



Dave Yost • Auditor of State



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To the residents, elected officials, management, and stakeholders of the Coventry Local School District,

At the request of the Ohio Department of Education, the Auditor of State's Ohio Performance Team conducted a performance audit of the District to provide an independent assessment of operations. Functional areas selected for operational review were identified with input from District management and were selected due to strategic and financial importance to the District. Where warranted, and supported by detailed analysis, this performance audit report contains recommendations to enhance the District's overall efficiency and effectiveness. This report has been provided to the District and its contents have been discussed with the appropriate elected officials and District management.

The District has been encouraged to use the management information and recommendations contained in the performance audit report. However, the District is also encouraged to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report. The Auditor of State has developed additional resources to help Ohio governments share ideas and practical approaches to improve accountability, efficiency, and effectiveness.

SkinnyOhio.org: This website, accessible at <http://www.skinnyohio.org/>, is a resource for smarter streamlined government. Included are links to previous performance audit reports, information on leading practice approaches, news on recent shared services examples, the Shared Services Idea Center, and other useful resources such as the Local Government Toolkit. The Shared Services Idea Center is a searchable database that allows users to quickly sort through shared services examples across the State. The Local Government Toolkit provides templates, checklists, sample agreements, and other resources that will help local governments more efficiently develop and implement their own strategies to achieve more accountable, efficient, and effective government.

This performance audit report can be accessed online through the Auditor of State's website at <http://www.ohioauditor.gov> and choosing the "Search" option.

Sincerely,

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State

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Executive Summary

Purpose and Scope of the Audit

The Ohio Department of Education requested this performance audit of the Coventry Local School District (CLSD or the District) with the goal of improving its financial condition. Funding for the audit was provided by the Ohio Department of Education.

Performance Audit Overview

The United States Government Accountability Office develops and promulgates Government Auditing Standards that provide a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to provide accountability and to help improve government operations and services. These standards are commonly referred to as generally accepted government auditing standards (GAGAS).

The Auditor of State's (AOS) Ohio Performance Team (OPT) conducted this performance audit in accordance with GAGAS. These standards require that OPT plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives. OPT believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on the audit objectives.

This performance audit provides objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Audit Methodology

To complete this performance audit, auditors gathered data; conducted interviews with numerous individuals associated with the various divisions internally and externally; and reviewed and assessed available information. Assessments were performed using criteria from a number of sources including; peer comparison, industry standards, leading practices, statutory authority, and applicable policies and procedures.

The following Ohio school districts were identified as peers for financial, human resources, and facilities: Ashland City School District (Ashland County), Hubbard Exempted Village School District (Trumbull County), Indian Creek Local School District (Jefferson County), Madison Local School District (Lake County), Marlington Local School District (Stark County), New Philadelphia City School District (Tuscarawas County), Tiffin City School District (Seneca County), Triway Local School District (Wayne County) and Wapakoneta City School District (Auglaize County). Because of variations in contracting for transportation, a slightly different group of peers was selected for the transportation comparison: Crestview Local School District (Columbiana County), Cuyahoga Falls City School District (Cuyahoga County), Field Local

School District (Portage County), Lakeview Local School District (Trumbull County), Midview Local School District (Lorain County), and Norton City School District (Summit County). Where reasonable and appropriate, peer cities were used for comparison. However, in some operational areas industry standards or leading practices were used for primary comparison. Sources of industry standards or leading practices used in this audit include: Ohio Department of Education (ODE), Ohio Administrative Code (OAC), Ohio Revised Code (ORC), Government Finance Officers Association (GFOA), State Employee Relations Board (SERB), Patient Protection and Affordable Care Act (PPACA), Ohio Department of Administrative Services (DAS), Federal Office of Personnel Management (FOPM), American Public Works Association (APWA), Office of Management and Budget (OMB), and National Food Service Management Institute (NFSMI).

The performance audit involved information sharing with CLSD including drafts of findings and recommendations related to the identified audit areas. Periodic status meetings throughout the engagement informed the District of key issues impacting selected areas, and shared proposed recommendations to improve operations. The District provided verbal and written comments in response to various recommendations, which were taken into consideration during the reporting process.

AOS and OPT express their appreciation to the elected officials, management, and employees of the Coventry Local School District for their cooperation and assistance throughout this audit.

Noteworthy Accomplishments

Noteworthy accomplishments acknowledge significant accomplishments or exemplary practices. The following summarizes noteworthy accomplishments identified during the course of this audit.

- **Control of Overtime:** The District has arranged to pay the Head of Maintenance as a salaried position that incurs no additional overtime costs. By using an on-call position, the District has access to an employee for emergency situations without the added cost of overtime that is generally associated with these events. Consequently, the District has demonstrated significantly lower overtime costs than peers and industry benchmarks without effecting total facilities costs.

Recommendation Summary

Key recommendations and financial implications are summarized below.

Summary of Recommendations

Recommendations	Savings
R1.1 Develop a comprehensive long-range strategic plan	N/A
R1.2 Develop and document a performance measurement system	N/A
R1.3 Generate additional Food Service Fund revenues and/or decrease expenditures	\$47,000
R2.1 Discontinue paying employee pension contributions	\$159,000
R2.2 Increase employee health care premium contributions to at least 15 percent	\$31,000
R3.1 Eliminate one facilities maintenance and custodial staff FTE	\$42,900
R3.2 Develop and implement an energy conservation program	\$14,700
R4.1 Develop procedures for submitting motor fuel tax refund claims	\$1,800
R4.2 Improve internal controls associated with fuel inventory	N/A
R4.3 Complete, reconcile, and submit accurate transportation reports	N/A
Cost Savings Adjustments¹	(\$42,900)
Total Cost Savings from Performance Audit Recommendations	\$253,500

¹ During the course of the audit, **R3.1** was implemented by the District and potential savings are already included in the forecast.

The following table displays annual year-end General Fund balances as projected by the District in its May 2013 financial forecast coupled with the financial impact of recommendations contained in this audit.

