



A REPORT  
TO THE  
ARIZONA LEGISLATURE

Division of School Audits

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Performance Audit

# Fowler Elementary School District

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January • 2015  
Report No. 15-201



**Debra K. Davenport**  
Auditor General

The **Auditor General** is appointed by the Joint Legislative Audit Committee, a bipartisan committee composed of five senators and five representatives. Her mission is to provide independent and impartial information and specific recommendations to improve the operations of state and local government entities. To this end, she provides financial audits and accounting services to the State and political subdivisions, investigates possible misuse of public monies, and conducts performance audits of school districts, state agencies, and the programs they administer.

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**DEBRA K. DAVENPORT, CPA**  
AUDITOR GENERAL

**STATE OF ARIZONA**  
OFFICE OF THE  
**AUDITOR GENERAL**

**MELANIE M. CHESNEY**  
DEPUTY AUDITOR GENERAL

January 28, 2015

Members of the Arizona Legislature

The Honorable Doug Ducey, Governor

Governing Board  
Fowler Elementary School District

Dr. Marvene Lobato, Superintendent  
Fowler Elementary School District

Transmitted herewith is a report of the Auditor General, *A Performance Audit of the Fowler Elementary School District*, conducted pursuant to A.R.S. §41-1279.03. I am also transmitting within this report a copy of the Report Highlights for this audit to provide a quick summary for your convenience.

As outlined in its response, the District agrees with all of the findings and recommendations.

My staff and I will be pleased to discuss or clarify items in the report.

Sincerely,

Debbie Davenport  
Auditor General



## REPORT HIGHLIGHTS PERFORMANCE AUDIT

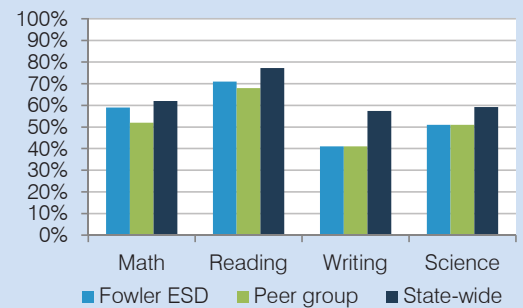
## Slightly higher student achievement and efficient operations

### 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.

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# DISTRICT OVERVIEW

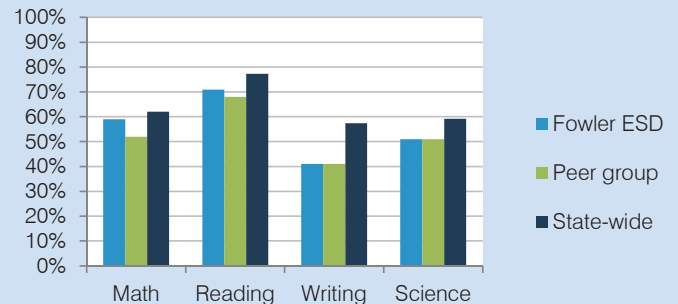
Fowler Elementary School District is a medium-large sized, suburban district located in southwest Phoenix. In fiscal year 2012, the District served 4,322 students in kindergarten through 8th grade at its seven schools.

In fiscal year 2012, Fowler ESD's student achievement was slightly higher than its peer districts', and the District operated efficiently with similar administration costs per pupil and lower plant operations and food service costs per pupil than peer districts, on average.<sup>1</sup> Additionally, although the District's transportation costs per pupil were higher than the peer districts' average, the program operated efficiently with similar costs per mile and lower costs per rider. Overall, the District employed proper accounting and computer controls and implemented methods to help reduce energy usage and costs. However, for funding purposes, the District should accurately report the number of students it transports to and from school.

## Student achievement slightly higher than peer districts'

In fiscal year 2012, 59 percent of the District's students met or exceeded state standards in math, 71 percent in reading, 41 percent in writing, and 51 percent in science. As shown in Figure 1, the District's math scores were slightly higher than the peer districts' average, and its reading, writing, and science scores were similar to the peer districts' averages. Further, under the Arizona Department of Education's A-F Letter Grade Accountability System, Fowler ESD received an overall letter grade of B for fiscal year 2012. One of the five peer districts also received a B, and the other four peer districts received Cs.

