



# Apache Junction Unified School District

*Superintendent of Schools*  
*Gregory Wyman, Ed.D.*

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**Apache Junction High School**  
2525 South Ironwood Drive  
Apache Junction, AZ 85220

**Desert Shadows Middle School**  
801 West Southern Avenue  
Apache Junction, AZ 85220

**Thunder Mountain Middle School**  
3700 East 16th Avenue  
Apache Junction, AZ 85219

**Mountain Shadows Education Center**  
2805 South Ironwood Drive  
Apache Junction, AZ 85220

**Desert Vista Elementary**  
3701 East Broadway Avenue  
Apache Junction, AZ 85219

**Four Peaks Elementary**  
1755 North Idaho Road  
Apache Junction, AZ 85219

**Gold Canyon Elementary**  
5810 South Alameda Road  
Apache Junction, AZ 85218

**Peralta Trail Elementary**  
10965 East Peralta Road  
Apache Junction, AZ 85218

**Superstition Mountain Elementary**  
550 South Ironwood Drive  
Apache Junction, AZ 85220

January 25, 2009

State of Arizona  
Office of the Auditor General  
C/o Debbie Davenport, Auditor General  
2910 North 44h Street, Suite 410  
Phoenix, Arizona 85018

Ms. Davenport:

The Apache Junction Unified School District (AJUSD) is in receipt of your performance audit preliminary draft which was conducted in conformity with Arizona Revised Statute (ARS) 41-1279.03. AJUSD understands that this ARS requires all Arizona public school districts to undergo a specialized audit assessing its comparative expenditure patterns with similar sized districts.

AJUSD would like to thank the Auditor General staff that was assigned to our District in regard to their professionalism while interacting with our various staff members. These individuals were very sensitive to the District's added time needed for completion of this audit, and seemed receptive to the District rationale provided for possible variations in approach needed to effectively serve the students of the State of Arizona.

On the following pages, AJUSD has responded to each recommendation in the report, stating whether or not we agree or disagree with the finding, as well as providing a response as to how the district plans to move forward in the areas reviewed.

AJUSD exists for the sole purpose of providing an appropriate education for the students who choose to attend it. Despite the inquiring evaluative nature that various audits can bring to an entity, we welcome the opportunity to become a better organization. We are optimistic to believe that this performance audit has, and will, make us stronger, and also more confident that the educational and operational improvements we are pursuing, will serve our clientele in an increasingly more incisive manner.

Sincerely,

Dr. Jim Lockwood  
Associate Superintendent of Business

Cc: Dr. Greg Wyman, AJUSD Superintendent  
Ross Ehrick, Director of the Division of School Audits  
Mike Quinlan, Audit Manager

# Responses to Performance Audit Findings

## **Administration**

### Finding:

The District should evaluate whether it can reduce the number of administrative positions to produce cost savings, especially in central office administrative support positions.

### Response:

The District concurs with the finding, and will review administratively coded positions to evaluate if cost savings can be achieved.

Within the audit year under review (2006-07), AJUSD did have unusually high, non-recurring, additional administrative costs related to vacation and sick leave accrual payouts of three (3) principals which contributed to higher comparative salary costs in administrative functional areas. The District is reviewing its policies and procedures related to this area of cost for all employees, and will consider modifying them in order to control expenditures from extreme volatility in the future. We concur with the auditor general finding that this type of expenditure may have accounted for approx. half of the comparatively higher administrative costs.

AJUSD in its effort to accelerate the pursued educational outcomes for its students, has over the past couple of years (2007-08 and 2008-09), begun to reduce administrative staffing in clerical support positions related to bookkeeping and employee benefits. Although it is believed that these eliminated positions assisted in delivering necessary and desirable support functions in the District, these expenditure modifications are being trialed so that the District can re-prioritize its resources closer to the classroom. AJUSD believes that it is possible that additional administrative reductions could occur in this area over the next few years, furthering opportunities to reassign dollars closer to the classroom.

Finding:

The District should monitor and limit employee vacation accrual to ensure compliance with its policy.

Response:

The District concurs with the finding, and will monitor this area to ensure compliance with policy.

The District's current policy in this area allows vacation accumulation up to 36 or 60 days of vacation accrual depending on the type of employee. Recently, the District considered a modification to this policy where vacation overages could be placed in a "special pay" 403B program. After further review of federal regulations in this area, as well as recent economic challenges due to the economic downturn, the District does not consider this modification desirable, and is considering other modifications, or adhering as we are now, to existing board policy.