Financial Forecast with Performance Audit Recommendations

	Forecast 2012-13	Forecast 2013-14	Forecast 2014-15	Forecast 2015-16	Forecast 2016-17
Total Revenues and Other Financing Sources	\$20,241,274	\$18,693,537	\$17,732,595	\$16,745,240	\$15,755,271
Total Expenditure and Other Financing Uses	\$19,936,752	\$19,949,874	\$20,212,349	\$20,065,913	\$20,496,479
Results of Operations	\$304,522	(\$1,256,337)	(\$2,479,754)	(\$3,320,673)	(\$4,741,208)
Beginning Cash Balance	\$300,330	\$604,852	(\$651,485)	(\$3,131,239)	(\$6,451,912)
Ending Cash Balance	\$604,852	(\$651,485)	(\$3,131,239)	(\$6,451,912)	(\$11,193,120)
Outstanding Encumbrances	\$25,000	\$25,000	\$25,000	\$25,000	\$25,000
Fund Balance June 30 for Certification of Appropriations	\$579,852	(\$676,485)	(\$3,156,239)	(\$6,476,912)	(\$11,218,120)
Property Tax - Renewal or Replacement		\$1,440,350	\$2,880,700	\$3,873,288	\$4,865,875
Cumulative Balance of Replacement/Renewal Levies		\$1,440,350	\$4,321,050	\$8,194,338	\$13,060,213
Fund Balance June 30 for Certification	\$579,852	\$763,865	\$1,164,811	\$1,717,426	\$1,842,093
Cumulative Balance of Performance Audit Recommendations		\$253,500	\$507,000	\$760,500	\$1,014,000
Revised Fund Balance	\$542,756	\$1,017,365	\$1,671,811	\$2,477,926	\$2,856,093

Source: CLSD May 2013 Five-year Financial Forecast

As shown in the table, CLSD has projected positive year end General Fund balances through FY 2016-17. When financial implications contained in this audit are applied, the District is projected to have a General Fund balance in excess of \$2.85 million in the final year of the forecast period displayed.

Financial Management

Background

Financial Status

CLSD has been designated in fiscal caution since May 1997. In October 2011, the District projected it would incur a year-end cash deficit of approximately \$193,000 for FY 2011-12. As a result of this projection and in addition to projected cash deficits for FY 2012-13 through FY 2015-16, ODE requested that AOS conduct a performance audit.

In response to its projected financial condition, CLSD took proactive steps in an attempt to avoid projected General Fund deficits. In April 2012, the Board approved the elimination of 35 positions (33.1 FTEs) for a projected savings of \$1.68 million. As a result of these cuts, the District's October 2012 five-year forecast projects positive General Fund balances through FY 2013-14 with deficits beginning in FY 2014-15 and extending to the end of the forecast period.

Expenditure Comparison

ODE uses the Expenditure Flow Model (EFM) to report per-pupil spending for Ohio's schools. The EFM uses districts' end of year financial records to organize expenditure data into meaningful and comparable categories and report expenses related to the education of students. Because school districts often handle funds unrelated to the instruction of students, not all expenditures accounted for by a school district are included in the model. District-level expenses for each expenditure type are reported on a per-pupil basis. **Table 1-1** displays CLSD's expenditures per pupil in comparison to the average of the peer districts.

Table 1-1: FY 2010-11 Expenditure per Pupil

	Coventry	Peer Average	Difference
Enrollment	2,239	2,621	(382)
Administrative	\$1,222	\$1,010	\$212
Building Operations	\$1,821	\$1,682	\$139
Staff Support	\$323	\$185	\$138
Pupil Support	\$857	\$889	(\$32)
Instructional	\$5,299	\$5,085	\$214
Total Expenditures per Pupil	\$9,522	\$8,851	\$671

Source: ODE District Profile reports

As shown in **Table 1-1**, CLSD spent \$671 more per student than the peer average. The two cost categories with the greatest deviation from the peer average were administrative and instructional expenditures. These categories consist of the following:

- **Administrative** – CLSD’s administrative expenditures exceeded the peer average by \$212 in FY 2010-11. This category represents costs incurred for the Board, Superintendent's Office and fiscal services as well as functions of the building principals. Reductions to the administrative staff effective for FY 2012-13 coupled with the elimination of retirement pickup (**R2.1**) and changes to the health benefits contributions (**R2.2**) should bring this cost category more in line with the peer average.
- **Instructional** – CLSD’s instructional expenditures exceeded the peer average by \$214 in FY 2010-11. This cost category includes teachers, teacher aides, or paraprofessionals as well as materials, computers, books and other consumable materials that are used by students in the classroom setting. Significant reductions in CLSD’s teaching staff effective for FY 2012-13 in addition to recommended changes to health insurance contributions (**R2.2**) should bring this cost category more in line with the peer average.

Because CLSD’s expenditures were significantly higher than the peer average in every category displayed in **Table 1-1**, with the exception of pupil support, the performance audit examined all areas of the District’s operations including financial systems, human resources, facilities, and transportation in an effort to identify opportunities to reduce costs while delivering a quality educational program to its students.

Recommendations

R1.1 Develop a comprehensive long-range strategic plan

According to OAC § 3301-35-03(A), a strategic plan guides school districts and key stakeholders in the ongoing measurement of performance to assure adequate progress is being made toward strategic goals and objectives. CLSD does not have a comprehensive strategic plan that meets leading practice criteria for guiding operations and making program decisions.

Recommended Budget Practices on the Establishment of Strategic Plans (Government Finance Office Association (GFOA), 2005), states that every government entity should develop a multi-year strategic plan that provides a long-term perspective for services delivered and budgeting, thus establishing logical links between authorized spending and annual goals based on identified needs, projected enrollment, and revenues.

By developing and implementing a comprehensive strategic plan, CLSD can gain a better perspective on its future financial needs and develop a more comprehensive approach to balancing finances with its educational mission. The District should ensure that its plan includes a mission statement, an environmental assessment, a small number of broad goals, a strategy to achieve those goals, and a policy to review and reassess the plan every one to three years. The District should also link the plan to its budget and incorporate any potential constraints presented by the five-year forecast when creating the goals. A properly developed strategic plan can serve as a tool to improve communication between the District and community, provide direction for the Board, and align the planning and budgeting processes.

R1.2 Develop and document a performance measurement system

According to *Best Practices in Performance Measurement - Developing Performance Measures* (NSAA, 2004), performance measurement is a critical element of accountability for public resources. It is important to know and understand the public resources used to provide government services and whether these resources were spent in accordance with laws, rules, and regulations. It is also important to know that managers of governmental programs have adequate control procedures to safeguard the assets they are responsible for managing. Equally important is the ability to show what was received from the use of these resources and whether the public is receiving an acceptable benefit. CLSD does not have a formal performance measurement system to provide feedback to administrators on program results.

