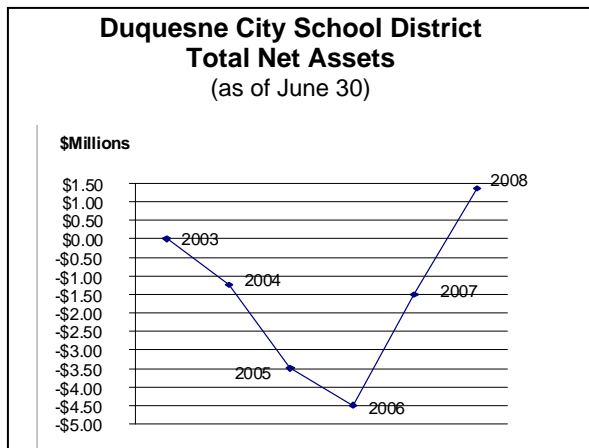


## Report Highlights

### Summary of the Financial and Academic Status of the Duquesne City School District

Act 45 of 2007 called on the LB&FC to provide summary information on the financial and academic status of the Duquesne City School District (Duquesne). The report is to include a financial audit of the most recently completed school year.<sup>1</sup>

- **Duquesne's net assets improved by \$2.96 million in FY 2007-08, from -\$1.47 million (as of 6/30/2007) to \$1.49 million (as of 6/30/2008).**



- **Duquesne's financial audit is not yet complete.** This report is based on a draft of the audit report and information provided by the Allegheny Intermediate Unit (AIU), which has responsibility for managing the Duquesne City School District.
- **Duquesne's General Fund balance improved due primarily to a \$1.4 million increase in state funding.** At the end of 2006-07, the district had a deficit fund balance of \$1.4 million. In January 2008, PDE sent the district \$1.4 million to offset the deficit. Additional state funding was made available through a \$2 million Intergovernmental Agreement between the PA Department of Education, the Allegheny Intermediate Unit, and Duquesne. Of the \$2 million, \$300,000 was for management services. The remaining \$1,700,000 was for administrative/support positions and contracted services.
- **Duquesne's debt service is comparable to the statewide average.** As of 6/30/2008, Duquesne

had outstanding bond debt totaling \$17 million, with debt service expense of \$1.6 million, or 11.8% of total expenditures. Duquesne's debt expense is expected to remain at about \$1.5 million for the next 15 years. The average debt service for all 501 Commonwealth school districts is 11.3% of total expenditures.

- **Duquesne's student PSSA scores are among the lowest in the state.** Although improvement was made in some grade levels/subject areas, test scores continue to be poor.
- **Duquesne has not met its Adequate Yearly Progress goals for the past seven years.** The Duquesne School District has not met its Adequate Yearly Progress goals for seven years and currently remains in "Corrective Action II-Second Year" status.
- **Duquesne High School has closed.** On June 5, 2007, the Duquesne Board of Control passed a resolution that curtailed the operation of the high school. Duquesne continues to educate K-8 students living within the district. Students from grades 9-12 now attend either West Mifflin Area High School or East Allegheny High School. These two districts report profound concerns about the academic difficulties of the Duquesne students.
- **AIU reports taking many steps to implement improved management practices.** In response to a series of management audits, AIU reports having instituted numerous operational improvements in the curriculum, technology, reporting structures, security, community relations, finance, and human resources, among others.

<sup>1</sup>Rather than conduct our own financial audit, we relied on the financial audit conducted as required under the Pennsylvania School Code. Because the audit report was not finalized by mid-March 2009, the information in our report is based on the draft audit report. Readers who would like to see the final audit report may contact our office, and we will provide it as soon as it is available.