

# CITY OF PHILADELPHIA PENNSYLVANIA

## OFFICE OF THE CONTROLLER

*Promoting honest, efficient, and fully accountable government*

**PHILADELPHIA INTERMEDIATE  
UNIT NO. 26**

**AUDITOR'S REPORT**

**FISCAL 2008**



City Controller  
**ALAN BUTKOVITZ**



# CITY OF PHILADELPHIA

OFFICE OF THE CONTROLLER  
1230 Municipal Services Building  
1401 John F. Kennedy Boulevard  
Philadelphia, PA 19102-1679  
(215) 686-6680 FAX (215) 686-3832

ALAN BUTKOVITZ  
City Controller

ALBERT F. SCAPEROTTO  
Deputy City Controller

April 5, 2010

Robert L. Archie Jr., Esq., Chair  
and Members of the School Reform Commission  
440 N. Broad Street  
Philadelphia, PA 19130

Audits of the Philadelphia Intermediate Unit No. 26 - Transportation Fiscal Report, and Final Expenditure Report Special Education Core Programs for fiscal 2008 were conducted pursuant to the requirements of the Department of Education of the Commonwealth of Pennsylvania.

Our audits determined that the above noted reports presented fairly, in all material respects, the financial activity of the Philadelphia Intermediate Unit No. 26 required to be included on those reports, for the period ended June 30, 2008 in conformity with accounting practices prescribed or permitted by the Department of Education of the Commonwealth of Pennsylvania. We noted no matters involving the internal control over financial reporting and its operation that we considered to be material weaknesses or instances of noncompliance or other matters that are required to be reported under generally accepted auditing standards.

We would like to express our thanks to the management and staff of the School District of Philadelphia for their courtesy and cooperation in the conduct of the audits.

Respectfully submitted,

A handwritten signature in purple ink, appearing to read "Alan Butkovitz".

ALAN BUTKOVITZ  
City Controller

cc: Arlene C. Ackerman, Ed.D., Chief Executive Officer  
Michael J. Masch, Chief Business Officer

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City Controller

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Deputy City Controller

## **Independent Auditor's Report On Philadelphia Intermediate Unit No. 26 Form PDE-2099 Transportation Fiscal Report**

To the Chair and Members of the  
School Reform Commission of the  
School District of Philadelphia

We have audited the accompanying Form PDE-2099 - Intermediate Unit Transportation Fiscal Report (Form PDE-2099) - of the Philadelphia Intermediate Unit No. 26, Philadelphia, Pennsylvania, for the year ended June 30, 2008. Form PDE-2099 is the responsibility of the Philadelphia Intermediate Unit's management. Our responsibility is to express an opinion on this form based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether Form PDE-2099 is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Form PDE-2099. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of Form PDE-2099. We believe that our audit provides a reasonable basis for our opinion.

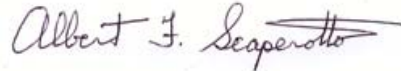
As described in Note 1, Form PDE-2099 was prepared in conformity with accounting practices prescribed or permitted by the Department of Education of the Commonwealth of Pennsylvania which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, Form PDE-2099, referred to above, presents fairly, in all material respects, the financial activity of the Transportation Accounts of the Philadelphia Intermediate Unit No. 26, Philadelphia, Pennsylvania, for the year ended June 30, 2008, in conformity with the basis of accounting described in Note 1.

**CITY OF PHILADELPHIA**  
**OFFICE OF THE CONTROLLER**

This report is intended solely for the information and use of the School Reform Commission, management of the Philadelphia Intermediate Unit No. 26 and for filing with the Department of Education of the Commonwealth of Pennsylvania and is not intended to be and should not be used by anyone other than these specified parties.

June 1, 2009

A handwritten signature in dark ink, reading "Albert F. Scaperotto". The signature is fluid and cursive, with a long horizontal stroke at the end.

