



A REPORT
TO THE
ARIZONA LEGISLATURE

Division of School Audits

Performance Audit

Thatcher Unified School District

June • 2011
Report No. 11-08



Debra K. Davenport
Auditor General

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AUDITOR GENERAL

STATE OF ARIZONA
OFFICE OF THE
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

June 29, 2011

Members of the Arizona Legislature

The Honorable Janice K. Brewer, Governor

Governing Board
Thatcher Unified School District

Mr. Paul Nelson, Superintendent
Thatcher Unified School District

Transmitted herewith is a report of the Auditor General, *A Performance Audit of the Thatcher Unified School District*, conducted pursuant to A.R.S. §41-1279.03. I am also transmitting within this report a copy of the Report Highlights for this audit to provide a quick summary for your convenience.

As outlined in its response, the District agrees with all of the findings and recommendations.

My staff and I will be pleased to discuss or clarify items in the report.

This report will be released to the public on June 30, 2011.

Sincerely,

Debbie Davenport
Auditor General

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.

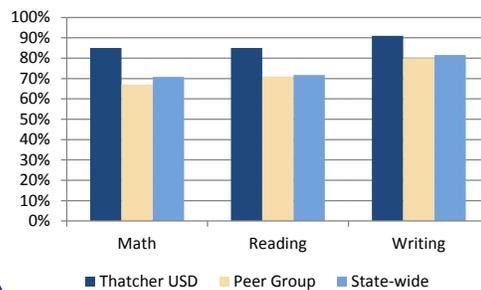


2011

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.

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DISTRICT OVERVIEW

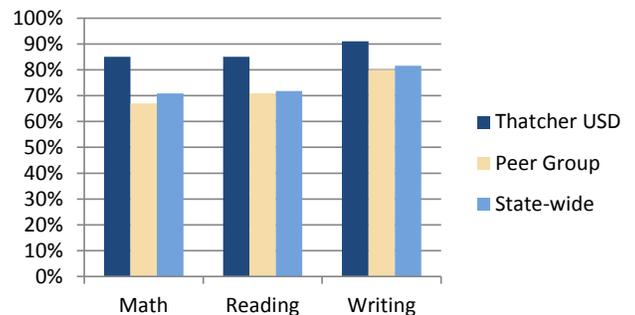
Thatcher Unified School District is a rural district located in southeastern Arizona in Graham County. In fiscal year 2009, the District served 1,268 students in kindergarten through 12th grade at its four schools.

Overall, in fiscal year 2009, Thatcher USD compared favorably with peer districts in both student achievement and operational efficiencies.¹ The District's student achievement was significantly higher than both its peer districts' and state averages. Additionally, its administration, plant operations, and student transportation costs were all below peer districts'. These operational efficiencies were especially important for Thatcher USD as it received significantly less funding than peer districts and had one of the lowest per-pupil spending amounts in the State.

Student achievement much higher than state and peer districts' averages

In fiscal year 2009, 85 percent of the District's students met or exceeded state standards in math, 85 percent in reading, and 91 percent in writing. As shown in Figure 1, these scores were much higher than the state and peer districts' averages. Thatcher USD's scores were also among the highest in the State and higher than all of the peer districts'. Additionally, 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 in fiscal year 2009 was significantly higher than both the peer group average of 84 percent and the state average of 76 percent.

Figure 1: Percentage of Students Who Met or Exceeded State Standards (AIMS) Fiscal Year 2009 (Unaudited)



Source: Auditor General staff analysis of fiscal year 2009 test results on the Arizona Instrument to Measure Success (AIMS).

District operated efficiently with most costs lower than peer districts'

As shown in Table 1 on page 2, for fiscal year 2009, 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

¹ Auditors developed two peer groups for comparative purposes. See page a-1 of this report's Appendix for further explanation of the peer groups.

spent \$702 less per pupil in the classroom than the peer group average because it received significantly less funding than both the peer districts' and the state average. The District's fiscal year 2009 per-pupil spending of \$6,623 was \$2,439 less per pupil than its peer districts' and one of the lowest per-pupil spending amounts in the State. Thatcher USD had less money available primarily because it (1) did not receive additional funding through voter-approved budget overrides to increase its budget, (2) received less student transportation funding because it drove fewer miles, (3) received no additional budget capacity for excess utilities, and (4) received less federal monies as a result of its lower poverty level.¹

Significantly lower administrative costs—

Thatcher USD's administrative costs per pupil were 25 percent lower than peer districts—\$814 compared to \$1,086. The District's lower costs were primarily the result of employing fewer administrative staff and paying some administrators slightly lower salaries. Auditors also found the District's business operations to be well managed with good internal controls and well organized records (see Finding 1, page 3).

