

June 19, 2012

State of Arizona  
Office of the Auditor General  
Debra Davenport, Auditor General  
2910 North 44<sup>th</sup> Street, Suite 410  
Phoenix, Arizona 85018



Ms. Davenport,

Cave Creek Unified School District (CCUSD) respectfully submits our response to the Performance Audit for Fiscal Year 2010, which was conducted in conformity with Arizona Revised Statute (A.R.S.) §41-1279.03. CCUSD understands that this Statute requires all Arizona public school districts to undergo a specialized audit to assess a District's comparative expenditure patterns with similar sized districts.

CCUSD welcomes the opportunity to improve our organization and appreciates the Auditor General staff that was assigned to our District in regard to their professionalism while interacting with our staff. The AG's staff was sensitive to the additional time necessary for completion of this audit and was willing to consider the rationale for methods of financial management needed to effectively serve the students of CCUSD, while remaining in compliance with Federal, State and Local regulations.

CCUSD appreciates the auditor's recognition of our student achievement, with AIMS scores higher than peer districts' scores and much higher than state averages. We further appreciate the acknowledgement that the District operated efficiently overall, with costs that were lower than or similar to peer districts' costs in all areas except plant operations and that the District operated its administration and transportation program with per-pupil costs that were slightly lower than peer districts' costs.

The Performance Audit lists one main finding regarding plant operation costs and two other less significant findings in the areas of account code selection. On the following pages, in compliance with the requirements of A.R.S. §41-1279.03, CCUSD has addressed each recommendation in the report, stating whether the District:

- 1) Does or does not agree with the findings and recommendation, and
- 2) Will implement the recommendation, will implement a modification to the recommendation, or will not implement the recommendation.

Please contact us if you have any questions regarding our response.

Sincerely,

Dr. Debbi Burdick  
CCUSD Superintendent

Cc: Kent Frison, Ph.D., Associate Superintendent of Operations and Finance  
Governing Board, Cave Creek Unified School District  
Ross Ehrick, Division of School Audits Director  
Ann Orrico, Division of School Audits Manager

## Recommendations

### Plant Operations Costs

- 1) The District should continue analyzing the prices it charges community groups for the use of its facilities to ensure the fees better reflect the District's costs as required by A.R.S. §15-1105.

*The District agrees it should continue the analysis of prices it charges community groups for use of its facilities. A recent analysis has been completed, with a new fee schedule to be presented to the Governing Board for approval, on July 10<sup>th</sup>, 2012. The district will continue to update the analysis of facilities fees annually and make adjustments as appropriate.*

- 2) The District should review its building capacity usage to determine whether additional schools or unused sections of schools can be closed to reduce maintenance and utility costs.

*The District agrees it should review its building capacity to determine usage. In 2010-2011, the District closed Desert Arroyo Middle School in an effort to maximize building capacity and reduce maintenance and utility costs. Additionally, in 2011-2012, a site-by-site, room-by-room walk-through was conducted to analyze each square foot of the District and determine whether any use of schools and/or sections of schools required adjustments that might provide opportunities to reduce maintenance and utility costs. Due to current enrollment numbers and the efficiency of District site allocations, no additional adjustment to school use is foreseen at this time.*

- 3) The District should continue its efforts to reduce its energy and water usage to lower costs.

*The District agrees it should continue efforts to reduce energy and water usage to lower costs and has recently completed an Energy and Water Conservation Plan using Performance Contracting. The District anticipates significant savings, which are guaranteed by the vendor, as part of this contract.*

### **Expenditure Classification**

- 1) The district should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.

*The District agrees it should consistently classify expenditures in accordance with the Uniform Chart of Accounts for school districts. The District has updated the expenditure classifications, identified by the auditors, for the current year and will continue to review and identify coding practices. The District will provide additional training to staff tasked to review expenditure coding to ensure on-going compliance with existing Uniform Chart of Accounts, as well as update notifications when changes are issued to the Uniform Chart of Accounts for school districts.*

### **Classroom Site Fund Classification**

- 1) The district should ensure that only eligible employees receive Classroom Site Fund monies.

*The District agrees it should ensure that only eligible employees receive Classroom Site Fund monies and has corrected the eligibility list as clarified by the Auditor General, for the current fiscal year. Prior to our Performance Audit, CCUSD determined eligibility for Classroom Site Fund monies as understood from the definition of a certified "teacher", provided by Attorney General Opinion I01-014. Recent clarification to that definition requires that CCUSD remove from the eligibility list any certified teacher whose job description indicates that more than 50% of their time is spent counseling students, providing professional development for certified teachers or mentoring other certified teachers. The District will provide on-going training for staff responsible for implementing the District Classroom Site Fund Plan, to comply with the current definition and to ensure that our definition is reviewed annually for compliance, in the event that Classroom Site Fund eligibility is further updated and/or clarified.*