**Figure 1: Percentage of students who met or exceeded state standards (AIMS) Fiscal year 2012 (Unaudited)**



Source: Auditor General staff analysis of fiscal year 2012 test results on Arizona's Instrument to Measure Standards (AIMS).

## District operated efficiently

As shown in Table 1 on page 2 and based on auditors' review of various performance measures, in fiscal year 2012, Fowler ESD operated efficiently overall. By doing so, the District was able to spend \$79 more per pupil in the classroom than peer districts, on average, despite spending \$98 less per pupil overall.

<sup>1</sup> Auditors developed three peer groups for comparative purposes. See page a-1 of this report's Appendix for further explanation of the peer groups.



**Similar administrative costs**—In fiscal year 2012, Fowler ESD’s \$801 administrative cost per pupil was similar to the peer districts’ average of \$796. The District also employed proper controls over its accounting functions, computer systems, and network (see Finding 1, page 3).

**Lower plant operations costs**—Compared to peer districts’ averages, Fowler ESD’s plant operations costs were 8 percent lower per pupil and per square foot. The District’s plant operations costs were lower, in part, because of energy costs that were 23 percent lower per square foot than the peer districts’ average. The District had lower energy costs, in part, because it took advantage of rebates available through its electric utility to install energy-saving items, such as motion sensor light switches and upgraded lighting fixtures, at little to no cost to the District (see Finding 1, page 3).

**Table 1: Comparison of per pupil expenditures by operational area  
Fiscal year 2012  
(Unaudited)**

Spending	Fowler ESD	Peer group average	State average
Total per pupil	\$6,870	\$6,968	\$7,475
Classroom dollars	3,661	3,582	4,053
Nonclassroom dollars			
Administration	801	796	736
Plant operations	745	811	928
Food service	463	523	382
Transportation	314	271	362
Student support	540	522	578
Instruction support	346	463	436

Source: Auditor General staff analysis of fiscal year 2012 Arizona Department of Education student membership data and district-reported accounting data.

**Efficient food service program**—The District’s food service program operated efficiently with lower costs per pupil and per meal. Fowler ESD’s \$2.15 cost per meal was 12 percent lower than the peer districts’ \$2.45 average and its \$463 cost per pupil was 11 percent lower. 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 (see Finding 1, page 3).

**Efficient transportation program**—In fiscal year 2012, the District’s transportation program operated efficiently with a \$4.69 cost per mile that was 3 percent lower than the peer districts’ average and a \$754 cost per rider that was 11 percent lower than the peer districts’ average. Costs were lower, in part, because the District operated efficient bus routes filling buses to 87 percent of capacity and maintained proper controls over its fuel inventory (see Finding 1, page 3). However, the District did not accurately report its number of riders transported, which resulted in substantial overfunding for fiscal years 2011 through 2014 (see Finding 2, page 5).

# FINDING 1

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## Sound management practices and proper controls resulted in efficient operations

In fiscal year 2012, Fowler ESD operated efficiently with lower costs in most operational areas than peer districts, on average. The District's costs were lower, in part, because of sound management practices, such as taking advantage of rebate programs to improve energy efficiency, negotiating food service vendor contract terms that were favorable to the District, and operating efficient bus routes. As shown in Table 2, the District's efficiency measures compared favorably to peer districts' averages. Operating efficiently allowed the District to spend \$79 more per pupil of its operational monies in the classroom than the peer districts averaged despite spending \$98 less per pupil overall. In addition to efficient operations, the District also employed proper controls over its accounting functions, computer systems and network, and fuel inventory, which are areas of weakness commonly cited in other school district audit reports.

## Similar administrative costs and proper accounting and computer controls

The District operated its administration with costs per pupil that were similar to the peer districts' average. In addition, auditors found that the District employed proper controls over its accounting functions, such as payroll and purchasing. The District also 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 of errors, fraud, and misuse of sensitive information.

**Table 2: Comparison of efficiency measures  
Fiscal year 2012  
(Unaudited)**

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

Source: Auditor General staff analysis of fiscal year 2012 district-reported accounting and food service program data; Arizona School Facilities Board square footage information, and Arizona Department of Education student membership and transportation program data.