Significantly lower plant operations

costs—Compared with peer districts, Thatcher USD's plant costs were 35 percent lower per pupil and 24 percent lower per square foot. The District's use of irrigation water for its fields, its close monitoring of energy usage, and its membership in a three-county consortium for data communication helped lower its plant operations costs. Other districts may be able to use one or more of these practices to similarly lower their plant operations costs (see Finding 1, page 3).

Higher food service costs per meal—

Thatcher USD's cost per meal of \$3.31 was 9 percent higher than the peer districts' average of \$3.04 and significantly higher than both the federal reimbursement rate for the National School Lunch program and the District's paid lunch price. As a result, the District subsidized its food service program with \$91,000 that could have otherwise been spent in the classroom. Despite its high cost per meal, the District's food service costs per pupil were 30 percent lower than peer districts' because of low student participation in the program. Auditors identified several improvements that the District can implement to help better manage the program and likely reduce costs (see Finding 2, page 7).

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's routes were reasonably efficient and its \$458 cost per rider was much lower than peer districts' \$811 cost per rider.

Table 1: Comparison of Per-Pupil Expenditures by Function Fiscal Year 2009 (Unaudited)

Spending	Thatcher USD	Peer Group Average	State Average
Total per pupil	\$6,623	\$9,062	\$7,908
Classroom dollars	4,092	4,794	4,497
Nonclassroom dollars			
Administration	814	1,086	729
Plant operations	834	1,287	920
Food service	303	430	382
Transportation	230	486	343
Student support	164	634	594
Instructional support	159	337	431
Other	27	8	12

Source: Auditor General staff analysis of fiscal year 2009 Arizona Department of Education student membership data and district-reported accounting data.

¹ A.R.S. §15-910 allowed districts to increase their budgets for utility costs that were in excess of an adjusted base year amount. This provision has expired and, beginning in fiscal year 2010, school districts can no longer increase their budgets for utility costs.

FINDING 1

District operated efficiently with most costs lower than peer districts'

In fiscal year 2009, Thatcher USD operated efficiently overall with significantly lower administrative and plant operations costs and a reasonably efficient student transportation program. The District attained these lower costs primarily by employing fewer administrative staff, using less expensive irrigation water, obtaining Internet service through a consortium, and closely monitoring energy usage. Operating efficiently allowed the District to spend more of its available resources for instructional purposes. As a result, Thatcher USD spent a relatively high 61.8 percent of its available dollars in the classroom in fiscal year 2009 compared to the peer districts and state averages of 53.6 percent and 56.9 percent, respectively.

Efficient and effective administration

The District's administrative costs were much lower than peer districts', and its business office was well managed.

Significantly lower administrative costs—Thatcher USD's administrative costs per pupil were 25 percent lower than the peer districts' average primarily because it employed fewer administrative support staff and paid lower salaries to some administrators. Auditors surveyed 7 of the 14 peer districts with higher administrative costs, selecting districts that have in the past responded to audit requests in a timely manner and with accurate information. Compared to the surveyed districts, Thatcher USD employed about 2.5 fewer administrative support staff, such as school secretaries and human resources staff. Further, two of these peer districts also reported employing assistant superintendents, which Thatcher USD did not employ. Also, some Thatcher USD administrators were paid lower salaries than peer districts'. For example, compared to the seven districts surveyed, Thatcher USD paid its principals about 9 percent less than these peer districts averaged even though Thatcher USD's principals averaged 2 years more experience.

Well managed business office—Thatcher USD's business office appeared well managed with proper procedures in place. Based on interviews, observations, and auditors' review of a sample of payments, the business office staff appeared well-trained, responsibilities were

clearly delegated, spending was closely monitored, and records were well organized and readily available. Additionally, the District has adequate controls in place to reduce the risk of errors and unauthorized expenditures. For example, all expenditures were reviewed by multiple employees before payment was issued to avoid errors and to ensure purchases were necessary. Further, the longevity of the District's business manager and support staff likely contributes to the business office's effective and efficient operations. As of January 2011, the business manager had been in that position with the District for about 28 years, the payroll clerk about 23 years, and the accounts payable clerk about 7 years.

