

**REPORT
 HIGHLIGHTS**
 PERFORMANCE AUDIT

Subject

Tolleson UHSD is located about 14 miles west of Phoenix and includes parts of Phoenix, Tolleson, Avondale, Glendale, and Goodyear. In FY 2006, the District served 7,365 students in 9th through 12th grades in four high schools.

Our Conclusion

Tolleson's administrative costs, student transportation, and plant operation and maintenance costs were similar to comparable districts'. However, the District did not adequately control the district credit card and charge accounts, and may have misused some fund-raising proceeds. The District's 57.7 percent of dollars spent in the classroom was slightly below the state average of 58.3 percent. Tolleson did not separately account for ELL-related costs.



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Administration

Administrative costs are those associated with directing and managing a school district's responsibilities. At the district level, they are primarily associated with the governing board, superintendent's office, business office, and support services. At the school level, these costs are primarily associated with the principal's office.

Tolleson UHSD's per-pupil administrative costs of \$585 for FY 2006 were basically similar to the \$564 per-pupil average for comparable districts and \$591 for the State. Its administrative staffing levels were also similar.

Inadequate control over credit card and charge accounts—The Superintendent was assigned a credit card for travel and general supplies. However, he used the card for:

- Meals while not on travel status.
- Excessive travel expenses, such as \$70 dinners.
- Fuel and repairs for his personal car.
- Employee gifts, such as flowers and gift cards.

The purchases on the Superintendent's credit card are under further review by our Office.

Tolleson also established charge accounts with a grocery store and a home improvement store to make purchases for classes, school activities, and facilities maintenance. However, the



Tolleson Union High School.
 Photo taken by Auditor General staff.

District has not developed criteria to govern the use of these accounts. In FY 2006, the District made about 500 charge account purchases totaling about \$36,000. Although the District requires detailed receipts to verify these purchases, 46 purchases totaling over \$3,400 were not supported.

Cell phone stipends—The District paid 41 staff, including an assistant superintendent, principals, assistant principals, plant foremen, department directors, and IT technicians, a monthly stipend of \$38 to \$67 for cell phones. The stipends do not appear to have been approved by the Board, and the program has never been evaluated as to its need.

Accounting systems controls also need improvement—The District did not adequately limit some users' access to safeguard its accounting system.

Questions about fund-raising activity—The District has also operated an annual golf tournament to raise funds for scholarships. In 2006, the district raised about \$18,000 through this

tournament. However, it is unclear if statute allows school districts to conduct such fund-raisers. Further, over half of the

proceeds were not spent for the stated purpose. For example, about \$6,800 was spent on meals and gifts for district employees. The uses of the golf tournament proceeds are under further review by our Office.

Recommendations

The District should:

- Establish appropriate controls over its credit card and charge accounts.
- Evaluate the cell phone stipend program.
- Implement proper access controls over its accounting system.
- Use fund-raising proceeds for stated purposes.

Student Transportation

During FY 2006, the District's transportation costs were similar to the average for comparable districts.

Although its costs were similar to the comparable districts', Tolleson spent \$148,000 more than it received in transportation funding. However, the District's lack of reliable rider counts prevented us from analyzing why the costs exceeded its funding.

Transportation Costs for Fiscal Year 2006

	Cost per Student	Cost per Mile
Tolleson UHSD	\$243	\$3.08
Comparable district's average	\$283	\$2.95

Recommendations

The District should accurately track and report student riders.

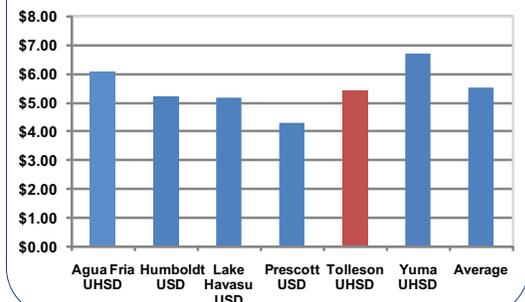
Plant Operation and Maintenance

Plant operation and maintenance costs include salaries, benefits, and other costs for heating and cooling, equipment repair, grounds keeping, and security.