ALBERT F. SCAPEROTTO, CPA  
Deputy City Controller

PDE-2099 (6/08)

Intermediate Unit Name  
Philadelphia IU 26

AUN  
1-26-00-000-0

**Contact Person**  
**Charles Lowitz**

Page 1 of 2

Telephone Number  
215-400-5305 x

Exp.	Object	Object Description	Amount	Exp.	Object	Object Description	Amount
100	PERSONNEL SERVICES - SALARIES			500	OTHER PURCHASED SERVICES		
110	Official / Administrative		\$0.00	511	From an LEA Within the State		\$0.00
130	Professional - Other		\$0.00	512	From an LEA Outside the State		\$0.00
140	Technical		\$0.00	513	Contracted Carriers		\$0.00
150	Office / Clerical		\$0.00	514	Board & Lodging in Lieu of Transp.		\$48,715,001.02
160	Crafts & Trades		\$0.00	515	Public Carriers		\$0.00
170	Operative		\$0.00	519	From Other Sources		\$794,249.35
180	Service Work and Laborer		\$0.00	522	Automotive Liability Insurance		\$0.00
200	PERSONNEL SERVICES - EMPLOYEE BENEFITS			524	Other Pupil Transportation Insurance		\$0.00
210	Group Insurance		\$0.00	529	Other Insurance		\$0.00
220	Social Security Contributions		\$0.00	530	Communications		\$0.00
230	Retirement Contributions		\$0.00	540	Advertising		\$0.00
240	Tuition Reimbursement		\$0.00	550	Printing & Binding		\$0.00
250	Unemployment Compensation		\$0.00	580	Travel		\$0.00
260	Workers' Compensation		\$0.00	590	Miscellaneous Purchased Services		\$0.00
270	Health Benefits from Self-Insurance		\$0.00				
290	Other Employee Benefits		\$0.00	600	SUPPLIES		\$0.00
300	PURCHASED PROFESSIONAL & TECHNICAL SERVICES			610	General Supplies		\$0.00
310	Official / Administrative Services		\$0.00	620	Energy		\$0.00
330	Other Professional Services		\$0.00	640	Books & Periodicals		\$0.00
340	Technical Services		\$0.00				
390	Other Purchased Prof. & Tech. Services		\$0.00	800	OTHER OBJECTS		
				810	Dues & Fees		\$0.00
400	PURCHASED PROPERTY SERVICES						
430	Repair & Maintenance Services		\$0.00		Subtotal, Objects 100-800		\$49,509,250.37
441	Rental of Land & Buildings		\$0.00	900	OTHER USES		
442	Rental of Equipment		\$0.00	934	Restricted Indirect Cost Allocation		\$0.00
444	Rental of Vehicles		\$0.00				
490	Other Purchased Property Services		\$0.00		Total Expenditures		\$49,509,250.37

The accompanying notes to Form PDE-2099 are an integral part of this form.

# Revenues and Expenditures for School Year 2007-2008

Intermediate Unit Name  
Philadelphia IU 26

AUN

1-26-00-000-0

Contact Person E-mail Address

clowitz@phila.k12.pa.us

	Fund Balance on July 1, 2007	(1)	(1)
6500 Earnings on Investments		\$439,971.89	
6900 Other Local Revenue		\$0.00	
7310 Transportation Revenue Received from State		\$48,340,015.48	
7810 State Share of Social Security & Medicare Taxes		\$0.00	
7820 State Share of Retirement Contributions		\$0.00	
			-\$131,015.48
Total Revenues	(2)	\$48,779,987.37	
Subtotal: Fund Balance on July 1, 2008 <i>plus</i> Total Revenues (1 + 2)	(3)	\$48,648,971.89	
Less: Total Expenditures	(4)	\$49,509,250.37	
<b>Fund Balance on June 30, 2008</b>	(3 - 4)	<b>-\$860,278.48</b>	

BUDGET RESOLUTION: Resolved, that the Board of School Directors of the Intermediate Unit hereby authorizes the expenditures as set forth herein for the school year 2007-2008 and certifies that such expenditures will be in accordance with the School Laws of Pennsylvania and budget controls of the Pennsylvania Department of Education.

Executive Director

*[Signature]*  
Secretary of the Board

Due Date: **September 15, 2008**

Return To: Pennsylvania Department of Education  
Bureau of Budget and Fiscal Management  
Division of Subsidy Data and Administration  
333 Market Street, 4th Floor  
Harrisburg, PA 17126-0333

The accompanying notes to Form PDE-2099 are an integral part of this form.

**School District of Philadelphia (IU 26)**  
**Transportation**  
**Notes to Form PDE-2099**  
**Fiscal Year Ended June 30, 2008**

1. PURPOSE OF FORM PDE-2099

Form PDE-2099 has been prepared in conformity with accounting practices prescribed or permitted by the Department of Education of the Commonwealth of Pennsylvania. The form reports certain financial activity of the Philadelphia Intermediate Unit No. 26 to the Department of Education of the Commonwealth of Pennsylvania in compliance with the Public School Code of 1949, Section 2509 as amended. This form presents only the revenues and expenditures and changes in fund balance associated with the transportation of exceptional children to and from school, the transportation of eligible young children to and from an early intervention program, and the transportation of exceptional children in accordance with programs and services specified in their Individualized Education Programs. Revenues and expenditures are presented in accordance with the modified accrual basis of accounting.