Efficient plant operations

The District's plant costs per square foot and per student were both significantly lower than the peer districts' average. Its cost per square foot of \$4.04 was 24 percent lower than the peer districts' and its cost per student was 35 percent lower. The District's lower costs were primarily because of lower costs for water and sewage, communications, energy, and property insurance.

Use of less expensive irrigation water—Thatcher USD spent less than one-third the amount peer districts spent for water and sewage costs primarily because it used irrigation water for its playgrounds and sports fields at a nominal cost.

Consortium helps lower communication costs—Thatcher USD's \$10,500 communication costs, which include telephone service, Internet access, and data communications, were significantly lower than the \$73,000 average reported by the peer districts primarily because it incurred much lower costs for Internet access and data communications. The District is part of the Graham County Education Consortium (Consortium) established to provide Internet access, distance learning, and other technology support to rural school districts and other governmental entities in Graham, Greenlee, and Cochise Counties. The Consortium obtained bulk Internet service that members may purchase through the Consortium. According to district officials, they obtained this service at a lower cost through the Consortium. In addition to these reduced costs, the District also previously installed its own data lines connecting its schools and therefore pays no service fees for these communication lines. Based on past audits, districts typically do not own these lines and incur costs for data connections between school sites.

Close monitoring of energy usage helps control costs—The District's per-square-foot energy costs were 18 percent lower than peer districts', in part because of its efforts to control its energy usage.

- **Regulated room temperatures**—The District's energy management system regulates room temperatures, and settings have been established to reduce heating and cooling needs when rooms are not occupied, such as nights, weekends, and summer months.

- **Monitored energy usage**—The District prepares monthly reports of energy costs and usage, by building, to help monitor energy usage. The District's plant director closely monitors these reports, comparing monthly usage over the past several years, and investigates the causes of anomalies such as poorly operating cooling and heating equipment.
- **Upgraded lighting**—The District has upgraded its building lighting systems to more energy efficient units.
- **Educated staff on energy conservation**—The District has taken efforts to educate staff on energy conservation efforts, such as turning off lights when not in use and shutting down computers when employees leave for the day. The plant director also occasionally tours the facilities to ensure employees are following the stated policy, and informs the employees' supervisors if he identifies employees not complying.

Property insurance costs lower than peer districts that pre-paid—Like many districts in the State, Thatcher USD purchased its property insurance from the Arizona Risk Retention Trust. However, the District's fiscal year 2009 property liability insurance costs appeared significantly lower than peer districts' because some of the peer districts, which also purchased property insurance through the Trust, paid for 2 years' worth of property insurance during fiscal year 2009. Thatcher USD paid for only 1 year of insurance in fiscal year 2009.

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. The lower cost per rider was primarily because the District traveled fewer miles per rider than the peer districts.

Although the District's transportation program was reasonably efficient, the District had to subsidize transportation costs. In fiscal year 2009, the District spent about \$43,000 more on student transportation than it received in transportation-related funding primarily because it drove a large number of miles for activities such as athletics and field trips, which were not fully covered under the State's transportation funding formula. In fiscal year 2009, the state transportation funding formula provided the District with funding for about 12,700 activity miles, but the District actually drove nearly 50,000 such miles.

FINDING 2

Lack of oversight likely contributed to high food costs

In fiscal year 2009, Thatcher USD's cost per meal of \$3.31 was nearly 9 percent higher than the peer districts' average of \$3.04. It was also higher than the student meal price charged by the District and the federal reimbursement rate. As a result, the District's food service program generated only 76 percent of the revenues needed to operate, meaning the District had to subsidize the program with \$91,000 that could otherwise have been spent in the classroom. The District's lack of oversight of the program likely contributed to the high costs. The District did not prepare inventory and production records and did not follow proper inventory and production procedures.

Better recordkeeping and procedures needed

Thatcher USD's high cost per meal was primarily attributable to food costs that were 31 percent higher per meal than peer districts'. Although a lack of detailed inventory and production records prevented analysis of the exact cause of the higher food costs, poor inventory and production procedures likely contributed to the higher costs. Further, it does not appear that the higher food costs were caused by higher quality foods or additional entrée options. The entrees served and quality of ingredients purchased appeared similar to other districts' programs auditors reviewed. Further, unlike some other districts reviewed, Thatcher USD offered only one hot lunch entrée option each day. Additionally, Thatcher USD's student participation in the lunch program was much lower than its peer districts'—47 percent compared to 61 percent.

Lack of inventory and production records hindered program management—

The District did not maintain inventory and production records to facilitate management of the food service program.