Tolleson's plant operations and maintenance costs were similar to the comparable districts'.

In FY 2006, the District budgeted about \$1.8 million in excess utility costs. Because this budget adjustment will not be available after FY 2009, the District is using energy management systems to help monitor and control energy costs.

Cost Per Square Foot Fiscal Year 2006



Proposition 301 Monies

Proposition 301 increased the state-wide sales tax by 0.6 percent for 20 years beginning in FY 2001. Proposition 301 designates the money for teachers' base pay increases, performance pay, and certain menu options such as reducing classroom size, providing dropout prevention programs, and additional pay increases. In FY 2006, the District received \$2,561,258 in Proposition 301 monies and distributed \$2,274,885 to employees.

Payment amounts—The District increased base pay for eligible full-time employees by \$1,211, plus salary-related benefits.

Eligible full-time employees could also earn between \$2,423 and \$3,382 in performance pay when performance goals were achieved, such as student achievement, graduation rates, drop-out rates of 6 percent or less, and an absence rate of less than 8 percent.

The District also spent its menu option monies primarily on salary increases.

Incorrect Payments—Due to clerical errors, as many as 56 of the 410 employees who earned Proposition 301 monies were paid an incorrect amount. At least 24 employees were underpaid as much as \$2,700 each, and at least 15 were overpaid by as much as \$2,600 each.

Recommendation

The District should ensure that it correctly pays amounts according to the District's plan. It should recover overpayment amounts and make payments to employees who were underpaid.

Classroom Dollars

Tolleson UHSD inaccurately reported about \$3 million in expenditures. Adjusting for these errors lowers the percent of the dollars spent in the classroom by 3.7 percent to 57.7 percent. This is slightly lower than the 58.3 percent state average and the 58.4 percent comparable district average, and is also lower than the 61.5 percent national average.

Tolleson also spends fewer dollars per student in the classroom because it received fewer dollars due to having less experienced teachers, and it receives less federal and state grant monies because of its comparatively low poverty rate.

Fiscal Year 2006 Per-Pupil Classroom Expenditures

Tolleson UHSD	\$3,402
Comparable districts	3,614
State average	3,981
National average	5,274

Recommendation

The District should classify transactions according to the Uniform Chart of Accounts.

English Language Learner (ELL) Programs

English language learners are students whose native language is not English and who are not currently able to perform ordinary classroom work in English. They are identified through a state-adopted test that districts are required to administer to students whose primary home language is other than English.

District ELL programs—In FY 2006, Tolleson had 281 ELL students. The District offered a beginning SEI block of four 55-minute periods of English Language Development (ELD), with two of those periods integrating social studies and science concepts. For intermediate students, the District offered two periods of ELD classes, and students attended mainstream classes for other content areas. Further, about 70 percent of the ELL students also attended bilingual classes.

The District also offered after-school tutoring and a summer program for ELL students. The same teachers who taught the ELD classes during the regular school day also taught the after-school tutoring classes. The summer program was a 3-week, 4-hour-per-day program with beginner and intermediate classes. Participation in these classes was voluntary.

Program costs and funding—The District did not separately track its ELL costs, so program costs could not be determined from district records. Tolleson received about \$168,500 in ELL-related funding, including \$96,897 in additional state aid, \$41,333 in federal grants, and \$30,281 in state ELL grants. The District also received \$56,332 late in FY 2007 through the Compensatory Instruction budget process. However, the District had not started implementing new programs with those monies.

TO OBTAIN MORE INFORMATION

A copy of the full report
can be obtained by calling
(602) 553-0333



or by visiting
our Web site at:
www.azauditor.gov

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Recommendation

In preparation for developing the District's SEI budget request, the District should identify and record all ELL incremental costs.