GFOA further analyses performance measurement, stating in *Performance Management: Using Performance Measurement for Decision Making* (GFOA, 2007) that when linked to the budget and strategic planning process, performance measurement can assess accomplishments on an organization-wide basis. Meaningful performance measurements assist government officials and citizens in identifying financial and program results, evaluating past resource decisions, and facilitating qualitative improvements in future decisions regarding resource allocation and service delivery.

By developing a formal performance measurement system and linking it to the District's budgeting process, the District would promote accountability, be able to objectively assess its accomplishments, and improve its long-term planning and goal-setting processes.

Food Service

R1.3 Generate additional Food Service Fund revenues and/or decrease expenditures

Financial Implication: A reduction of 4 labor hours or an increase in lunch participation to the peer average could eliminate the Food Service Fund operating deficit and save the District **\$47,000** annually.

The District's food service function is organized as an enterprise operation which means it is intended to be self-funded, relying on charges for services to support the costs of operation. **Table 1-2** presents the food service operation's cash flows for FY 2007-08 through FY 2011-12.

Table 1-2: Food Service Financial History

	FY 2007-08	FY 2008-09	% Change	FY 2009-10	% Change	FY 2010-11	% Change	FY 2011-12	% Change
Total Annual Receipts	\$777,859	\$769,131	(1.1%)	\$843,554	9.7%	\$736,914	(12.6%)	\$763,953	3.7%
Total Annual Expenses	\$692,965	\$749,371	8.1%	\$749,796	0.1%	\$740,812	(1.2%)	\$811,192	9.5%
Total Ending Balance	\$84,894	\$19,759	(76.7%)	\$93,758	374.5%	(\$3,898)	(104.2%)	(\$47,239)	1,112.0%

Source: CLSD

As shown in **Table 1-2**, the District incurred operating cash losses in FY 2010-11 and FY 2011-12. In the five year period shown, expenditures, in total, increased over 17 percent compared to a 2 percent decrease in total revenues. In order to eliminate operating losses, the District will need to increase revenues or decrease expenditures through the following strategies: increasing participation or reducing expenditures through an increase in meals per labor hour or a renegotiation of food service employee salaries.

Increase participation

CLSD's average daily lunch participation rate was 55 percent in FY 2010-11 while the peer average was 67 percent. This indicates that fewer students are choosing to purchase lunch from CLSD when compared to the peers. The following strategies could help improve the participation rates: surveying students and implementing a point of sale (POS) system.

The District does not conduct customer surveys to identify the strengths and weaknesses of the food service program or help determine future menu options. The National Food Service Management Institute (NFSMI) indicates that surveys can be used to measure a variety of elements from many customers in school food service and nutrition programs. One common measurement is customer satisfaction. Customers may be students, parents, teachers, or administrators. Surveys also have been used to assess customer preferences in menu selection, and data gathered from surveys should be the basis for developing enhancements in school food

service and nutrition programs. With the implementation of these practices, school food service and nutrition programs will help ensure a sound customer base and financial stability.

The District does not use a POS system for management reporting or to monitor student purchases, participation rates, or inventory. Rather, the District relies on the food service staff to make judgments about these issues based on subjective opinions and manually tracked information. According to *School Foodservice Management for the 21st Century* (InTeam Associates, 1999), some of the benefits of an electronic food service management system with checks and balances and accurate data entry are increased efficiency, greater speed of data handling, reliable and accurate information, timely report processing, improved inventory control, comprehensive management reporting and analysis, nutritional analysis of meals served, reduced food and labor costs, and improved standardization. Additionally, a vendor advertises that a POS can increase participation rates, particularly in the free and reduced lunch program, because it can privately process meal transactions, thereby eliminating the potential stigma associated with participation (e.g., through prepaid debit cards).

Increase Meals per Labor Hour

Meals per labor hour (MPLH) is an industry standard used to measure the productivity and efficiency of a food service operation. The measurement is calculated by dividing the total labor hours worked by the total average meal equivalents (breakfast, lunch and a la carte meals) served per day at each building. **Table 1-3** provides an overview of CLSD food service staffing per building compared to the industry benchmark as stated by NFSMI.

Table 1-3: Meals per Labor Hour (MPLH)

	High School	Junior High	Intermediate	Elementary	Total
Meal Equivalents Served per Day	492.0	446.0	385.0	318.0	1,641.0
Daily Labor Hours	29.5	21.0	17.8	19.0	87.3
MPLH	16.7	21.2	21.7	16.8	76.4
Industry Benchmark	19.0	19.0	18.0	18.0	74.0
Over/(Under) Industry Benchmark	(2.3)	2.2	3.7	(1.2)	2.4
Total Labor Hours Required	25.9	23.4	21.4	17.7	88.4
Equivalent Labor Hours Over/(Under) Industry Standard	3.6	(2.4)	(3.7)	1.3	(1.2)

Source: CLSD, ODE and NSFSMI

As shown in **Table 1-3**, CLSD's total food service labor hours fall under the number of labor hours suggested by the NSFSMI's benchmark. When examining hours by building, however, a comparison to the MPLH benchmark suggests a reduction of three labor hours for the high school operation and one labor hour for the elementary school operation. Prior to any reduction in labor hours, the District should account for potential increases in participation rates that result from surveying students and/or implementing a POS system.

Renegotiating Food Service Wages

Table 1-4 displays a comparison of food service employee salaries to the peer districts.

Table 1-4: FY 2012-13 Food Service Wage Comparison

	CLSD	Peer Average ¹	Difference	Variance
Career Compensation – Food Service¹	\$699,679	\$651,557	\$48,122	7.4%

Source: CLSD and peer district salary schedules

As **Table 1-4** illustrates, total career compensation for CLSD food service workers exceeded that of the peer district average. Although, total compensation was higher, it is difficult to determine actual cost to the District for providing employees with wages above the peer district average due to the various hours worked and the classification and experience of employees. By renegotiating the salary schedule and/or limiting future negotiated wage increases, CLSD can bring compensation more in line with area districts and reduce expenditures to the Food Service Fund.

