

REPORT HIGHLIGHTS
PERFORMANCE AUDIT

Our Conclusion

In fiscal year 2009, Thatcher Unified School District's student achievement was much higher than both the peer districts' and state averages. Its student AIMS scores were higher, its 90-percent graduation rate was higher, and all four of its schools met "Adequate Yearly Progress" for the federal No Child Left Behind Act. Further, the District's per-pupil administration, plant operations, food service, and transportation program costs were all lower than peer districts' averages. However, the District's food service costs were higher per meal, and it needs to begin tracking and monitoring food inventory and meal production to better manage the program. The District should also develop a formal IT disaster recovery plan and test it periodically.

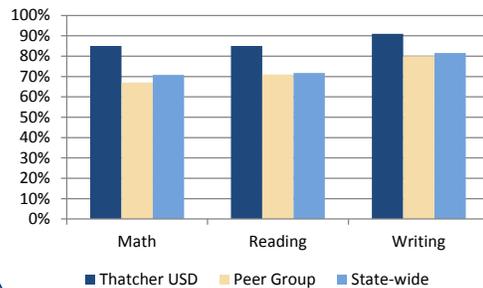


2011

Much higher student achievement and efficient operations

Student achievement much higher than peers and state averages—In fiscal year 2009, Thatcher USD's student AIMS scores were much higher than both peer districts' and state averages. Further, each of the District's four schools met "Adequate Yearly Progress" for the federal No Child Left Behind Act, and the District's 90-percent high school graduation rate was much higher than the peer districts' 84-percent and the State's 76-percent rates.

Percentage of Students Who Met or Exceeded State Standards (AIMS) Fiscal Year 2009



District operated efficiently with lower costs overall—Thatcher USD operated with significantly lower per-pupil costs in administration, plant operations, food service, and transportation than its peer districts'.

Although the District spent a higher portion of its monies in the classroom, it still spent \$702 less per pupil in the classroom and \$2,439 less per pupil overall than peer districts because it received less money from voter-approved budget overrides, state funding, and federal programs.

Expenditures by Function Fiscal Year 2009

Per Pupil	Thatcher USD	Peer Group Average
Administration	814	1,086
Plant operations	834	1,287
Food service	303	430
Transportation	230	486
Classroom dollars	\$4,092	\$4,794

District operated efficiently with most costs lower than peer districts'

Efficient and effective administration—In fiscal year 2009, Thatcher USD's administrative costs per pupil were 25 percent lower than peer districts'. These costs were lower primarily because the District employed fewer administrative support staff and paid lower salaries to some administrators, such as principals, who received about 9 percent less than the peer average. Additionally, the District's business office appeared well managed with well-trained staff and appropriate internal controls in place.

However, the District should develop a formal, up-to-date, and tested IT disaster

recovery plan to help ensure continued operations in the case of a system or equipment failure or interruption. Further, although it stores system backup tapes offsite, it has not tested whether it can restore data from those tapes.

Efficient plant operations—Thatcher USD's plant operations costs were 24 percent lower per square foot and 35 percent lower per student than the peer districts' average. Lower costs were attributed to using irrigation water for playgrounds and sports fields, and participating in a government consortium for Internet access. The District also

controlled energy costs by closely monitoring usage and regulating room temperatures, and installed its own data communication lines connecting its schools, thereby avoiding service fees for those lines.

Reasonably efficient transportation program—

Thatcher USD's student transportation program operated efficiently overall despite a slightly higher cost per mile than peer districts'—\$2.73 compared to \$2.52. The District maintained routes that were reasonably efficient, filling buses to 76 percent of capacity, and the District regularly reviewed its routes evaluating the number of riders and ride

times. Further, the District's \$458 cost per rider was much lower than peer districts' \$811 cost per rider primarily because the District traveled fewer miles per rider than the peer districts.

However, the District had to subsidize its transportation program because it drove a large number of activity miles, such as for athletics and field trips, which were not fully covered under the State's transportation funding formula.

Recommendation—The District should develop a formal IT disaster recovery plan and test it periodically.

Lack of oversight likely contributed to high food costs

In fiscal year 2009, Thatcher USD's cost per meal was 9 percent higher than peer districts'—\$3.31 compared to \$3.04. It was also higher than the student meal price charged by the District and the federal reimbursement rate. As a result, the program did not generate sufficient revenues to operate and had to be subsidized with \$91,000 that otherwise could have been spent in the classroom.

A lack of oversight likely contributed to the high costs. The District did not maintain food inventory records or monitor food inventory levels, and did not track daily meal production.

The District also did not ensure that it used older food items first, which can result in discarded

inventory. Further, although student participation varies depending on the entrees being served, the District produced the same number of meals each day, resulting in over- and under-production. The District should consider this in future meal planning and also consider obtaining a morning count of students planning on purchasing a lunch so it can match production to the anticipated purchases.

Recommendations—The District should:

- Track and monitor its food inventory and meal production.
- Ensure it uses older food inventory first.
- Consider methods to better determine the number of meals needed each day.