



REPORT HIGHLIGHTS PERFORMANCE AUDIT

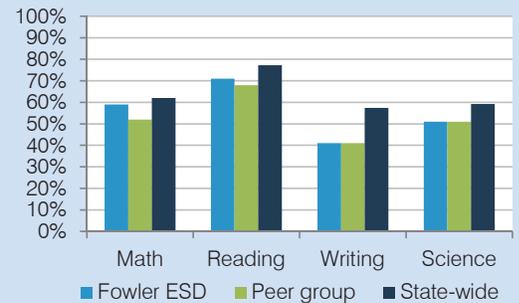
Slightly higher student achievement and efficient operations

Our Conclusion

In fiscal year 2012, Fowler Elementary School District's student achievement was slightly higher than the peer districts' averages, and the District operated efficiently. The District's administrative cost per pupil was similar to the peer districts' average, and it employed proper accounting and computer controls. The District's plant operations costs per pupil and per square foot were lower than the peer districts' averages primarily because of lower energy costs. Additionally, the District's food service cost per meal was lower than the peer districts' average, and the program was self-sufficient, in part, because the District paid the vendor that ran its program lower administrative and management fees than peer districts, on average. Further, the District's transportation program was efficient, with lower costs per mile and per rider and efficient bus routes. However, the District did not accurately report its number of riders transported, which resulted in substantial overfunding for fiscal years 2011 through 2014.

Student achievement slightly higher than peer districts'—In fiscal year 2012, Fowler ESD's student AIMS scores were slightly higher in math and similar to the peer districts' averages in reading, writing, and science. Additionally, under the Arizona Department of Education's A-F Letter Grade Accountability System, the District received an overall letter grade of B. One of the five peer districts also received a B, while the other four peer districts received Cs.

Percentage of students who met or exceeded state standards (AIMS)
Fiscal year 2012



District operated efficiently—In fiscal year 2012, Fowler ESD operated efficiently with per pupil costs that were mostly similar to or lower than peer districts' averages. The District's administrative costs were similar to the peer districts' average. Additionally, the District's plant operations costs per pupil and per square foot were slightly lower than peer districts' primarily because of lower energy costs. The District's food service program operated efficiently with a lower cost per meal than the peer districts averaged, in part, because the District paid its food service vendor lower fees than the peer districts paid, on average. Further, although the District's transportation cost per pupil was higher than the peer districts' average, its costs per mile and per rider were lower, and the District operated efficient bus routes.

Comparison of per pupil expenditures by operational area
Fiscal year 2012

	Fowler ESD	Peer group average
Administration	\$801	\$796
Plant operations	745	811
Food service	463	523
Transportation	314	271

District operated efficiently

In fiscal year 2012, Fowler ESD operated efficiently with costs that were similar to or lower than peer districts' averages. The table on page 2 highlights the District's efficiencies in each of the operational areas. In addition, the District employed proper controls in several areas that are commonly cited as areas of weakness in other school district audit reports.

Similar administrative costs and proper accounting and computer controls—Fowler ESD operated its administration with costs that were similar per pupil to the peer districts' average. In addition, the District employed proper controls over its accounting functions, such as payroll and purchasing, and it employed proper computer controls, such as strong password requirements and appropriate user access to its computer systems and network. The controls the District implemented helped to reduce its risk



2015

of errors, fraud, and misuse of sensitive information.

Lower plant operations costs—The District’s plant operations costs were 8 percent lower per pupil and per square foot than peer districts’ averages primarily because it had lower energy costs. The District kept its energy costs low, in part, by taking advantage of rebates available through its electric utility to install energy-saving fixtures, such as motion sensor light switches and upgraded lighting fixtures, at little to no cost to the District.

Efficient food service program—The District’s food service program operated efficiently with lower costs per pupil and per meal. The District kept its costs lower and maintained a self-sufficient program, in part, because it negotiated favorable terms with its food service vendor, including lower administrative and management fees than those its peer districts paid, on average.

Efficient transportation program—The District’s transportation program operated with lower costs per mile and per rider than peer districts’, on average. Further, the program had efficient bus routes, filling district buses to an average of 87 percent of seat capacity. The District also maintained good controls over its fuel inventory by requiring employees to enter information such as employee identification number and bus number when pumping fuel, electronically monitoring fuel levels in storage tanks, and securing its fuel inventory in a fenced and locked area monitored by security cameras.

Comparison of efficiency measures Fiscal year 2012

Efficiency measure	Fowler ESD	Peer group average
Administrative cost per pupil	\$801	\$796
Plant operations cost per square foot	\$5.73	\$6.25
Plant operations cost per student	\$745	\$811
Food service cost per meal	\$2.15	\$2.45
Transportation cost per mile	\$4.69	\$4.84
Transportation cost per rider	\$754	\$844

District overfunded for transportation because of inaccurate rider counts

Fowler ESD over-reported the number of students it transported for fiscal years 2010 through 2013 because it included the number of students riding district buses in the morning and the number of students riding in the afternoon. Therefore, most riders were counted twice, resulting in the District overstating its reported number of students transported by about 100 percent. Although the transportation funding formula is primarily based on miles driven, the number of students transported is also a factor in determining the per mile funding rate that districts receive. Correcting the overstated number of riders would reduce the District’s per mile funding rate. Further, since transportation funding is based on miles and riders reported in the prior fiscal year, overreporting riders resulted in the District being overfunded during fiscal years 2011 through 2014 by a combined \$515,149.

Recommendations

The District should:

- Accurately determine and report the number of students it transports for funding purposes.
- Work with the Arizona Department of Education to correct its transportation funding and expenditure budgets.