## Lower plant operations costs due to energy efficiency

The District's plant operations were efficient with slightly lower costs per pupil and per square foot. As shown in Table 2, the District's \$5.73 cost per square foot was 8 percent lower than the peer districts' average, and its \$745 cost per student was also 8 percent lower than the peer districts' average. Costs were lower primarily because of energy costs that were 23 percent lower per square foot than the peer districts' average. The District kept its energy costs low, in part, by taking advantage

of rebate programs through its electric utility. For example, through a rebate program, the District was able to replace light switches with motion sensor switches and upgrade to more energy-efficient lighting fixtures to help reduce energy usage at little to no cost to the District.

## Favorable food service contract resulted in efficient food service program

The District has outsourced its food service program since fiscal year 2009. During the procurement process, the District was able to negotiate a favorable contract that included lower vendor fees. In fact, the administrative and management fees the District paid to its food service program vendor were 60 percent lower than the average fees paid by the four peer districts that also outsourced their food service programs. Partly because of these lower fees, the District's \$2.15 cost per meal was 12 percent lower than the peer districts' \$2.45 average. By maintaining a low cost per meal, the District was able to cover all of its program costs while having enough monies remaining to help pay for some indirect costs, such as utilities.

## Efficient transportation program

The District's transportation program operated efficiently with a \$754 cost per rider that was 11 percent lower than the peer districts' average and a \$4.69 cost per mile that was 3 percent lower than the peer districts' average. The District's lower costs resulted, in part, because it operated efficient bus routes, filling its buses to 87 percent of seat capacity, on average. Further, the District employed proper controls over its fuel inventory, including requiring employees to enter information such as employee identification number and bus number when pumping fuel. The District also monitored its fuel usage and the fuel levels in its storage tanks. Additionally, fuel pumps were locked, and they were located in a fenced and locked area that was monitored by security cameras. Although the District had an efficient transportation program with good controls, it double counted the number of riders it transported, which resulted in substantial overfunding for fiscal years 2011 through 2014 (see Finding 2, page 5).

# FINDING 2

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## District overstated the number of riders it transported, resulting in \$515,000 of overfunding

For student transportation funding, school districts are required to report to the Arizona Department of Education (ADE) actual miles driven to transport students to and from school and the number of eligible students transported. Auditors determined that the District over-reported its number of students transported beginning in fiscal year 2010 because the District 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. Since transportation funding is based on miles and riders reported in the prior fiscal year, the over-reporting of fiscal year 2010 rider counts resulted in the District being overfunded by \$113,442 in fiscal year 2011. Further, because the District continued to make the same error in counting riders in subsequent fiscal years, the District was also overfunded for fiscal years 2012 through 2014 (see Table 3). Beginning in fiscal year 2014, the District began accurately reporting its rider counts to ADE. The District should work with ADE to correct the overstated rider counts that occurred in fiscal years 2010 through 2013 and the resultant overfunding of about \$515,000 that occurred in fiscal years 2011 through 2014.

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**Table 3: Amount of transportation overfunding by fiscal year Fiscal years 2011 through 2014 (Unaudited)**

Fiscal year	Overfunding
2011	\$113,442
2012	126,799
2013	137,454
2014	137,454
<b>Total</b>	<b>\$515,149</b>

Source: Auditor General staff analysis of Arizona Department of Education district mileage and ridership reports, budget worksheets, and apportionment reports.

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## Recommendations

1. The District should accurately determine and report the number of students transported for student transportation funding purposes.
2. The District should work with ADE regarding needed corrections to its transportation funding reports and corresponding adjustments to its expenditure budgets until all funding errors caused by the overstated rider counts are fully corrected.

# APPENDIX

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## Objectives, Scope, and Methodology

The Office of the Auditor General has conducted a performance audit of the Fowler Elementary School District pursuant to Arizona Revised Statutes §41-1279.03(A)(9). Based in part on their effect on classroom dollars, as previously reported in the Office of the Auditor General's annual report, *Arizona School District Spending (Classroom Dollars report)*, this audit focused on the District's efficiency and effectiveness in four operational areas: administration, plant operations and maintenance, food service, and student transportation. To evaluate costs in each of these areas, only operational spending, primarily for fiscal year 2012, was considered.<sup>1</sup> Further, because of the underlying law initiating these performance audits, auditors also reviewed the District's use of Proposition 301 sales tax monies and how it accounted for dollars spent in the classroom.

