

REPORT HIGHLIGHTS PERFORMANCE AUDIT

Our Conclusion

Florence Unified School District's student achievement is lower than peer districts' and state averages, but the District is taking steps to help improve it. The District operates efficiently overall with most costs lower than or similar to peer districts'. Administration and food service costs were similar, and plant operation costs were lower than peer districts averaged. Transportation costs were mixed with much higher per-pupil costs and much lower per-mile costs. The District needs to address two main operational areas of concern: (1) the District did not adequately document pay for classified staff, and some employees were paid incorrect amounts because of poor time sheet reviews; and (2) the District spent some Classroom Site Fund monies incorrectly.



2010

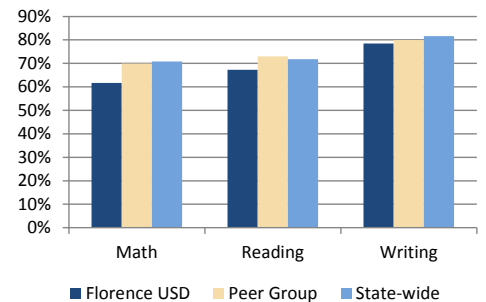
Student achievement lower than peer districts'

In fiscal year 2009, Florence USD's students' AIMS scores were lower than those of peer districts and state averages. Further, two of the District's seven elementary schools failed to meet "Adequate Yearly Progress" for the federal No Child Left Behind Act (NCLB), and the high school failed to meet the graduation rate objective.

The District has been implementing some changes in an effort to improve student achievement, including replacing its principals and hiring additional assistant principals to provide more teacher development and support. Additionally, in fiscal year 2010, the new high school

implemented a computerized learning program where each student receives a laptop in place of textbooks.

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



District operates efficiently with most costs lower than or similar to peer districts'

In fiscal year 2009, Florence USD operated efficiently with most costs lower than or similar to peer districts'. Despite having more assistant principals, the District's administrative costs were similar. Additionally, the District's plant costs were slightly lower per student because it operated less square footage per student than peer districts and operated its schools at a reasonable 76 percent of capacity. Further, Florence USD's \$2.61 cost per meal was similar to the peer districts' \$2.62-per-meal average, and its per-pupil food service costs were 11 percent lower because it served fewer meals per student.

However, despite operating efficiently in these areas, the District spent less in the

classroom than its peers because its total per-pupil spending was lower, and it had higher per-pupil transportation costs. Florence USD's transportation cost per pupil was 41 percent higher, while its \$1.88 cost per mile was 37 percent lower than peer districts'. The cost difference may be due to the large geographic area the District covers.

Expenditures by Function Fiscal Year 2009

Per Pupil	Florence USD	Peer Group Average
Administration	\$734	\$746
Plant operations	883	935
Food service	317	355
Transportation	499	355

Inadequate payroll procedures increased risk of errors

In fiscal year 2009, the District did not document the employment terms for classified employees such as bus drivers, custodians, and instructional assistants. As a result, the District could not show that these employees received the correct pay.

In addition, some employees were paid incorrectly because their time sheets were not adequately reviewed by supervisors. The District's hourly employees prepare their own time sheets, which their supervisors then review. However, for six of ten time sheets auditors reviewed, the number of hours

worked was calculated incorrectly, resulting in three employees' being underpaid and three employees' being overpaid.

Recommendations—The District should:

- Prepare and retain a payroll action form or contract for each employee to document employment terms.
- Require supervisors to thoroughly review time sheets.

District spent some Classroom Site Fund monies incorrectly

In fiscal year 2009, Florence USD spent about \$219,000 of its Classroom Site Fund (CSF) monies for purposes not authorized by statute. According to statute, CSF monies are to be used for teacher pay increases, performance pay, and certain other options such as reducing class size or teacher development. The District chose to use about half of its option monies to pay the full salaries of nine employees for teacher development. However, these employees spent only 25 to 90 percent of their time on teacher development. The remainder

of their time was spent on administrative and other duties not associated with teacher development. The District should have used CSF monies to pay only the portion of these employees' salaries when they were engaged in teacher development.

Recommendations—The District should:

- Ensure that Classroom Site Fund monies are spent according to statute.
- Reimburse the Classroom Site Fund for those monies spent incorrectly.

Other Findings

Auditors found three other, less significant areas of concern that the District should also address:

District incorrectly reported number of riders—

The District reported to the Arizona Department of Education the number of students eligible for transportation rather than the number of students actually transported. Further, it did not retain records of the number of students transported. This information is important because the number of students transported is a factor in determining state transportation funding.

District should strengthen controls over access to IT data—

Some employees have more access to the accounting and student information systems than is necessary to perform their job functions. In addition, 9 of 17 terminated employees still had access to the District's system.

District did not accurately report its costs—

The District did not accurately record all of its fiscal year 2009 expenditures in accordance with the Uniform Chart of Accounts for school districts, including both classroom and nonclassroom expenditures. Numbers in the audit report reflect corrected amounts.