Total savings from a combination of a decrease in expenditures and an increase in revenues can range greatly. For example, a reduction of 4 labor hours per day could result in savings of over \$9,000 annually. Should the District attempt to increase participation, it could generate additional revenue through increased meal sales. Every 1 percent increase in student participation would result in an increase in revenues of approximately \$8,000 based on CLSD's lunch prices and the federal reimbursement rate. An increase in CLSD's participation rate from 55 percent to the peer average of 67 percent could result in 35,410 additional meals per year. According to the price of lunches and the federal reimbursement rate, this could result in additional gross revenue of \$100,000 for the Food Service Fund.

Human Resources

Background

Employee salary and benefit expenditures represented 78.7 percent of the District's total expenditures in FY 2011-12. In order to examine these personnel expenditures, three main areas were examined: salaries, staffing levels and health insurance benefits.

Salaries

Because District employees are more likely to seek other employment in the area surrounding Coventry, salary schedules were compared to districts in the vicinity of CLSD. The districts included in this analysis were Springfield Local School District, Barberton City School District, Green Local School District, Copley-Fairlawn City School District and Cuyahoga Falls City School District, all in Summit County.

Salary levels were compared based on total compensation achievable over a 30 year career based on salary schedules contained in the District's collective bargaining agreements. **Table 2-1** displays total 30 year earnings for CLSD in comparison to the area district average.

Table 2-1: FY 2012-13 Salary Schedule Comparison

	CLSD	Area Average ¹	Difference	Variance
Certificated Employees				
Teachers	\$1,909,830	\$1,909,910	(\$80)	0.0%
Classified Employees				
Bus Drivers²	\$414,938	\$431,355	(\$16,417)	(3.8%)
Custodians	\$1,153,838	\$1,221,256	(\$67,418)	(5.5%)
Food Service³	\$699,679	\$651,557	\$48,122	7.4%

Source: CLSD, Peer District CBAs, and State Employee Relations Board.

¹Peer include Springfield LSD, Barberton CSD, Green LSD, Copley-Fairlawn CSD and Cuyahoga Falls CSD

²Based on a 748 hour work year.

³Based on a 1,496 hour work year.

As shown in **Table 2-1**, three of CLSD's four largest employee classifications had lower career compensation than the area district average. Food service employees were the only classification that exceeded the average (7.4 percent higher).

It should be noted, that CLSD's classified agreement includes salary schedules for 18 classifications. Only comparisons of the District's custodians, food service and bus driver's salary schedules for FY 2012-13 were completed in order to review classifications encompassing a majority of classified employees.

Staffing

According to the *FY 2012 EMIS Reporting Manual* (Ohio Department of Education (ODE), 2012) instructions for reporting staff data, an FTE is defined by the ratio of time normally required to perform a part-time assignment and time normally required to perform the same assignment on a full-time basis. **Table 2-2** displays the full-time equivalent (FTE) staffing levels per 1,000 students at CLSD and the average of the peer districts. Data is analyzed in this manner as staffing levels are partially dependent on the number of students served. In addition, presenting staffing data in this manner decreases variances attributable to the size of the peers.

Data contained in **Table 2-2** is from FY 2011-12 as reported to ODE through the Education Management Information System (EMIS). In April 2012, the CLSD Board of Education approved the elimination of 33.1 FTEs effective for FY 2012-13. CLSD data presented in **Table 2-2** was adjusted for these reductions.

Table 2-2: FY 2011-12 Staffing Comparison

	CLSD	Peer Average	Difference	% Difference	
Students ¹	2,093	2,284	(191)	(8.4%)	
	CLSD		Peer Average	Difference	Total FTE's Above (Below) ²
	FTE Staff	FTE/1,000 Students	Staff/1,000 Students	/1,000 Students	
Administrative	10.5	4.9	6.2	(1.3)	(2.7)
Office/Clerical	14.0	6.5	7.3	(0.8)	(1.7)
General Education Teachers	84.2	39.2	45.8	(6.6)	(13.8)
All Other Teachers	28.5	13.3	12.3	1.0	2.1
Education Service Personnel (ESP)	13.9	6.5	7.6	(1.1)	(2.3)
Educational Support	4.0	1.9	2.3	(0.4)	(0.8)
Other Certificated	6.0	2.8	1.0	1.8	3.8
Non-Certificated Classroom Support	18.3	8.5	8.0	0.5	1.0
Total Educational Staff	179.5	83.6	90.5	(6.9)	(14.4)
Operations	44.5	20.7	24.3	(3.5)	(7.3)
All Other Staff	8.4	3.9	3.4	0.5	1.0
Total All Staff	232.3	108.2	118.2	(10.0)	(20.9)

Source: CLSD and peer district FY 2011-12 staffing data as reported to ODE

Note: FTEs are calculated to the tenth position and totals may vary due to rounding.

¹ Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

² Represents the number of FTEs that, when added or subtracted, would bring CLSD's number of employees per 1,000 students in line with the peer average.

The comparison presented in **Table 2-2** provides an overall picture of the District's staffing in relation to the peer average. After staffing reductions, CLSD total staffing was 20.9 FTEs lower than the peer average, adjusted for student population. CLSD was particularly low in general education teachers relative to the peers. After reductions, this staffing classification was 13.8 total FTEs lower than the peers.

Health Insurance

CLSD joined the Stark County Schools Consortium for health insurance in 2012. Prior to joining the consortium, the District was self-insured. CLSD's classified and certificated agreements dictate the terms of health insurance for employees. The school board pays 100% of employees' dental and vision premiums. The health care plans provided by the District were compared to the 2012 State Employee Relations Board (SERB) annual survey.

Deductibles

- **Classified:** The District's classified health insurance plan is made up of four groups of employees. The groups are based on the number of hours the employees work. Employees working less than 20 hours per week are not eligible for health insurance. The District's classified deductible for single coverage was \$300 and \$600 for a family plan in 2012. In comparison, the SERB survey indicated that for school districts and ESCs, the average single deductible was between \$125 and \$400. In addition, the average family plan deductible ranges between \$200 and \$800 indicating that CLSD's deductibles fall within the averages published by SERB.
- **Certificated:** Certificated employees who work less than 25 hours per week are not eligible for health insurance. CLSD's certificated employees had a deductible of \$250 for a single plan and \$500 for a family plan in 2012. The SERB average deductible for schools and ESCs single plan ranged between \$125 and \$400 and the average for family plans ranged between \$200 and \$800, indicating the District's certificated deductibles are in line with SERB averages. The District's deductible increased to \$350 and \$700 respectively on January 1, 2013.