- **Inventory records not maintained**—The District did not maintain food inventory records or have a system in place to monitor food inventory levels. A proper inventory system is a key component in program management for many reasons, including ensuring inventory is on hand for future meal production, planning meals around available inventory, using food items prior to their expiration, tracking spoiled inventory, and identifying missing inventory.

- **Production records not maintained**—The District also did not track daily meal production, such as the number of meals prepared, the amount of food used, the number of meals served, the amount of overproduction, and whether overproduction was saved for future meals or discarded.

Poor inventory and production procedures likely increased food costs—
Thatcher USD's poor inventory and production procedures likely contributed to its food service program's higher food costs.

- **Inventory procedures lacking and not always followed**—The District has not established proper inventory procedures such as conducting routine physical inventory counts and comparing the results of those counts to the inventory records. In addition, although the District's policy was to follow a first-in, first-out inventory method by stacking older food items on top of newer items to ensure the older items are used first, auditors observed some instances of newer food items stacked on top of older items. Not following this policy can increase the amount of expired and discarded inventory and contribute to higher food costs.
- **Production procedures lacking**—The District also needs to improve its production procedures. For instance, although student participation varies depending on the entrées being served, the District produced the same number of meals each day, and district staff indicated this often resulted in over- and under-production. Tracking and monitoring the entrée served and the number of meals purchased can help limit food waste and assist the District in future menu planning by determining the popularity of various entrees. The District should also consider implementing a production best practice identified at other districts where teachers obtain a morning count of the students planning to obtain a school lunch that day and then match meal production to those counts.

Recommendations

1. The District should begin tracking and monitoring its food inventory and meal production to better manage the program.
2. The District should ensure it follows its first-in, first-out inventory policy to reduce the likelihood of expired and discarded food inventory.
3. The District should consider methods to better determine the number of meals needed each day, such as having its teachers obtain a morning count of the students planning to obtain a school lunch that day and then match meal production to those counts.

OTHER FINDINGS

In addition to the two main findings presented in this report, auditors identified one other, less significant area of concern that requires district action. This additional finding and its related recommendation is as follows:

Lack of disaster recovery plan could result in interrupted operations or loss of data

The District does not have a formal, up-to-date, and tested disaster recovery plan, even though it maintains critical financial and student information on its systems and network. A written and properly designed disaster recovery plan would help ensure continued operations in the case of a system or equipment failure or interruption. Although the District stores backup tapes offsite, it has not tested its ability to restore electronic data files from the backup tapes, which could result in the loss of sensitive and critical data. Disaster recovery plans should be tested periodically and modifications should be made to correct any problems and ensure their effectiveness.

Recommendation

The District should create a formal disaster recovery plan and test it periodically to identify and remedy any deficiencies.

APPENDIX

Objectives, Scope, and Methodology

The Office of the Auditor General has conducted a performance audit of the Thatcher Unified School District pursuant to A.R.S. §41-1279.03(A)(9). Based in part on their effect on classroom dollars, as previously reported in the Auditor General's annual report, *Arizona Public School Districts' Dollars Spent in the Classroom (Classroom Dollars report)*, this audit focused on the District's efficiency and effectiveness in four operational areas: administration, plant operation and maintenance, food service, and student transportation. To evaluate costs in each of these areas, only current expenditures, primarily for fiscal year 2009, were considered.¹ Further, because of the underlying law initiating these performance audits, auditors also reviewed the District's use of Proposition 301 sales tax monies and how it accounted for dollars spent in the classroom.

In conducting this audit, auditors used a variety of methods, including examining various records, such as available fiscal year 2009 summary accounting data for all districts and Thatcher Unified School District's fiscal year 2009 detailed accounting data, contracts, and other district documents; reviewing district policies, procedures, and related internal controls; reviewing applicable statutes; and interviewing district administrators and staff.

To analyze Thatcher USD's operational efficiency, auditors selected a group of peer districts based on their similarities in district size, type, and location. This operational peer group includes Thatcher USD and the 26 other unified and high school districts that served between 600 and 1,999 students and were located in town/rural areas.² To compare districts' academic indicators, auditors developed a separate student achievement peer group using the same size and location categories as in the operational peer group, but with the additional consideration of each district's poverty rate because poverty rate has been shown to be strongly related to student achievement. Thatcher USD's student achievement peer group includes Thatcher USD and the 12 other elementary and unified school districts that also served between 600 and 1,999 students, were located in town/rural areas, and had poverty rates below the state average of 19 percent. Additionally:

- To assess whether the District's administration effectively and efficiently managed district operations, auditors evaluated administrative procedures and controls at the district and school level, including reviewing personnel files and other pertinent documents and interviewing district and school administrators about their duties. Auditors also reviewed and

¹ Current expenditures are those incurred for the District's day-to-day operation. They exclude costs associated with repaying debt, capital outlay (such as purchasing land, buildings, and equipment), and programs such as adult education and community service that are outside the scope of preschool through grade 12 education.

