

Skull Valley Elementary School District

CONCLUSION: In fiscal year 2014, Skull Valley ESD’s student test scores on Arizona’s Instrument to Measure Standards (AIMS) were not compared to peer district averages because ten or fewer of the District’s students took each section of the AIMS test. Although the District’s noninstructional costs varied by area, with some costs higher and some costs lower than peer districts’ averages, the District was reasonably efficient overall. The District’s administrative cost per pupil was slightly lower than the peer districts’ average primarily because it employed fewer administrative employees. However, the District needs to strengthen some of its accounting and computer controls. Skull Valley ESD’s plant operations were reasonably efficient despite higher costs per square foot and per pupil. The District’s costs were higher primarily because it had fewer square feet and students over which to spread more fixed-type costs, such as repair and maintenance of school buildings. In addition, the District’s food service program was reasonably efficient despite a much higher cost per meal. The District’s higher cost per meal was partly due to it serving 28 percent fewer meals per student than the peer districts, on average, and also because of higher salary and benefit costs resulting from the longevity of its only food service employee. Lastly, the District’s transportation costs were mixed, with a much higher cost per mile but lower cost per rider than the peer districts’ averages because the District transported its riders fewer miles, on average, than the peer districts. However, Skull Valley ESD was one of three districts that claimed the same route mileage for transportation funding after a law change prohibited this practice.

Student achievement and operational efficiency

Student achievement—In fiscal year 2014, Skull Valley ESD’s student AIMS test scores were not compared to peer district averages because ten or fewer of the District’s students took each section of the AIMS test. Under the Arizona Department of Education’s A-F Letter Grade Accountability System, the District received an overall letter grade of B. Two of the seven peer districts that received letter grades also received Bs, two received As, two received Cs, and one received a D.

Reasonably efficient operations overall—Based on our review of various performance measures, Skull Valley ESD operated in a reasonably efficient manner overall in fiscal year 2014. The District’s administrative cost per pupil was slightly lower than the peer districts’ average primarily because it employed fewer administrative staff. The District’s plant operations were reasonably efficient despite higher costs per square foot and per student. The District’s costs were higher primarily because it had fewer square feet and students over which to spread more fixed-type costs, such as repair and maintenance of school buildings. In addition, although the District’s food service program operated with a much higher cost per meal than the peer districts’ average, the program was reasonably efficient. Lastly, the District’s transportation costs were mixed, with a much higher cost per mile and lower cost per rider because the District transported its riders fewer miles, on average, than the peer districts.

Comparison of per pupil expenditures by operational area Fiscal year 2014

	Skull Valley ESD	Peer group average
Administration	\$2,525	\$2,835
Plant operations	3,331	2,137
Food service	1,659	901
Transportation	1,103	1,072

Some accounting and computer controls need strengthening

Inadequate purchasing and cash-handling controls—The District did not always require proper approval prior to purchases being made. We reviewed 30 fiscal year 2014 purchases and found that 19 purchases were made without prior approval. Further, the District did not have proper controls in place to ensure that all monies received were properly accounted for. More specifically, the District did not always issue receipts for cash collected, and cash collections were

not adequately safeguarded by storing them in a locking drawer or safe until they could be deposited. In addition, one district employee received and deposited food service cash and reconciled the food service bank account without an independent review.

Weak password requirements—In fiscal year 2014, the District did not have password requirements for its computer network and student information system. Specifically, the passwords lacked length and complexity requirements—that is, passwords could be short and did not need to contain numbers or symbols. Additionally, the passwords were set to never expire, and because of the District’s very small size, some employees shared network passwords with each other.

Recommendations

The District should:

- Ensure that all purchases are properly approved before the purchases are made.
- Implement proper cash-handling controls by issuing receipts for all monies collected, properly safeguarding cash until it is deposited, and having a second employee reconcile or review cash deposits.
- Implement and enforce password requirements related to password length, complexity, and expiration, and only the user should know his/her password.

Multiple districts claimed same route mileage for transportation funding after law change prohibited practice

As an elementary school district not located within a high school district and because the District did not have a middle school, Skull Valley ESD paid two neighboring districts to transport the middle and high school students living within Skull Valley ESD boundaries to and from a nearby unified school district. Skull Valley ESD and the other two elementary school districts each received transportation funding for the route miles associated with transporting Skull Valley ESD’s middle and high school riders. Although this practice was allowed by law in fiscal year 2014, beginning in fiscal year 2015, a statutory change prohibited more than one district from claiming the same miles for funding. Despite this change, since fiscal year 2014, Skull Valley ESD continued to receive funding associated with its middle and high school students even though at least one of the other elementary districts also received transportation funding for these miles. Because the other elementary school districts used existing bus routes and did not drive additional miles to transport Skull Valley ESD students, Skull Valley ESD should not have continued to report these miles for funding purposes.

Recommendation

To ensure that no more than one school district reports the same transportation miles for funding purposes, the District should no longer report miles for funding purposes that other school districts drove to transport Skull Valley ESD middle and high school students.