Co-Insurance

- **Classified:** CLSD's co-insurance for classified employees is set at 90 percent for in-network and 70 percent out-of-network. In comparison, SERB states that 38.8 percent of school districts and ESCs in Ohio have co-insurance between 90-99 percent for in-network and the majority of school districts have out-of-network co-insurance of 70 percent, indicating that CLSD's classified co-insurance rates are in line with the SERB benchmark.
- **Certificated:** CLSD's co-insurance for certificated employees is set at 85 percent for in-network and 70 percent out-of-network. In comparison, SERB states that 38.8 percent of school districts and ESCs in Ohio have co-insurance between 90 and 99 percent for in-network and the majority of school districts have out-of-network co-insurance of 70 percent, indicating that CLSD's certificated co-insurance rates are in line with the SERB benchmark.

Out of Pocket Maximums

Health care plans for both classified and certificated employees indicate that the in-network out-of-pocket maximums are set at \$1,750 for the single plan and \$3,500 for the family plan, compared to the median in-network out-of-pocket maximum reported by SERB for 2012 of \$1,000 for a single plan and \$2,000 for a family plan. The District's out-of-pocket maximums are above the SERB average.

Co-payments

CLSD's co-payments for office visits are set at \$25 and hospital co-payments are set at \$100. For 2012, SERB reported that the average co-payment for an office visit was \$20 and \$100 for a hospital visit.

Prescription Drug Program

CLSD has a three-tiered prescription drug program for retail and mail orders. **Table 2-3** shows the comparison to the SERB averages.

Table 2-3: Prescription Drug Comparison

	CLSD	SERB	Difference
Retail Co-Payments			
Tier 1 - Generic	\$12	\$10	\$2
Tier 2 -Name Brand	\$21	\$20	\$1
Tier 3 - Non-Formulary	\$45	\$40	\$5
Mail Order Co-Payments			
Tier 1 - Generic	\$24	\$20	\$4
Tier 2 -Name Brand	\$42	\$40	\$2
Tier 3 - Non-Formulary	\$90	\$70	\$20

Source: CLSD and SERB

The District's co-payments for prescription drugs are also in line with the SERB averages.

Recommendations

R2.1 Discontinue paying employee pension contributions

Financial Implication: Discontinuing the practice of picking up the employee share of retirement contributions could save approximately **\$159,000** annually.

The District provides retirement pickup to all administrators and central office staff. Twenty two employees are eligible for this benefit: 10 administrators, 12 central office staff (9 FTEs and 3 part time staff). For administrators, 100 percent of the required contributions are paid by the board plus a "pickup on the pickup" of an additional one percent. Central office staff receives a 9 percent board paid, tax-deferred pickup. The total cost of providing this benefit was \$159,665 in FY 2010-11.

The State Teachers Retirement System (STRS) and the School Employees Retirement System (SERS) require employers and employees to contribute specified percentages of the employee's salary to the retirement funds. Picking up the employee's retirement contribution is allowed under State law and by both retirement systems.

It is common practice for districts to pay the employee retirement contribution for its key administrators, but less common for every administrator and other staff member to receive the benefit. A comparison to peers showed this benefit was provided, but to a lesser extent.

Combined pickup for certificated and classified employees totaled \$159,665 in FY 2010-11. The peer districts that provided this benefit averaged payments of \$82,500 for FY 2010-11 for their certificated and classified staff. Of these peers, Tiffin CSD and Wapakoneta CSD come closest to matching what Coventry provides, at \$92,401 and \$126,499 respectively in FY 2010-11. However, as stated earlier, districts are not statutorily required to provide this benefit and in this era of economic constraints, provision of such costly benefits might not be feasible for all districts.

The pick-up was negotiated as part of employee compensation packages. Historically, school districts have used this form of compensation as a means to attract candidates for positions or to provide wage increases without increasing the base wage. While it is common practice to provide this benefit to key administrators, such as the Superintendent or Treasurer, it is unusual to provide it to all administrators and central office staff. Providing a "pickup" and/or a "pickup on the pickup" benefit creates a form of "hidden" compensation that is not readily apparent to stakeholders. Given the District's desire to identify opportunities for financial savings, discontinuing this benefit represents an opportunity to reduce costs.

R2.2 Increase employee health care premium contributions to at least 15 percent

Financial Implication: Increasing the employee contribution towards health insurance premiums for all employees paying less than 15% will save the District **\$31,000** a year and bring the District more in line with national benchmarks.

CLSD was self-insured until April 1, 2012, when it became a member of the Stark County Consortium. The District offers health insurance for all full-time employees. Part-time certificated staff are eligible for coverage if they work at least 25 hours per week and part time classified staff are eligible if they work at least 20 hours a week. The District and employee contributions to health insurance premiums are based on negotiated provisions within the employee collective bargaining agreement.

Classified staff are divided into four different groups for health insurance purposes based on hours worked per year and hire date. Group 1 is made up of employees who work 40 hours a week for at least 190 days a year and employees who work at least four hours a day for 12 months out of the year. Part-time employees are separated into three groups. Group 2 includes employees who work between 1,068 and 1,387 hours per year, Group 3 includes employees who work between 890 and 1,067 hours per year, and Group 4 includes employees who work between 712 and 889 hours per year. Employees who work less than 712 hours a year are ineligible for enrollment in the group health plan.

Table 2-4 shows the percentage of premiums paid by each employee in their respective groups:

Table 2-4: CLSD Employee Insurance Contributions

Group 1 (1,520 Work Hours per Year)	
Hire Date	Contribution
Before July 1, 2010	7%
After July 1, 2010	30%
Group 2 (1,068-1,387 Work Hours per Year)	
Hire Date	Contribution
Before July 1, 2010	23%
After July 1, 2010	30%
Group 3 (890-1,067 Work Hours per Year)	
Hire Date	Contribution
Before July 1, 2010	36%
After July 1, 2010	40%
Group 4 (712-889 Work Hours per Year)	
Hire Date	Contribution
Before July 1, 2010	36%
After July 1, 2010	40%

Source: CLSD and SERB

The State Employment Relations Board's (SERB) *20th Annual Report on the Cost of Health Insurance in Ohio's Public Sector* (2012) survey reports that when employees pay a portion of the medical premium, the average employee monthly contribution was 12.3 percent (\$63.00) for single coverage and 12.9 percent (\$173.00) for family coverage. According to the 2012 Kaiser Family Foundation Survey, premium contributions by covered workers averaged 18 percent for

single coverage (\$79.00 monthly contribution) and 28 percent for family coverage (\$360 monthly contribution).

