

**REPORT
 HIGHLIGHTS**
 PERFORMANCE AUDIT

Our Conclusion

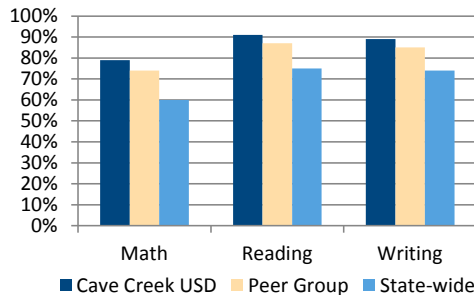
In fiscal year 2010, Cave Creek Unified School District's student achievement was higher than peer districts' and state averages. Further, the District operated efficiently overall, with costs that were lower than, or similar to, peer districts' in most operational areas. The District's administrative costs were slightly lower than peer districts', and its transportation program was reasonably efficient. Although the District's per-meal food service costs were slightly higher than peer districts', the program's revenues were sufficient to cover its costs. However, plant operations costs were higher than peer districts' because of higher electricity and water costs due to frequent community use of district buildings and fields, excess square footage, and the lack of an energy conservation plan.

Higher student achievement and efficient operations

Student achievement higher than peer and state averages—In fiscal year 2010, Cave Creek USD's student AIMS scores were higher than peer districts' and much higher than state averages. In addition, all of the District's eight schools met "Adequate Yearly Progress" for the federal No Child Left Behind Act. Further, its 95-percent graduation rate was slightly higher than the 92-percent peer district average and much higher than the 78-percent state average.

administrative costs were slightly lower than peer districts' and its transportation program was reasonably efficient with similar or lower costs per pupil and per mile. The District's transportation costs per rider were higher because it transported its riders more miles, on average. Further, although food service per-meal costs were slightly higher than peer districts', the District's food service program revenues covered its costs. However, the District's plant operations costs were higher both per square foot and per pupil because of frequent community usage of its buildings and fields, maintaining more square footage per student, and not having an energy conservation plan or procedures.

Percentage of Students Who Met or Exceeded State Standards (AIMS) Fiscal Year 2010



District operated efficiently overall—In fiscal year 2010, Cave Creek USD's

Per-Pupil Expenditures by Operational Area Fiscal Year 2010

Operational Area	Cave Creek USD	Peer Group Average
Administration	\$ 719	\$748
Plant operations	1,011	874
Food service	286	322
Transportation	409	396

District is working to address high plant operations costs

In fiscal year 2010, Cave Creek USD's plant operations costs were 8 percent higher than peer districts' average per square foot and 16 percent higher per student. Costs were high primarily because of higher electricity and water usage, which was affected by frequent community use of the District's facilities, operating higher-than-average square footage per student, and the lack of a formal energy conservation plan. Both the District's electricity and water costs were more than 35 percent higher per square foot than peer districts'.

Frequent community use of facilities—According to district officials, community groups, such as churches, athletic clubs, and Boys and Girls Scouts, frequently rent district facilities. We reviewed 2 months' of facilities usage requests during fiscal year 2010 and found that community groups used the District's facilities an average of 600 hours each month. Information from one recently audited peer district showed that community rentals at that district averaged only about 300 hours each month. According to district officials, community use increased electricity and

water usage because the District has to heat or cool district buildings during nonschool times and water fields more frequently because of the increased wear and tear.

Further, although the District received rental fees from the community groups, the fees did not cover all of the District's additional costs to operate and maintain its facilities for community use. However, in fiscal year 2012, the District began looking at revising its facilities' usage fee schedules to help ensure it will be able to better cover its costs when renting out its facilities in the future.

More building space—Cave Creek USD's higher electricity costs were also due to its operating and maintaining 6 percent more square footage per student than the peer districts. The additional space occurred primarily at the District's elementary schools, which averaged 161 square feet per student, while the peer districts' elementary schools averaged 134 square feet per student. This was also double the 80 square feet per student state minimum standard for kindergarten through 6th-grade students. Operating more building space per student is costly because the majority of a district's funding is based on its number of students, not its amount of square footage.

As shown in the table below, in addition to having more space, Cave Creek USD's elementary schools operated well below their designed capacities, ranging from 45.9 percent full to 70.1 percent full. On average, the District's elementary schools operated at a 56-percent capacity usage rate, while the peer districts' elementary schools operated at a 74-percent capacity usage rate.

In fiscal year 2011, the District closed one of its middle schools. However, even with this school

closure, the District's elementary schools' average capacity rate rose to only 66 percent in fiscal year 2011.

No formal energy conservation plan—Cave Creek USD did not have a formal energy conservation plan in place during fiscal year 2010. As a result, the District had several inefficient energy practices during that fiscal year. For example, the District's exterior lights were left on from dusk to dawn, and the District cooled school buildings until 9 p.m. on weeknights, even if they were unoccupied.

District making efforts to reduce energy consumption and costs—Since fiscal year 2010, Cave Creek USD has implemented several energy-saving measures. For example, the District has set formal heating and cooling temperature policies, and it enforces these policies through a centrally controlled energy management system. The District also replaced and upgraded outdated equipment, such as lighting and water fixtures and central plant heating and cooling equipment, with more efficient models, and began shutting off all external lights at midnight each day. As a result, the District expects to save nearly \$312,000 annually. Finally, the middle school closure in fiscal year 2011 should help lower electricity usage and costs.

Recommendations—The District should:

- Continue analyzing the prices it charges community groups for the use of its facilities.
- Review its building capacity usage to determine whether any schools or sections of schools can be closed to reduce maintenance and utility costs.
- Continue its efforts to reduce energy and water costs.

**Number of Students, Capacity, and Capacity Rate by Elementary School
Fiscal Year 2010
(Unaudited)**

School Name	Number of Students	Capacity	Capacity Usage
Black Mountain Elementary School	503	1,097	45.9%
Desert Sun Elementary School	416	829	50.2
Desert Willow Elementary School	592	845	70.1
Horseshoe Trails Elementary School	498	899	55.4
Lone Mountain Elementary School	527	885	59.5