

REPORT HIGHLIGHTS

PERFORMANCE AUDIT

Subject

The Ash Fork Joint Unified School District is located in the northeast corner of Yavapai County. In FY 2007, the District served 241 students in kindergarten through 12th grade in one school. The school operates on a 4-day school week.

Our Conclusion

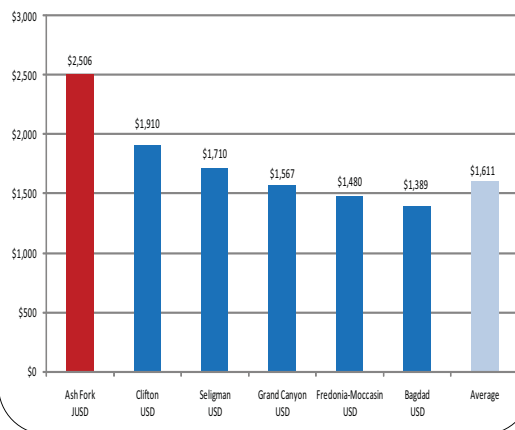
Ash Fork JUSD's administrative costs per pupil and plant operation costs per square foot were much higher than comparable districts' costs; while its transportation costs were lower. The District generally spent Proposition 301 monies appropriately. The percentage of dollars spent in the classroom was above the average for comparable districts but below the state average. Ash Fork is working to change its English Language Learner's program to comply with the state model.



2009

Administrative costs much higher than comparable districts'—Ash Fork JUSD's FY 2007 administrative costs per pupil were 56 percent higher than the comparable districts' costs. Costs were higher because the District paid higher salaries and employed more administrative positions than the comparable districts, on average.

Administrative Cost Per Pupil
Fiscal Year 2007



Other administrative issues—

Besides high costs, we found issues related to several district administrative processes. These include:

- Over 1/3rd of credit card purchases did not follow District policies for pre-approval and documentation.
- Some employees were granted more access to the District's accounting system than necessary. Employees were also not required to change computer system passwords periodically. Weak controls could lead to financial errors, fraud or breaches of sensitive data.

- The District paid teachers about \$25,000 in stipends that were not covered in their contracts or other formal documents which, according to the Attorney General, may be considered a gift of public monies.

Recommendations—

- The District should:
 - Review noninstructional spending, including administrative costs, to see if monies can be redirected to the classroom.
 - Strengthen credit card policies.
 - Strengthen controls over its accounting and computer systems.
 - Provide for any extra compensation in employee contracts.

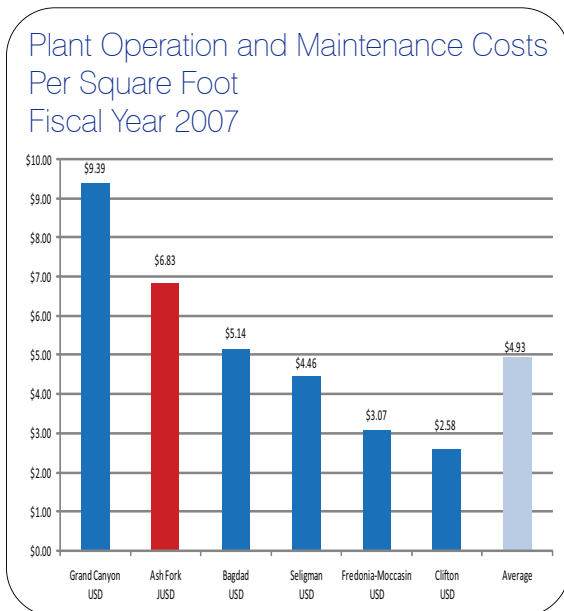
Transportation costs were low—

During fiscal year 2007, Ash Fork JUSD spent about \$104,000 less to operate its transportation program than it received in state transportation aid. The District kept its transportation costs low because of efficient bus routes. The District operated only 2 routes in both the morning and afternoon because its start and release times for all grades were similar. On the other hand, most of the comparable districts operated up to 4 routes in the afternoon because release times varied by grade. Ash Fork also had low supply costs, including low fuel costs.

Transportation Costs
Fiscal Year 2007

	Per rider	Per mile
Ash Fork JUSD	\$591	\$2.33
Comparable districts	\$671	\$2.55

Plant operation and maintenance costs per square foot were high—Because it has fewer square feet, Ash Fork’s per-pupil plant operation and maintenance costs were 22 percent lower than the comparable districts’ average. However, the District’s cost per square foot was actually 39 percent higher than the comparable districts’ average.



- The District’s higher costs were due mainly to:
- More staff maintaining less than half the space as comparable districts.
 - Outsourcing most of its repair needs.
 - High electricity and natural gas costs.
 - Gasoline costs for nonstudent transportation such as the Superintendent’s daily commute from Prescott.

Recommendation—The District should determine whether plant positions can be reduced and implement an energy conservation plan.

District spent more dollars in the classroom than comparable districts and state average—Ash Fork spent \$7,117 in the classroom compared to the state average of \$4,277. By receiving a budget adjustment available only to small schools, Ash Fork nearly doubled its allowable expenditures and revenues, from about \$2.2 million to 3.9 million. Also, at 9.5 percent, the District’s primary tax rate was nearly 2½ times

higher than the comparable districts’ average rate of 4 percent.

M & O and Capital Outlay Funds Expenditure Budget Limits Fiscal Year 2007

	Budgeted Expenditures
Expenditure budget limits without small school adjustment	\$2,231,091
Small school adjustment	\$1,703,553
Total expenditure budget limits	\$3,934,644

While it spent more money in the classroom, Ash Fork JUSD’s 54.6 percent FY 2007 classroom dollar percentage was lower than the state average of 57.9 percent because it spent more money in other areas, such as administration and plant operations. However, the District’s classroom dollar percentage was nearly 4 percentage points higher than the comparable districts’ average of 50.6 percent.

Changes to English Language Learner (ELL) program needed—English language learners are students whose native language is not English and who are not currently able to perform ordinary classroom work in English. In FY 2007, about 20 percent (48) of Ash Fork JUSD students were ELL.

In FYs 2007 and 2008, the District’s ELL students were placed in mainstream classrooms and periodically attended short ELL pull-out sessions. Beginning in FY 2009, the State’s model requires 4 hours of English language instruction per day. For the FY 2009 school year, the District has made adjustments to comply with the State’s model.

Ash Fork JUSD received \$12,662 in state aid for ELL. Although required to track and report the incremental costs of its ELL program, the District was unsure how the money was spent or of the incremental cost of providing ELL programs.

Recommendation—The District should continue to develop its ELL programs, and it should properly account for its ELL costs.