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ALAN BUTKOVITZ  
City Controller

ALBERT F. SCAPEROTTO  
Deputy City Controller

## **Independent Auditor's Report On Philadelphia Intermediate Unit No. 26 Form PDE-2115 - Final Expenditure Report Special Education Programs - IU Core**

To the Chair and Members of the  
School Reform Commission of the  
School District of Philadelphia

We have audited the accompanying Form PDE-2115 - Final Expenditure Report Special Education Programs - IU Core (Form PDE-2115) of the Philadelphia Intermediate Unit No. 26, Philadelphia, Pennsylvania, for the year ended June 30, 2008. Form PDE-2115 is the responsibility of the Philadelphia Intermediate Unit's management. Our responsibility is to express an opinion on this form based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether Form PDE-2115 is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in Form PDE-2115. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of Form PDE-2115. We believe that our audit provides a reasonable basis for our opinion.

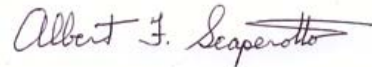
As described in Note 1, Form PDE-2115 was prepared in conformity with accounting practices prescribed or permitted by the Department of Education of the Commonwealth of Pennsylvania which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, Form PDE-2115, referred to above, presents fairly, in all material respects, the financial activity of the Special Education Programs - IU Core of the Philadelphia Intermediate Unit No. 26, Philadelphia, Pennsylvania for the year ended June 30, 2008, in conformity with the basis of accounting described in Note 1.

**CITY OF PHILADELPHIA**  
**OFFICE OF THE CONTROLLER**

This report is intended solely for the information and use of the School Reform Commission, management of the Philadelphia Intermediate Unit No. 26 and for filing with the Department of Education of the Commonwealth of Pennsylvania and is not intended to be and should not be used by anyone other than these specified parties.

June 1, 2009

A handwritten signature in dark ink, reading "Albert F. Scaperotto". The signature is fluid and cursive, with a long horizontal stroke extending from the end of the name.

ALBERT F. SCAPEROTTO, CPA  
Deputy City Controller

**FINAL EXPENDITURE REPORT  
SPECIAL EDUCATION PROGRAMS**

	<b>LEA NAME AND ADDRESS</b>  Philadelphia I.U. # 26 440 North Broad Street Philadelphia, Pennsylvania 19130	<b>CHECK ONE:</b>  <input checked="" type="checkbox"/> IU CORE <input type="checkbox"/> INSTITUTIONALIZED
	PHONE NUMBER: 215-400-5520	

INSTRUCTIONS: SUBMIT AN ORIGINAL AND TWO COPIES.

REPORT IS DUE: OCTOBER 31

DATE SUBMITTED

12/11/2008

OPERATING PERIOD

July 1, 2007 to June 30, 2008

FUNCTION	SUMMARY	AMOUNT
6000	- TOTAL LOCAL REVENUE (1)	196,890,678.00
	- SOCIAL SECURITY (STATE SHARE)	6,520,035.00
	- RETIREMENT (STATE SHARE)	4,757,224.00
	- SPECIAL EDUCATION APPROPRIATION	4,308,682.00
	- PRIOR YEAR ENCUMBRANCES	1,302,051.00
7000	- TOTAL AMOUNT RECEIVED FROM THE COMMONWEALTH	16,887,992.00
	- TOTAL AVAILABLE FOR INSTRUCTION	213,778,670.00
	- TOTAL EXPENDITURES (2)	211,142,687.00
	- ENCUMBERED FOR INSTRUCTION	2,635,983.00
	- EXPENDITURES AND ENCUMBRANCES	213,778,670.00
	- UNEXPENDED FUNDS (MUST BE RETURNED WITH REPORT)	0.00
(1) PROVIDE SPECIFICALLY DETAILED SUPPORTING SCHEDULES		
(2) INCLUDE ALL PRIOR YEAR ENCUMBRANCES ACTUALLY LIQUIDATED		

SIGNATURE, CHIEF ADMINISTRATIVE OFFICER

DATE

12/11/2008

PDE RESERVES THE RIGHT, AT ANY LATER DATE, TO CONDUCT AN AUDIT OF EXPENDITURES CLAIMED

PDE-2115 (5-99)