In conducting this audit, auditors used a variety of methods, including examining various records, such as available fiscal year 2012 summary accounting data for all districts and Fowler ESD's fiscal year 2012 detailed accounting data, contracts, and other district documents; reviewing district policies, procedures, and related internal controls; reviewing applicable statutes; and interviewing district administrators and staff.

To compare districts' academic indicators, auditors developed a student achievement peer group using poverty as the primary factor because poverty has been shown to be associated with student achievement. Auditors also used secondary factors such as district type and location to further refine these groups. Fowler ESD's student achievement peer group includes Fowler ESD and the five other elementary districts that also served student populations with poverty rates between 28 percent and 37 percent in cities and suburbs. Auditors compared Fowler ESD's student AIMS scores to those of its peer group averages. The same grade levels were included to make the AIMS score comparisons between Fowler ESD and its peer group. AIMS scores were calculated using test results of the grade levels primarily tested, including grade levels 3 through 8. Generally, auditors considered Fowler ESD's student AIMS scores to be similar if they were within 5 percentage points of peer averages, slightly higher/lower if they were within 6 to 10 percentage points of peer averages, higher/lower if they were within 11 to 15 percentage points of peer averages, and much higher/lower if they were more than 15 percentage points higher/lower than peer averages. In determining the District's overall student achievement level, auditors considered the differences in AIMS scores between Fowler ESD and its peers, as well as the District's Arizona Department of Education-assigned letter grades.<sup>2</sup>

To analyze Fowler ESD's operational efficiency in administration, plant operations, and food service, auditors selected a group of peer districts based on their similarities in district size, type, and location. This operational peer group includes Fowler ESD and 15 other elementary school districts that also served between 2,000 and 7,999 students and were located in cities and suburbs. To

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<sup>1</sup> Operational spending includes costs incurred for the District's day-to-day operations. It excludes costs associated with repaying debt, capital outlay (such as purchasing land, buildings, and equipment), and programs such as adult education and community service that are outside the scope of preschool through grade 12 education.

<sup>2</sup> The Arizona Department of Education's A-F Letter Grade Accountability System assigns letter grades based primarily on academic growth and the number of students passing AIMS.

analyze Fowler ESD's operational efficiency in transportation, auditors selected a group of peer districts based on their similarities in miles per rider and location. This transportation peer group includes 14 districts that also traveled between 141 and 230 miles per rider and were located in cities and suburbs. Auditors compared Fowler ESD's costs to its peer group averages. Generally, auditors considered Fowler ESD's costs to be similar if they were within 5 percent of peer averages, slightly higher/lower if they were within 6 to 10 percent of peer averages, higher/lower if they were within 11 to 15 percent of peer averages, and much higher/lower if they were more than 15 percent higher/lower than peer averages. However, in determining the overall efficiency of Fowler ESD's nonclassroom operational areas, auditors also considered other factors that affect costs and operational efficiency such as square footage per student, meal participation rates, and bus capacity utilization, as well as auditor observations and any unique or unusual challenges the District had. Additionally:

- To assess whether the District's administration effectively and efficiently managed district operations, auditors evaluated administrative procedures and controls at the district and school level, including reviewing personnel files and other pertinent documents and interviewing district and school administrators about their duties. Auditors also reviewed and evaluated fiscal year 2012 administration costs and compared these to peer districts'.
- To assess the District's financial accounting data, auditors evaluated the District's internal controls related to expenditure processing and scanned all fiscal year 2012 payroll and accounts payable transactions for proper account classification and reasonableness. Additionally, auditors reviewed detailed payroll and personnel records for 30 of the 650 individuals who received payments in fiscal year 2012 through the District's payroll system and reviewed supporting documentation for 30 of the 9,440 fiscal year 2012 accounts payable transactions. No improper transactions were identified. Auditors also evaluated other internal controls that were considered significant to the audit objectives and reviewed fiscal year 2012 spending and prior years' spending trends across operational areas.
- To assess the District's computer information systems and network, auditors evaluated certain controls over its logical and physical security, including user access to sensitive data and critical systems, and the security of servers that house the data and systems. Auditors also evaluated certain district policies over the system such as data sensitivity, backup, and recovery. No issues were identified.
- To assess whether the District managed its plant operations and maintenance function appropriately and whether it functioned efficiently, auditors reviewed and evaluated fiscal year 2012 plant operations and maintenance costs and building square footage, and compared resulting cost and other efficiency measures to peer districts'. Auditors also observed and evaluated the condition and uses of district building space.
- To assess whether the District managed its food service program appropriately and whether it functioned efficiently, auditors reviewed fiscal year 2012 food service revenues and expenditures, including labor and food costs; compared costs to peer districts'; reviewed the Arizona Department of Education's food service monitoring reports; reviewed the District's fiscal year 2012 food service management contract and point-of-sale system reports; and observed food service operations.
- To assess whether the District managed its transportation program appropriately and whether it functioned efficiently, auditors reviewed and evaluated required transportation