Finding:

The District should implement proper access controls over its accounting system so that individual employees do not have the ability to initiate and complete a transaction without an independent review and approval. Further, the District should also ensure that access to the system is promptly eliminated for terminated employees.

Response:

The District concurs with the finding, and will ensure appropriate internal controls exist in this area.

AJUSD identifies and creates access to various accounting modules as it relates to function and job responsibility of the associated employee. At times, the breadth of access to modules has been expanded to allow for cross-training opportunities within departments. This expanded access although beneficial when employees are absent, does carry with it the possibility of lessened internal control as it relates to potential separation of duties.

AJUSD will take additional steps to ensure that access to various accounting modules is limited, lessening the chance of error or mishap. In addition, additional attention will be placed upon removing individuals from the system when they terminate from the District.

Finding:

The District should improve password controls over its accounting system by requiring users to change assigned passwords to a confidential one and requiring users to change their passwords periodically.

Response:

The District concurs with the finding, and will ensure appropriate internal controls exist in this area.

AJUSD has multiple control features associated with electronically accessing information in the District. The Technology Department periodically requires employees to change their password information which is their primary access to all District electronic programs. The accounting system is a sub-system beyond the one mentioned above. Passwords in the past, have been maintained by a program administrator (Pinal County Computer Consortium) who is located in an off-site location in Eloy, Arizona. This arrangement was established in order to allow a common and independent source for those who forgot their passwords or where unusual entry patterns could be globally monitored. The District has contacted the program administrator and will instruct him to require users to more frequently change their passwords in the accounting system.

## **Student Transportation**

### Finding:

To aid in evaluating the costs and efficiency of its transportation program, the District should develop and monitor performance measures, including cost per mile, cost per rider, driver productivity, bus-capacity utilization, and ride times.

### Response:

The District concurs with the finding, and will implement appropriate measures in this area to enhance operational effectiveness.

AJUSD considers transportation to be an integral component of effectively maximizing student success in school. The District has attempted to construct a transportation program that establishes the necessary balance of safety, efficiency, opportunity, and timeliness to transport students. AJUSD is fortunate to have in its employment a Transportation Director who has been a former national trainer for the District's computerized school bus routing program. Through her creativity and expertise, AJUSD has been able to timely adjust to varying transportation needs in a relatively large geographic attendance zone. Currently, the District is modifying some of its existing procedures which has reduced bus stops and increased walker areas in an attempt to reduce costs. Over the next few years, additional changes may also be implemented including, but not limited to, changes in school attendance boundaries and after school services. Any and all future changes will be done with an emphasis on cost efficiency (including those identified by the Auditor General), as well as the safety of students.

## **Plant operation and maintenance**

### Finding:

The District should review staffing levels to determine whether the number of plant operation and maintenance positions can be reduced.

### Response:

The District concurs with the finding, and will continue to review staffing levels in this area, and will consider further reductions if appropriate.

Over the past couple of years, the District has been reviewing its expenditures in plant operations (function 2600) and has successfully reduced costs associated with staffing and utilities. These changes have necessitated modifications in cleaning schedules and reductions in custodial, grounds, and maintenance staffing. The changes currently implemented will be reviewed to determine if they are desirable and consistent with budget, and appropriate safety and cleanliness standards expected by students, staff, and the community.

### Finding:

The District should continue evaluating its intergovernmental agreement with the City of Apache Junction in light of the costs to the District and the pending reduction of the excess utility budget adjustment.

### Response:

The District concurs with the finding, and will continue to evaluate the intergovernmental agreement for cost effectiveness and functionality.

AJUSD has been fortunate to have had a long-standing, and successful working relationship with the City of Apache Junction. As a result of this relationship, AJUSD and the City have had the opportunity to identify and positively impact services that could be beneficial and more cost effective to both parties. One of those joint opportunities relates to the District land located between Desert Shadows Middle School and Apache Junction High School. Prior to the intergovernmental agreement, this land was undeveloped, barren, unusable and visually unattractive. Currently, this area includes a community pool constructed by the City and utilized by the swim team of the high school. In addition, there are tennis courts also utilized by the high school, as well as a skate park, shade ramadas, bike paths, and grass areas for leisure and various sporting activities. The intergovernmental agreement allowed the City to spend over a million dollars on physical improvements with the District's primary responsibility being the payment for associated utilities.

The recent economic downturn, as well as the pending reduction of the excess utility budget adjustment, has forced both the City of AJ as well as AJUSD to consider modifications to the agreement. Currently, through cooperation with the City, grass areas have been significantly reduced, along with reduced pool costs. Although these changes were not those envisioned when the intergovernmental agreement was established, it is a sign of the times. Much like the cooperative relationship that was the foundation of the original agreement with the City of AJ, so will the successful modifications be reliant upon a continued positive relationship between the two parties with the end result being advantageous to both parties.

