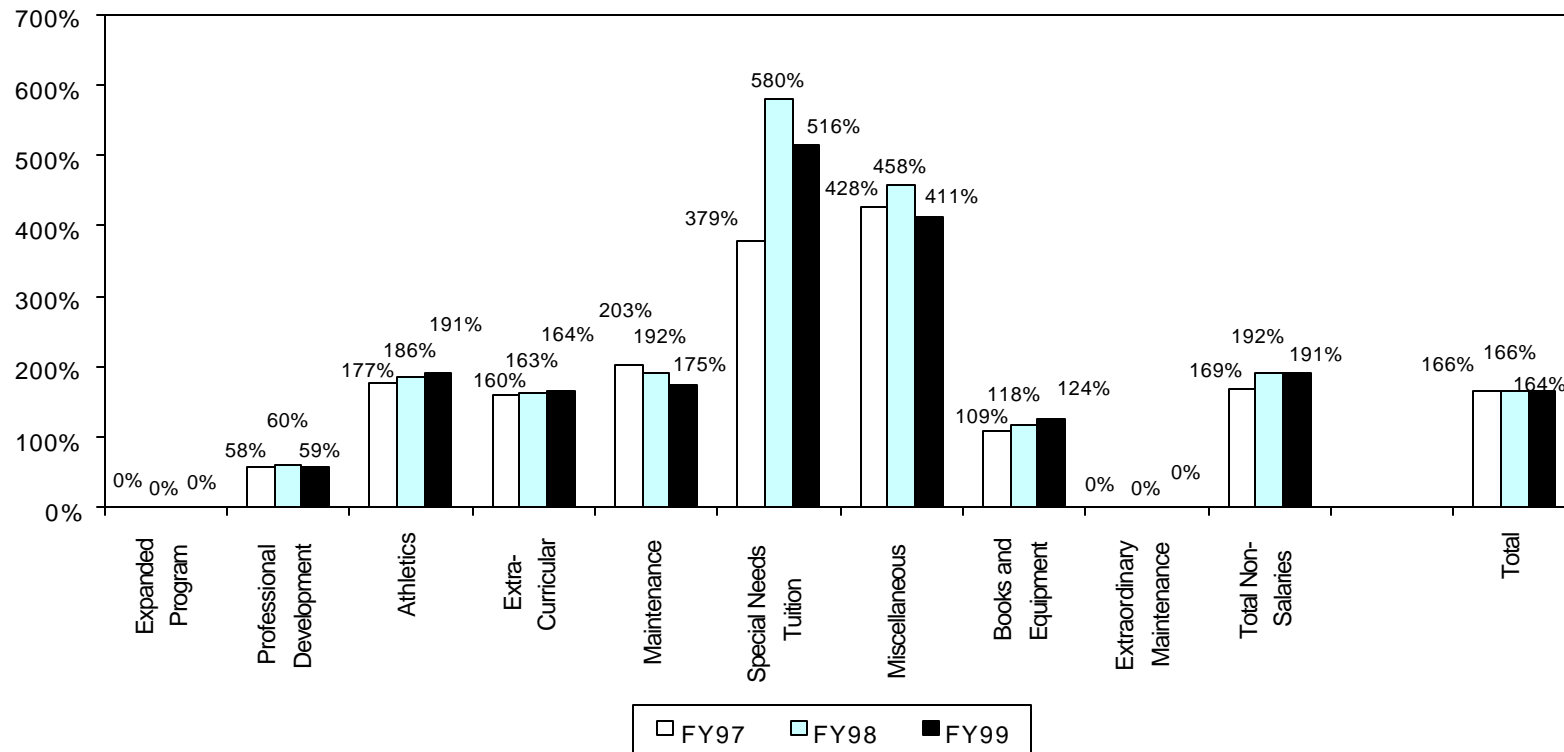
	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>	<u>FY97</u>	<u>FY98</u>	<u>FY99</u>
Teaching Salaries	\$1,385	\$1,322	\$1,344	\$760	\$770	\$835	\$625	\$552	\$510
Support Salaries	\$153	\$162	\$168	\$189	\$209	\$227	-\$36	-\$47	-\$59
Assistants' Salaries	\$6	\$20	\$50	\$18	\$18	\$19	-\$12	\$2	\$30
Principals' Salaries	\$118	\$123	\$128	\$75	\$77	\$83	\$44	\$47	\$44
Clerical Salaries	\$131	\$141	\$139	\$41	\$42	\$46	\$91	\$100	\$93
Health Salaries	\$29	\$29	\$30	\$13	\$13	\$14	\$16	\$16	\$16
Central Office Salaries	\$81	\$72	\$88	\$66	\$67	\$74	\$16	\$5	\$14
Custodial Salaries	\$111	\$117	\$121	\$62	\$64	\$70	\$48	\$52	\$51
Total Salaries	\$2,015	\$1,987	\$2,068	\$1,224	\$1,261	\$1,368	\$791	\$725	\$700
Benefits	\$274	\$281	\$336	\$165	\$170	\$184	\$110	\$111	\$152
Expanded Program	\$0	\$0	\$0	\$5	\$8	\$4	-\$5	-\$8	-\$4
Professional Development	\$17	\$18	\$19	\$28	\$29	\$32	-\$12	-\$12	-\$13
Athletics	\$92	\$94	\$104	\$52	\$51	\$55	\$40	\$44	\$50
Extra-Curricular	\$24	\$25	\$27	\$15	\$15	\$16	\$9	\$10	\$10
Maintenance	\$174	\$170	\$168	\$86	\$89	\$96	\$88	\$82	\$72
Special Needs Tuition	\$164	\$258	\$318	\$43	\$44	\$62	\$121	\$213	\$256
Miscellaneous	\$147	\$163	\$157	\$34	\$36	\$38	\$113	\$127	\$119
Books and Equipment	\$137	\$150	\$171	\$126	\$127	\$137	\$11	\$22	\$33
Extraordinary Maintenance	\$0	\$0	\$0	\$57	\$59	\$64	-\$57	-\$59	-\$64
Total Non-Salaries	\$755	\$877	\$963	\$446	\$458	\$504	\$309	\$419	\$459
Total	\$3,044	\$3,145	\$3,367	\$1,834	\$1,889	\$2,056	\$1,210	\$1,256	\$1,311
Revenues	\$30						\$30	\$0	\$0
Net School Spending	\$3,014	\$3,145	\$3,367	\$1,834	\$1,889	\$2,056	\$1,180	\$1,256	\$1,311