CLSD employees, as a whole, contribute approximately 15% of total premium costs. However, not every employee contributes 15% of their premiums. For instance, more senior classified staff members and some administrators contribute less. In FY 2011-12, CLSD had 37 employees that contributed less than 15% for health insurance benefits.

Facilities

Background

CLSD's facility configuration comprises an elementary building, an intermediate building, a middle school building and a high school building. The District property includes approximately 353,000 square feet and 42 acres. Maintenance and operations (M&O) is overseen by the Director of Operations. In addition to cleaning, the custodial staff is also responsible for grounds maintenance in the District.

Facilities Expenditures

Table 3-1 displays facilities expenditures for CLSD and the peer districts as reported in the EFM.

Table 3-1: FY 2010-11 Facilities Expenditures per Square Foot Comparison

	CLSD	Peer Average	Difference	% Difference
Salaries and Wages	\$2.21	\$2.31	(\$0.10)	(4.5%)
Employee Benefits	\$1.07	\$1.05	\$0.02	1.7%
Utilities	\$1.25	\$1.17	\$0.08	7.1%
Electric	\$0.54	\$0.61	(\$0.07)	(11.4%)
Gas	\$0.57	\$0.46	\$0.12	25.8%
Other Energy Sources	\$0.02	\$0.01	\$0.01	63.9%
Sub-Total Energy	\$1.14	\$1.08	\$0.06	5.1%
Water & Sewer	\$0.12	\$0.09	\$0.03	30.9%
Purchased Services (Excluding Utilities)	\$0.58	\$0.57	\$0.01	2.5%
Supplies and Materials	\$0.39	\$0.38	\$0.01	2.1%
Capital Outlay	\$0.76	\$0.16	\$0.60	382.4%
Other Objects	\$0.00	\$0.03	(\$0.03)	(98.5%)
Total Expenditures per Square Foot	\$6.26	\$5.67	\$0.59	10.5%

Source: Ohio Department of Education

As shown in **Table 3-1**, overall facilities expenditures per square foot exceeded the peer average by 10.5 percent. The primary drivers of these higher expenditure levels were costs for utilities and capital outlay. Significant capital outlay expenditures were the result of building renovations that took place during FY 2010-11. The District uses General Fund revenues for all capital and maintenance costs.

Recommendations

R3.1 Eliminate one facilities maintenance and custodial staff FTE

Financial Implication: Eliminating one facilities maintenance and custodial FTE would result in annual savings of **\$42,900**.

Prior to the conclusion of this audit, the District eliminated the equivalent of one full-time custodial position.

CLSD closed one building in FY 2010-11 and has been adjusting staffing levels to meet the reduced facility space. The new Director of Operations has initiated the use of performance standards but these have not been traditionally used by the District to evaluate staffing needs. Instead, it has relied on an estimate of needs to guide staffing and performance considerations. Further, the District has many issues related to older buildings, varied cleaning conditions within the buildings, and other issues that might cause workloads to be higher than the recommended standards.

Table 3-2 shows a comparison of the staffing ratios to those recommended by leading practices.

Table 3-2: FY 2011-12 M&O Department Staffing Comparison

Maintenance and Custodial Staffing	
Total FTE Maintenance Staffing	3.0
Total FTE Custodian Staffing	13.5
Total FTE Staffing	16.5
District Statistics	
Square Footage Maintained	352,969
Acreage Maintained	42.0
Square Footage Cleaned	317,672
Maintenance & Grounds Staffing Benchmark	
AS&U Five Year Avg. Sq. Ft. per FTE Maintenance	95,000
Calculated FTE Maintenance Need	3.7
AS&U Five Year Avg. Acres per FTE Groundskeeper	40.0
Calculated FTE Ground Staff Need	1.1
Total Calculated Maintenance & Grounds Staffing Need	4.8
Custodian Staffing Benchmark	
NCES Level 3 Cleaning Median Square Footage per FTE	29,500
Calculated FTE Custodian Need	10.8
Total FTE Staffing	16.5
Total Calculated FTE Staffing Need	15.6
Difference	0.9

Source: CLSD, AS&U, NCES.

As shown in **Table 3-2**, the District square footage and acreage indicates a recommended staffing level of 15.6 FTE. Based on this comparison, the District is approximately 1.0 FTE higher than this level.

Staffing in excess of recommended levels leads to additional expenditures for the District. The elimination of unnecessary positions can be achieved by standardizing building conditions to improve efficiency in cleaning and maintenance operations. In addition to reducing labor hours, the District can take other measures to reduce expenditures and increase efficiencies. Modernizing equipment and HVAC systems as well as cleaning all equipment is an ideal way to achieve efficiencies. Also, the District can improve workloads by standardizing flooring surfaces throughout the buildings, reducing unnecessary rugs and furniture, and engaging all staff to participate in identifying and eliminating obstacles.

R3.2 Develop and implement an energy conservation program

Financial Implication: The District could save **\$14,700** in utility costs through the implementation of an energy conservation program.

The District's energy use and costs have largely been considered a product of the age of the facilities. In response, the District has pursued many options to replace building features such as windows and lighting that have been determined to be less energy efficient. However, the District has not coordinated these activities by developing and implementing a formal energy conservation program. By developing a formal energy conservation policy and providing training to students and staff, the District should be better able to control all utility costs.

According to U.S. Department of Energy's (USDE) publication *School Operations and Maintenance: Best Practices for Controlling Energy Costs* (USDE, 2004), a successful maintenance and operations program will typically achieve savings of between 1 to 3 percent in annual utility costs, depending on the program type, aggressiveness of changes, the state of current maintenance and operations practices, and the conditions of plants.

Effective energy management practices have been identified in several Ohio school districts, including Lakota Local School District in Butler County and Mansfield City School District in Richland County. Mansfield City School District implemented an aggressive energy conservation program. It developed energy conservation policies that were distributed to all employees. All employees were required to participate in the program. Administrators and support personnel (particularly custodians) were invested in the process and enlisted to help ensure its success. The policy included recommendations such as the following:

- Controlling temperatures within the range of 74-78 degrees during summer and 68-72 degrees during winter;
- Turning off the lights when areas are unoccupied including the gym, auditorium, and cafeteria;
- Turning off exterior lights during the day;
- Eliminating personal electric devices (space heaters, microwaves, hot plates, personal refrigerators, etc.) from all buildings;

- Turning off all computers, monitors, printers, etc. when not in use; and
- Closing blinds and doors to conserve heat.