OBJECTS				FUNCTIONS						
	1200	2100	2200	2300	2400	2500	2600	5200	TOTAL	
100 - PERSONNEL SERVICES - SALARIES										
110						SPECIAL EDUCATION DIRECTOR ONLY				
110				423,944					423,944	
120	120,180,378	8,272,977							128,453,355	
130										
140										
150										
160										
170										
180							42,813		42,813	
190										
TOTAL	120,180,378	8,272,977		423,944			42,813		128,920,112	
200 - PERSONNEL SERVICES - EMPLOYEE BENEFITS										
210	19,291,143	1,072,227		62,767			7,245		20,433,382	
220	9,220,164	631,847		31,647			3,287		9,886,945	
230	8,417,825	579,407		30,020			3,010		9,030,262	
240	48,866	2,392		109			27		51,394	
250	885,480	60,315		3,128			314		949,237	
260	2,450,860	167,174		8,694			870		2,627,598	
270	-								0	
290	16,658,125	856,334		42,817			7,288		17,564,564	
TOTAL	56,972,463	3,369,696		179,182			22,041		60,543,382	
300 - PURCHASED PROFESSIONAL & TECHNICAL SERVICES										
310										
320	7,965,472								7,965,472	
330										
340										
390										
TOTAL	7,965,472								7,965,472	
400 - PURCHASED PROPERTY SERVICES										
410										
420										
430	12,796								12,796	
440										
460										
490										
TOTAL	12,796								12,796	

The accompanying notes to Form PDE-2115 are an integral part of this form.

OBJECTS		FUNCTIONS							
	1200	2100	2200	2300	2400	2500	2600	5200	TOTAL
500 - OTHER PURCHASED SERVICES									
510									-
520									-
530									-
540									-
550									-
560									-
580	81,129	125							81,254
590									-
TOTAL	81,129	125							81,254
600 - SUPPLIES									
610	1,295,300	16,195		100					1,311,595
620									
630									
640	1,349,753	88,583							1,438,336
TOTAL	2,645,053	104,778		100					2,749,931
700 - PROPERTY									
750	823,192	104,181							927,373
780									
TOTAL	823,192	104,181							927,373
800 - OTHER OBJECTS									
800	942,367								942,367
900 - FUND TRANSFERS									
900								9,000,000	9,000,000
GRAND TOTAL - INCLUDE NOTE AS APPLICABLE									
	189,622,850	11,851,757		603,226			64,854	9,000,000	211,142,687
NOTE: PRIOR YEAR ENCUMBRANCE LIQUIDATION									
310									
320	1,489,759								1,489,759
330									
340									
390									
300 TL	1,489,759								1,489,759
440									
400 TL									
500 TL	1,838								1,838
610	(117,649)	13,126							(104,523)
640	(40,711)	80,202							39,491
600 TL	(158,360)	93,328							(65,032)
750	(149,261)	25,000							(124,261)
760		(253)							(253)
700 TL	(149,261)	24,747							(124,514)
TOTAL	1,183,976	118,075							1,302,051

The accompanying notes to Form PDE-2115 are an integral part of this form

**SCHOOL DISTRICT OF PHILADELPHIA  
INTERMEDIATE UNIT # 26  
LOCAL REVENUE  
FISCAL YEAR 2007/2008**

Billed to Other Districts	\$ 274,068.00
School District Contribution to the I.U.	<u>196,616,610.00</u>
Total Local Revenue	<u><u>\$ 196,890,678.00</u></u>

The accompanying notes to Form PDE-2115 are an integral part of this form.

**School District of Philadelphia (IU 26)**  
**Special Education Programs - IU Core**  
**Notes to Form PDE-2115**  
**Fiscal Year Ended June 30, 2008**

1. PURPOSE OF FORM PDE-2115

Form PDE-2115 has been prepared in conformity with accounting practices prescribed or permitted by the Department of Education of the Commonwealth of Pennsylvania. The form reports certain financial activity of the Philadelphia Intermediate Unit No. 26 to the Department of Education of the Commonwealth of Pennsylvania in compliance with the Public School Code of 1949, Section 2509.1 as amended. This form presents only the revenues, expenditures and encumbrances relating to providing special education services to exceptional children, and eligible young children in an early intervention program. Revenues and expenditures are presented in accordance with the modified accrual basis of accounting.