Note: Data obtained from DOE. Totals may not add due to rounding.

**Spending as a Percentage of the Foundation Budget
Berlin Boylston Regional School District:
Salaries and Benefits**



**Spending as a Percentage of the Foundation Budget
Berlin Boylston Regional School District:
Non-Salary Categories**



***The Public Schools of
Berlin and Boylston, Massachusetts***

**Keith M. Pfeifer
Superintendent**

**45 Main Street
Boylston, MA 01505
(508) 869-2837 ext 3001**

January 10, 2001

Mr. Dieter Wahl
Director
Education Audit Bureau
Department of Revenue
P.O. Box 9490
Boston, MA 02205-9490

Dear Mr. Wahl,

On the behalf of the Berlin-Boylston Regional School Committee, we acknowledge that The Educational Management Accountability Board Regional Audit Review team did conduct a compliance audit for the Berlin-Boylston Regional School District during July and August of 2000. Your staff was efficient and a pleasure to work with. We found the audit process thought provoking, informative and instructive. The process was extensive and involved multiple members of our administrative team. Auditors Andrew S. Nelson and Amy Januskiewicz conducted the audit in the large part. We appreciate their work and fortitude.

We are in the process of amending procedures and processes so that we are in compliance with your recommendations, suggestions, and compliance request.

As a small regional school district, we are certainly proud of our educational accomplishments and with the honest demeanor of our central office employees. We are currently working on a long-term strategic and a capital plan which was cited in the report. We are making efforts to comply with professional development spending requirements. We appreciate your acknowledgement of our administrative evaluation system and our efforts to improve the regional school district.

The financial stresses of special education spending on this small regional school district are not to be minimized because they have tremendously inhibited our spending in other vital areas. If spending in the special education arena continues to grow at the pace of the last several years, it will have dire consequences on other spending and the capacity of the towns to support the regional school district. Hopefully some relief from other levels will assist the regional school district.

As superintendent, I appreciated the opportunity to interact with the team and to be present at the exit interview. The report was well researched and developed. We appreciate the opportunity to continuously improve our educational and fiscal delivery. We are committed to addressing the areas of weakness.

Thank you for due consideration of the issues we raised.

Respectfully submitted,

Originally Signed

Keith M. Pfeifer, D. Ed
Superintendent of Schools