The steps outlined in the policy serve not only to save energy but also to educate students and staff to contribute to energy efficiency.

Transportation

Background

In FY 2011-12, the District began contracting for the management of its transportation services to regular, special needs, and non-public students residing within the District's boundaries. Transportation is provided to special needs students who attend schools both within and outside of CLSD. Public, regular needs riders accounted for 92.6 percent of all students transported on buses during FY 2011-12. Non-public riders comprised approximately 5.6 percent, and the remaining 1.8 percent was special needs riders. In addition, the District reported 17 Type IV (payment in lieu of transportation) students during FY 2011-12.

In an effort to provide a tool that districts can use to compare transportation operations to other districts in Ohio, the Ohio Department of Education (ODE) created a transportation efficiency measurement that is published annually. This measurement takes into consideration a district's total number of riders, the area of a district and the disbursement of riders throughout the district (ridership density) to arrive at a ridership ratio. This model establishes a target student per bus value for each district. Districts that exceed their established target are defined as being efficient relative to other districts in the State.

ODE's FY 2011-12 Pupil Transportation Efficiency Targets set CLSD's target ridership at 77.35 students per bus based on reported total riders of 1,799. Based on the District's actual ridership of 89.95 ODE established a corresponding efficiency ratio of 1.16. According to ODE, Districts with a ratio over 1.0 are defined as efficient relative to other school districts. Because CLSD significantly exceeded ODE's ridership target, no bussing reductions were warranted.

Table 4-1 displays CLSD's expenditures for transporting Type I students in comparison to the peer average.

Table 4-1: FY 2010-11 Transportation Expenditures Per Rider

	CLSD	Peer Average	% Above (Below)
Salaries	\$260.30	\$357.95	(27.3%)
Benefits ¹	\$141.60	\$174.25	(18.7%)
Maintenance and Repairs ²	\$54.87	\$138.75	(60.5%)
Fuel	\$49.65	\$91.16	(45.5%)
Bus Insurance	\$8.24	\$9.91	(16.9%)
All Other Costs	\$12.48	\$21.47	(41.9%)
Total Expenditures	\$527.15	\$793.50	(33.6%)

Source: CLSD and ODE.

Note: These figures exclude non-reimbursable General Fund expenditures for capital outlay and non-routine transportation, per ODE instructions.

¹Includes retirement, workers' compensation, and employee insurance.

²Includes mechanic salaries, mechanic helper wages, maintenance and repairs, tires and tubes, and maintenance supplies.

As shown in **Table 4-1**, CLSD's overall operational costs for transportation in FY 2010-11 were 33.6 percent lower than the peer average on a per rider basis. The District expended less than the peer average in all the major operational categories.

Recommendations

R4.1 Develop procedures for submitting motor fuel tax refund claims

Financial Implication: Based on the State motor fuel tax reimbursement rate of \$0.06 per gallon, the District could receive reimbursement of approximately **\$1,800** in State fuel tax credits annually based on diesel fuel purchased during the twelve month period FY 2010-11 through FY 2011-12.

CLSD does not submit motor fuel tax refund claims (MVF 31 and MVF 81) to the Ohio Department of Taxation. Although the Transportation Supervisor, Treasurer, and Superintendent are jointly responsible for ensuring the timely and accurate reporting of transportation-related information in the District, the process itself remains informal.

In addition, CLSD does not track its fuel prices or compare prices to an established benchmark. According to the District, although it has historically used only one fuel vendor to obtain fuel, its prices have been better than the other fuel supplier in the area based on the quotes received. The District has had a purchase arrangement with the current fuel supplier for over three years.

CLSD owns one below the ground fuel tank which does not have locks. The tank is located inside the bus compound and controlled from inside the garage which is locked at the end of each day.

Since CLSD does not have a formal agreement (contract) with its fuel vendor, it purchases fuel at the market rate and does not receive any discounted rates. However, based on FY 2010-11 cost data, CLSD fuel cost per rider, per active bus, and per routine mile are significantly lower than the peer average. However, the District does not shop for competitive prices and pays market price for fuel.

The District is not a member of a fuel purchasing consortium such as that offered by the Ohio Department of Administrative Services (ODAS). Furthermore, it does not regularly solicit competitive bids or issue requests for proposal (RFPs) for fuel procurement. Rather, the District relies on a single local vendor to fill all fuel-related orders without a formal contract.

Table 4-2 compares CLSD's actual fuel costs for parts of FY 2010-11 and FY 2011-12 to the Department of Administrative Services (DAS) cooperative fuel purchasing program prices for that same timeframe.

Table 4-2: Fuel Price Comparison

Invoice Date	Gallons ¹	Cost per Gallon ²	DAS Cost per gallon ³	Difference
02/18/2011	6,499	\$3.11	\$3.16	(\$0.05)
04/18/2011	6,001	\$3.72	\$3.77	(\$0.05)
07/26/2011	6,001	\$3.43	\$3.60	(\$0.17)
10/07/2011	6,000	\$3.23	\$3.31	(\$0.08)
12/02/2011	5,998	\$3.22	\$3.31	(\$0.09)
02/01/2012	6,000	\$3.35	\$3.42	(\$0.07)

Source: CLSD fuel invoices and DAS.

¹ ULS Diesel Supreme

² Includes State Road Tax of \$0.28 per gallon.

³ Includes State Road Tax of \$0.28 per gallon plus \$0.044 per gallon delivery charge.

As shown in **Table 4-2**, CLSD had consistently lower fuel prices when compared to the State cooperative purchasing program, paying between \$0.05 and \$0.17 less per gallon for diesel fuel.

R4.2 Improve internal controls associated with fuel inventory

The District does not have a written policy stating that employees are not allowed to use fuel and other District's properties for personal purposes nor does it have a process for reconciling its fuel usage. The bus fleet at CLSD is housed in the District's bus garage located in the transportation compound. The District has a fuel monitoring device to record the amount of fuel remaining in the tank and to alert the Transportation Department when fuel volume is low and a fuel order is needed. However, it does not have a control device such as electronic card reader or inventory control system to record who is pumping fuel, the amount of fuel used, or the exact time when fuel was taken.