reports, driver files, bus maintenance and safety records, bus routing, and bus capacity usage. In addition, auditors observed and counted bus riders during on-site visits. Auditors also reviewed fiscal year 2012 transportation costs and compared them to peer districts' average costs.

- To assess whether the District was in compliance with Proposition 301's Classroom Site Fund requirements, auditors reviewed fiscal year 2012 expenditures to determine whether they were appropriate and if the District properly accounted for them. No issues of noncompliance were identified.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The Auditor General and her staff express their appreciation to the Fowler Elementary School District's board members, superintendent, and staff for their cooperation and assistance throughout the audit.

# DISTRICT RESPONSE

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DISTRICT RESPONSE





# FOWLER ELEMENTARY SCHOOL DISTRICT NO. 45

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**Francisca Montoya**  
Governing Board  
President

January 14, 2015

**Peggy Eastburn**  
Governing Board  
Clerk

Ms. Debra K. Davenport  
Auditor General  
Division of School Audits  
2910 North 44<sup>th</sup> Street, Suite 410  
Phoenix, AZ 85018

**Ignacio Fernandez**  
Governing Board  
Member

RE: Response to Fowler Elementary School District FY 2012 Performance Audit

**Marvene Lobato**  
Superintendent

Dear Ms. Davenport,

**Cindy Bradley**  
Academic Services

Fowler Elementary School District (FESD) respectfully submits its response to the Performance Audit conducted by the Office of the Auditor General's Division of School Audits for fiscal year 2012 as is required per A.R.S. §41-1279.03. On behalf of our school district, I would like to thank Ms. Ann Orrico, Audit Manager and her audit team for the professionalism and courtesy they demonstrated in every interaction with our school district staff. Our school district agrees with the findings, and will implement the recommendations.

**Karen Watkins**  
Curriculum

Finding One states that FESD demonstrated sound management practices and proper controls, resulting in efficient operations. Our school district had similar administrative costs as our peer districts' and employed proper accounting and computer controls. Our plant operations costs were lower due to energy efficiency. A favorable food service contract resulted in efficient food service program. It was also noted that our transportation program was efficient. There were no recommendations to implement with this finding.

**Jim Chesnik**  
Facilities

**Cheryl Miller**  
Finance

Finding Two states that FESD overstated the number of riders it transported, resulting in \$515,000 of overfunding. Auditors determined that most riders in our district were reported twice. The error commenced in FY 2010 and concluded in FY 2013; which resulted in overfunding from FY 2011-2014. On July 1, 2014, the Arizona Department of Education (ADE) implemented *Policy Number SF-0002, Transportation Guideline*; it provides guidance to school districts for completing the Transportation Route Report which includes how to determine the number of eligible riders. The number of eligible riders is an *unduplicated count*. The Performance Audit recommends that the district should accurately determine and report the number of students transported for student transportation funding purposes. The district has initiated compliance with this recommendation as stated in the Performance Audit Report, "*Beginning in fiscal year 2014, the District began accurately reporting its rider counts to ADE*". The second recommendation states that the District should work with ADE regarding corrections needed to its transportation funding reports to correct funding errors. The district agrees with this recommendation and all funding errors will be corrected by the end of the 2014-2015 school year.

**Vince Medina**  
Head Start

**Nora Ulloa**  
Human Resources

**Lane Blake**  
Research &  
Data Analysis

**Rose Ann Wastjer**  
Special Education

In closing, our FESD staff members are available to respond to any questions regarding our response.

**Mike Fried**  
Technology

Respectfully,

**Ralph King**  
Transportation

Marvene Lobato, Ed.D.  
Superintendent