² Excludes three districts that received high levels of additional funding and skewed the peer-spending averages.

evaluated fiscal year 2009 administration costs and compared these to peer districts'. To further evaluate staffing levels, auditors surveyed 7 of the 14 peer districts with higher administrative costs, selecting districts that have in the past responded to audit requests in a timely manner and with accurate information.

- To assess whether the District's plant operation and maintenance function was managed appropriately and functioned efficiently, auditors reviewed and evaluated fiscal year 2009 plant operation and maintenance costs and district building space, and compared these costs and capacities to peer districts'.
- To assess whether the District's food service program was managed appropriately and functioned efficiently, auditors reviewed fiscal year 2009 food service revenues and expenditures, including labor and food costs, compared costs to peer districts', and reviewed the Arizona Department of Education's food service monitoring reports.
- To assess whether the District's transportation program was managed appropriately and functioned efficiently, auditors reviewed and evaluated required transportation reports, driver files, bus maintenance and safety records, and bus capacity usage. Auditors also reviewed fiscal year 2009 transportation costs and compared them to peer districts'.
- To assess whether the District was in compliance with Proposition 301's Classroom Site Fund requirements, auditors reviewed fiscal year 2009 expenditures to determine whether they were appropriate, properly accounted for, and remained within statutory limits. Auditors also reviewed the District's performance pay plan and analyzed how performance pay was being distributed. No issues of noncompliance were identified.
- To assess the District's financial accounting data, auditors evaluated the District's internal controls related to expenditure processing and reviewed transactions for proper account classification and reasonableness. Auditors also evaluated other internal controls that were considered significant to the audit objectives.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Auditor General and her staff express their appreciation to the Thatcher Unified School District's board members, superintendent, and staff for their cooperation and assistance throughout the audit.

DISTRICT RESPONSE

DISTRICT RESPONSE



Thatcher Unified School District No. 4

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June 21, 2011

Debra Davenport
Office of the Auditor General
2910 N. 44th St., Ste. 410
Phoenix, AZ 85018

RE: Response to Thatcher Unified School District #4 FY '09 Performance Audit

Dear Ms. Davenport:

Thatcher School District #4 respectfully submits this written response to the performance audit conducted by the Auditor General for FY '09.

Your recognition of the efforts made by our District to operate efficiently with low administrative and plant operation costs compared to peer districts and your acknowledgement of our student achievement being higher than the state and peer districts' averages is greatly appreciated.

The primary focus in this District continues to be to increase student achievement by keeping spending in the classroom. Results of rigorous teacher development at the building levels support the consistent performance by students in this District.

I would also like to recognize and commend your staff on their courtesy and professionalism exhibited during the audit, particularly their willingness to openly discuss all aspects of the audit.

Sincerely,

Paul Nelson
Superintendent
Thatcher Unified School District

Auditor General Performance Audit
Thatcher Unified School District #4
District Response to Audit Findings

Finding 1

District operated efficiently with most costs lower than peer districts.

- Significantly lower administrative Costs
- Efficient and effective administration
- Well managed business office

We appreciate the acknowledgement concerning the management of District operations. Our business office consistently strives to ensure the district runs smoothly with every safeguard in place to insure quality and efficiency.

Finding 2

The District agrees with the recommendations in this finding and will implement the necessary safeguards to meet the recommendations. This will involve all aspects as mentioned in the recommendation, involving:

- Tracking and monitoring Food inventory and meal Production
- Establish First-in, First-out inventory policy
- Establish a better method to determine the number of meals needed each day involving counts for student meals to be served daily, matching counts to meal production.

Following the recommendations of the audit should bring our individual meal cost down and provide better efficiency with food costs.

Other Findings:

The District concurs with the recommendation in regards to creating a formal disaster recovery plan and will develop a plan which will include a schedule of periodic testing of tape backups in order to discover and rectify any deficiencies which may be found. This new process will ensure that the District can recover from a disaster or equipment failure with minimal data loss and downtime.