According to *Public Works Management Practices Manual* (APWA), fuel inventory systems should meet all applicable regulations and identify gallons of fuel received from vendors by location, date, and cost; and identify fuel issued by vehicle number, quantity, type, and location. Gallons of fuel on hand are identified by location, date, and type. Issuances, receipts, and current inventory levels are tracked to determine any variances from recorded inventory levels. Monitoring fuel usage assists in detecting fuel leaks; and fuel inventory is routinely reconciled.

Without a system for monitoring fuel usage at the bus level, the District is vulnerable to inefficient or inappropriate fuel usage. Developing written internal control policies and procedures for fuel use and regularly reconciling the fuel sheets with remaining inventory will help the District monitor fuel use. Such policies should also explicitly stipulate that fuel cannot be used for personal vehicles or equipment. All transportation staff should be required to sign an acknowledgement letter stating that they have read such policies. These should be formally documented and include secondary oversight by an employee outside the Transportation Department.

R4.3 Complete, reconcile, and submit accurate transportation reports

Each school district in Ohio is required to report, on an annual basis, detailed transportation information to ODE pursuant to Ohio Administrative Code § 3301-83-01(E). This information is reported on T-forms and is used to calculate the per pupil transportation payment from the State. The T-1 form is used to report the actual average number of pupils transported, the number of buses used, and the total daily miles traveled. The T-2 form is used to report the actual expenses incurred in the transportation of students to and from their assigned school.

A review of T-forms submitted by the District to ODE found the following errors:

- Reported costs of \$40,600 on the FY 2010-11 T-2 form for transporting Type V (special education) riders on District's other vehicles/vans. No corresponding student counts were reported on the T-1 form for this year.
- Total number of special needs student riders reported on the FY 2010-11 T-1 form (36 students) did not match the total number of special education students reported on the T-2 form (35 students) for the same year.
- Reported services for two Type VI special needs students on the T-1 form for FY 2009-10, but did not report the corresponding cost on the T-2 report for the same year.
- Reported \$27,603 in costs associated with transporting Type III special needs students on the FY 2009-10 T-2 form, but did not report the number of special needs students transported under Type III transportation on its T-1 report for the same year.
- Total reported number of special needs student riders on the FY 2009-10 T-1 form (39 students) did not match the total number of special education students reported on the T-2 form (37 students) for the same year.

In addition to the errors identified above, the District's count sheets recorded the number of actual riders each day but did not calculate the average number of students that rode the bus during the count week. The District picked one day of the count week with the highest number of riders and entered that number of students on its T-1 report. This practice is not compliant with State law which requires districts to report the average student ridership during the first full week in October.

Reporting errors have occurred in part because the District has not developed formal standard operating procedures for collecting, submitting, and verifying the T-form data reported to ODE. For example, there is no formal collaboration between transportation personnel and the Treasurer to ensure the accuracy and validity of data. Moreover, the District has no documentation identifying which officials are responsible for each aspect of transportation reporting or how various data is obtained and costs are allocated. Furthermore, the District relies solely on one individual, the Transportation Supervisor, to collect information and prepare the T-Forms. Although the District reported that the Transportation Supervisor, Treasurer, and Superintendent review the data, it is not fully complying with the reporting requirements as prescribed in ODE instructions.

ODE's Office of Pupil Transportation, in conjunction with the Ohio Association of School Business Officials (OASBO) and the Ohio Association of Pupil Transportation (OAPT), has

developed a series of trainings that school district administrators and employees can attend at a low cost. The trainings are held several times each year, and include a “Back to the Basics” training session. Information about the transportation trainings can be found on OASBO's website; www.oasbo-ohio.org. In addition, ODE's Office of Pupil Transportation posts statewide emails on its webpage which can contain important pupil transportation information.

Appendix: Scope and Objectives

Generally accepted government auditing standards require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

OPT identified the following scope areas for detailed review: financial systems, human resources, facilities and transportation. Based on the agreed upon scope, OPT developed objectives designed to identify improvements to economy, efficiency, and / or effectiveness. Objectives and scope areas assessed in this performance audit include:

- **Financial systems**
 - How does the District ensure efficient and effective internal controls on its purchasing process?
 - Does the District use the most effective and efficient payroll cycle? Are internal controls established on time and attendance reporting?
 - What can the District do to improve its financial management?
 - Are assumptions in the forecast reasonable and consistent?
 - How do expenditures per student compare to peer averages? Are there recurring unresolved financial audit citations?
 - Does the District have a strategic planning and capital planning process that is consistent with leading practices? Does it include performance measures?
 - Does the District operate an efficient food service fund that charges all appropriate costs to the Fund? Is it self-sufficient? If not, what are ways for it to improve operating efficiency?

- **Human resources**
 - What are the staffing ratios per pupil for administrators, teachers, and other staff? How do these compare to peer district averages?
 - What are the special education costs per pupil and how does staffing compare to minimum standards?
 - How does the District's collective bargaining agreement provisions on longevity compare to leading practices and/or peer averages?
 - How does the District compare to leading practices and/or peer averages on health care premium contributions, health care coverage plans, leave utilization, compensation levels, and retirement benefits?

- **Facilities**
 - How does the District compare to leading benchmarks and/or peer districts on expenditures per square feet and staffing ratios?
 - What is the capacity of the District's buildings and how does it compare to enrollment?

- What does the District do internally to reduce energy consumption and promote energy conservation?
- **Transportation**
 - What are the transportation ridership, expenditures, and operational statistics and how do these compare to leading practices and/or peer averages?
 - How does the District compare to leading practices on routing efficiency, regular yellow bus efficiency, alternative methods of transportation, and special needs transportation?
 - How effectively does the District comply with ODE transportation reporting requirements?
 - What security and controls are in place over materials and supplies?

Client Response

Throughout the audit process, staff met with Coventry Local School District officials to ensure substantial agreement on the factual information presented in the report. When the District disagreed with information contained in the report and provided supporting documentation, revisions were made to the audit report. In addition, the District was afforded the opportunity to formally respond to the final report with a written letter. The District chose not to respond.

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Dave Yost • Auditor of State

COVENTRY LOCAL SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 25, 2013**