

**REPORT
 HIGHLIGHTS**
 PERFORMANCE AUDIT

Our Conclusion

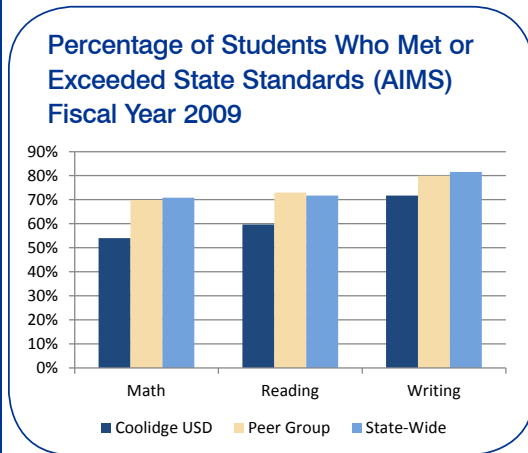
In fiscal year 2009, Coolidge Unified School District's student achievement was lower than both the peer districts' and state averages, and its operational costs were mixed. Although the District's plant operations and food service costs were similar to peer districts' averages, it had high administrative costs and lacked adequate procedures to protect it from errors. Additionally, the District paid high costs to contract out part of its transportation program and inaccurately reported its mileage resulting in \$208,000 in overfunding. Further, the District's shift in classroom spending, particularly since fiscal year 2007, indicates possible supplanting. Had the District continued to direct its monies into the classroom at the same rate it did in fiscal year 2001, it would have spent an additional \$1.8 million in the classroom in fiscal year 2009. Finally, the District had an excessive number of cell phones and lacked proper oversight of them.



2011

Lower student achievement than peers and operational costs mixed

Student achievement lower than peers'—In fiscal year 2009, Coolidge USD's student AIMS scores were lower than peer districts' and state averages. In that fiscal year, three of the District's seven schools failed to meet "Adequate Yearly Progress" for the federal No Child Left Behind Act because of insufficient academic progress.



District's operational costs mixed—In fiscal year 2009, Coolidge USD operated its plant operations and food service programs efficiently with costs that were similar to peer districts', on average. However, the District spent \$968 per pupil for administration, which was 30 percent more than peer districts averaged. It also spent 31 percent more per pupil than peer districts on transportation and had higher student and instructional support service costs.

Expenditures by Function Fiscal Year 2009

Per Pupil	Coolidge USD	Peer Group Average
Administration	\$968	\$746
Plant operations	945	935
Food service	381	355
Transportation	464	355
Student support	783	565
Instructional support	462	369

District had high administrative costs and lacked adequate procedures to protect it from errors

Higher staffing levels led to high administrative costs—In fiscal year 2009, Coolidge USD spent \$968 per pupil on administrative costs, 30 percent more than the \$746 average spent per pupil by peer districts. If the District had spent at the same level as peer districts, it would have potentially had over \$975,000 more to spend in the classroom.

Coolidge USD's higher administrative costs can be attributed to the greater number of high-level administrative staff including assistant principals, assistant superintendents, and administrative support staff than comparable districts averaged.

Inadequate payroll controls resulted in overpayments—The District's payroll system paid employees in advance of actually performing their work. As a result, the District overpaid at least 31 employees about \$22,000 in fiscal year 2009. The District has asked these employees to return the money, and as of November 2010 had received about \$8,200.

- Recommendations**—The District should:
- Review its administrative positions to determine how costs can be reduced.
 - Establish a delayed payroll system and continue to attempt to recover the overpayments.

High cost transportation contract ended; inaccurate mileage reporting needs to be corrected

Transportation contract costly for District—In fiscal year 2009, Coolidge USD's \$1,006 per rider transportation costs were 23 percent higher than its peers' average. Coolidge USD contracted part of its transportation program to a vendor in that year because of a need for more bus routes. However, the vendor-operated routes cost the District three times more per mile than the district-operated routes. As a result, in fiscal year 2010, the District began providing all of its transportation program internally. The District bought nine buses and operated those routes, saving an estimated \$200,000 that year.

Inaccurate mileage reporting resulted in \$208,000 overfunding—The District's records did not support the mileage it reported to the Department of Education for fiscal year 2009. Its overstatement of miles resulted in a likely overfunding of \$208,000 in fiscal year 2010 that, if not corrected, will continue into future years.

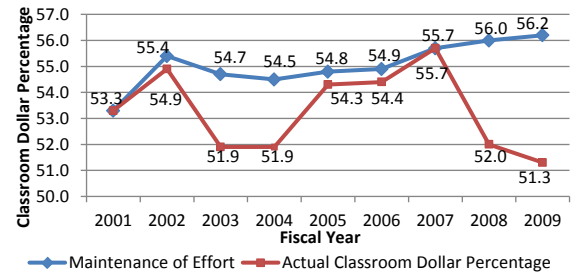
Recommendations—The District should:

- Accurately calculate and report the data needed for state transportation funding.
- Contact the Arizona Department of Education and correct its transportation funding report.

Shift in spending indicates possible supplanting violations

Over the years, Coolidge USD shifted its spending away from the classroom. Statute requires that districts use CSF monies to supplement, and not supplant, other monies spent in the classroom. In fiscal year 2001, before it received CSF monies, the District spent 53.3 percent of its operating dollars in the classroom. In fiscal year 2009, despite receiving over \$1.4 million of CSF monies primarily earmarked for the classroom, the District spent only 51.3 percent in the classroom. Had the District continued to direct its other monies into the classroom at the same rate as in fiscal year 2001, the additional CSF monies would have increased the District's classroom dollar percentage to 56.2 percent and the District would have spent an additional \$1.8 million in the classroom in fiscal year 2009 alone.

Maintenance of Effort and Actual Classroom Dollar Percentages Fiscal Years 2001 through 2009



Recommendation—To avoid supplanting, the District should direct more non-CSF monies back into the classroom as it did prior to fiscal year 2008.

Excessive number of cell phones and lack of proper oversight

In fiscal year 2009, the District's telephone costs were 75 percent higher than peer districts averaged. The District provided cell phones to one-quarter (180) of its employees at a cost of \$88,000. However, a review of billings for one month showed that more than half were not used, but the District still had to pay the monthly charges for them.

The District also exercised little control over the phones. For example, one employee had \$146.78 in

directory assistance charges in one month and 24 employees had phones that were not authorized for their positions. The District also did not require employees to repay the minutes of personal use as required by its policy.

Recommendation—The District should review the need for cell phones and follow its policy regarding their use.