

# Bonita Elementary School District No. 16

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January 14, 2019

Ms. Lindsey Perry, Auditor General

2910 n. 44<sup>th</sup> St., Suite 410

Phoenix, Arizona 85018

Dear Ms. Perry,

The Bonita Elementary School District respectfully submits its response to the Performance Audit for the 2017 fiscal year conducted by the Office of the Auditor General. We extend our thanks to Mike Quinlan and the AG staff for their consideration, professional conduct and the information and guidance offered to the District during the audit process.

The District concurs with findings and recommendations resulting from the audit. We continually strive to perform at the highest levels of academic and fiscal management. The District welcomes any and all constructive input to that end. We will endeavor to ensure that the findings and recommendations are addressed and resolved expeditiously.

Bonita Elementary School District has a long and proud history of delivering a sound educational experience to its students and families. Bonita holds a well-deserved reputation for excellence within the community and with its peer Districts. We will use the input from the audit to make improvements in our operations to maintain that legacy.

Sincerely,

Edgar A Houser

Superintendent

**Governing Board Members: Cyndee Smith, Wende Macumber, Kolin Kramme**

**Finding 1:** District needs to strengthen some accounting and computer controls

District Response: The District agrees with this finding.

**Recommendation 1:** The District should ensure that it requires an independent review and approval for all its purchases prior to the purchases being made.

District Response: The District has policies in place to ensure that administrative approval is given and documented prior to all purchases. The District will make sure that these policies are adhered to going forward.

**Recommendation 2:** The District should classify all expenditures in accordance with the Uniform Chart of Accounts for school districts.

District Response: The District business office will institute controls to ensure that all expenditures are classified and coded correctly. When in doubt the District Business manager will confer with the Superintendent and peer group before classification of an expenditure.

**Recommendation 3:** The District should limit users' access in the accounting system to help ensure that no single employee can initiate and complete a transaction without an independent review, including transferring administrator-level access to someone outside of the business office.

District Response: The District will review all user roles and access. The District will enact controls and access to accounting system to only those needing access to perform the business of the District.

**Finding 2:** District should closely monitor its food service program to eliminate or minimize subsidy

District Response: The District agrees with this finding and has implemented changes that we believe will reduce our expenditures and move towards making the food service program financially self-supporting.

**Recommendation 4:** The District should closely monitor its food service program's revenues and costs and implement necessary changes to eliminate or minimize the amount of monies needed to subsidize the program.

District Response: The District has transitioned to in-house delivery of food services. We believe that this will reduce our expenditures and move towards making the food service program financially self-supporting.

**Recommendation 5:** The District should maximize its cost savings by planning meals around available USDA food commodities.

District Response: The District has transitioned to in house delivery of food services. We are receiving USDA food commodities and using those commodities in the planning and preparation of meals.

**Finding 3:** District incorrectly reported number of riders for student transportation funding

District Response: District agrees with this finding. New counting procedures will be instituted.

**Recommendation 6:** The District should accurately calculate and report to ADE for state funding purposes the actual number of students transported.

District Response: District has instituted procedure where bus drivers perform a hard count of riders on each trip and record the data. That data will then be used to report student counts to ADE.

**Finding 4:** District should continue to closely monitor and control its spending because of enrollment decline and limited ability to increase revenues

District Response: District has been dealing with reduced property tax assessments, frozen property tax rate and recent decline in enrollment.

**Recommendation 7:** The District should continue to closely monitor and control its spending to help ensure it is able to meet its needs with the revenues it receives.

District Response: The District will continue to actively pursue enrollment of students under open enrollment policy. Salaries and wages will be controlled based on revenue projections. Staffing will be reduced if necessary, preferably through voluntary reductions in force.