Finding:

The District should continue evaluating alternatives to reduce its water costs, such as conversion to desert landscaping, and should also investigate other alternatives, such as the use of grey or well water.

Response:

The District concurs with the finding, and will continue to pursue ways to reduce water consumption.

AJUSD is aggressively reviewing its utility consumption throughout the District, and taking steps to reduce water consumption by conversion to desert landscaping and more effectively utilizing the well water at the high school. Recently, grass courtyards at both Gold Canyon and Desert Vista Elementary Schools have been converted from grass to xeroscape. This conversion should save considerable water consumption as well as creating “learning environments” for students at each school. Where previously students at these two schools would be presented with muddy pathways, now students are able to gather in seating areas where learning opportunities are more practical. As mentioned earlier in this document, considerable changes have occurred at the City Park where grass areas have been reduced, with the well water at the high school expanded to irrigate a portion of the park at little or no additional cost.

Finding:

The District should rebid its copier maintenance agreement and select the lowest, responsive, responsible bidder.

Response:

The District concurs with the finding, and will rebid the copier maintenance agreement.

The District is currently in the process of bidding its copier maintenance agreement. AJUSD, in all of its procurement processes, attempts to obtain the desired product/service at the lowest cost. Variations in copy volume from what was anticipated are believed to have caused some of the variations from the previous bid. As a result of the current copier bid being at the end of its procurement cycle, along with clearer expectations as to volume usage, the contract will be re-bid in the 2008-09 school year.

Finding:

The District should re-evaluate its copier maintenance contract each year to determine if the contract is still advantageous to the District. If the contract is not in its best interest, the District should obtain and evaluate other proposals to perform the services.

Response:

Please see response to previous Finding related to copiers.



## **Proposition 301 Monies**

### Finding:

The District should ensure that only eligible employees receive Proposition 301 monies.

### Response:

The District concurs with the finding, and will ensure that only eligible employees participate in Proposition 301 monies.

When performance pay addenda were compiled toward the end of 2006-07, three (3) employees (a psychologist and two teaching aides) were inadvertently placed on this list and provided performance pay. AJUSD will exercise greater control in the future to ensure that those approved for participation in the program are eligible.

### Finding:

The District should reimburse the Classroom Site fund from other district monies for the employee healthcare benefits that were inappropriately paid with Classroom Site Fund monies.

### Response:

The District concurs with the finding, and will reimburse the Classroom Site fund for \$82,500.

Fund 013 of the Classroom Site Funds allows for additional employee benefits (including health care) to be paid for eligible participants. AJUSD when making this calculation, inadvertently expended \$82,500 more than what should have been used due to a discrepancy in the number of eligible participants. As a result, AJUSD will transfer funds from another fund back to Fund 013 to correct this error. This error will not cost the District any additional dollars, but only increase the amount available for teachers in this fund due to the transfer.

## **Classroom dollars**

### Finding:

The District should classify all transactions in accordance with the Uniform Chart of Accounts for school districts.

### Response:

The District concurs with the finding, and will classify all transactions in accordance with the Uniform Chart of Accounts.

AJUSD attempts to properly classify all transactions in accordance with the Uniform Chart of Accounts. When categorizing data, the District attempts to look at the function of the expense occurring and codes accordingly. Many of the discrepancies noted were in the interpretation of the type of expense occurring, as well as a need for a more defined breakdown of various object codes. AJUSD will abide by the recommendations provided by the Auditor General, and will code all future expenditures in accordance with their interpretation.

### Finding:

The District should closely analyze its spending in non-instructional areas to determine if savings can be achieved and whether some of those monies can be redirected to the classroom.

### Response:

The District concurs with the finding, and will review and attempt to modify expenditure patterns in order to achieve higher costs in the classroom

AJUSD will continually review its spending patterns in all areas in order to effectively enhance the educational opportunities it offers for its students.

## **English Language Learner programs, costs, and funding**

### Finding:

For fiscal year 2009, the District should expand its English language development instruction to align with the models adopted by the ELL Task Force in September 2007.

### Response:

The District concurs with the finding, and will ensure that its instructional program in this area is aligned with models adopted by the ELL Task Force.

### Finding:

The District should separately account for the incremental portion of ELL costs and retain documentation supporting how it determined those amounts.

### Response:

The District concurs with the finding, and will ensure that it reports all incremental ELL related costs separately.