

REPORT HIGHLIGHTS PERFORMANCE AUDIT

Subject

The Wickenburg Unified School District is located in northwest Maricopa County. In fiscal year 2008, the District served 1,438 students in grades kindergarten through 12.

Our Conclusion

Wickenburg Unified School District's administrative costs per student were higher than the comparable districts' average. The District's transportation program is efficient, and its plant operation costs per square foot were lower than the comparable districts'. The District is addressing challenges with its newest school that is operating with very low enrollment. The District's percentage of dollars spent in the classroom was slightly lower than comparable districts.



2010

High administrative costs—The District's administrative costs per pupil were 10 percent higher than the comparable districts' average primarily because it had more administrative positions.

Administrative Costs Per Pupil Fiscal Year 2008

Wickenburg USD	\$979
Comparable districts' average	\$891

Wickenburg USD had 22 administrative positions while comparable districts averaged 18 positions.

Recommendation—The District should review its administrative positions to determine how costs can be reduced.

District improperly enrolled foundation employees in ASRS

Since 2001, the District has had a partnership with the Wickenburg Foundation for the Performing Arts (Foundation) to operate the Del E. Webb Center (a performing arts center) located on the Wickenburg High School campus. This charitable organization helped to build the theater on the high school campus and continues to provide financial support. In return, the District agreed to consider the Webb Center's five employees as district employees and provide them with medical and Arizona State Retirement System (ASRS) benefits that they would not otherwise have received. By law, membership in ASRS is restricted to employees of the State and its political subdivisions, although the ASRS may approve certain nonprofit corporations to participate if their primary purpose is to perform a governmental service. Because the Webb Center employees do not primarily perform a governmental service,

and because many other factors demonstrate that they are not district employees, they do not meet the legal requirements to participate in the ASRS. After we brought this matter to the District's attention, the District requested a review by the ASRS.

Recommendation—The District should continue working with ASRS to determine what actions should be taken regarding the Webb Center employees.

Computer network and sensitive information not adequately protected

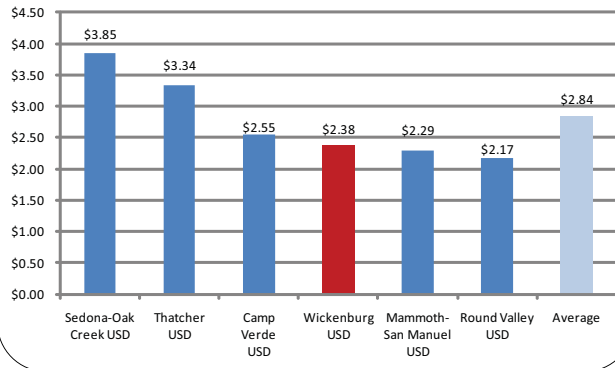
—The District does not have adequate controls over who can access its computer network. For example, a custodian and groundskeeper had access to sensitive information. Additionally, servers housing student data are stored in an unlocked room with an unsecured window, and the District lacks a disaster recovery plan.

Recommendation—The District should implement controls to safeguard its computerized network and sensitive information.

Transportation program operates efficiently

—Wickenburg USD's transportation costs per mile were about 16 percent lower than the comparable districts'. The lower costs were due to program efficiency, with each bus operating at 90 percent of capacity, on average, compared to a typical 75 percent. Because it has an efficient program, the District's state transportation aid exceeded the District's transportation expenditures by about \$258,000.

Transportation Costs Per Mile Fiscal Year 2008



District does not comply with some state safety standards—While the program is efficient, the District failed to meet two requirements of state Minimum Standards. First, the District’s bus preventative maintenance was not systematic or uniform. Second, although district bus drivers were tested annually for drug and alcohol use, the District did not conduct random drug and alcohol testing of its drivers.

Recommendation—The District should ensure it follows all state Minimum Standards.

Plant operation and maintenance costs were low—Wickenburg USD’s plant operation and maintenance costs of \$4.33 per square foot were about 10 percent lower than the \$4.79 for comparable districts. The District has taken action to keep its plant costs low. For example, in the latter part of fiscal year 2008, the District replaced all of its outdated thermostats with new, programmable units. From fiscal year 2008 to 2009, electricity usage declined by approximately 6 percent.

Newest school presents challenges for District—In 2008, the District opened a new elementary school in a master-planned community approximately 47 miles from Wickenburg. However, the anticipated growth in the community has not materialized, and the school has only 146 students in a facility designed for 914 students (16 percent

capacity). Further, 56 of the students do not live in the District but attend under the District’s open enrollment policy.

Because the District anticipated operating shortfalls for this school, the builder of the master-planned community agreed to donate monies to subsidize it. During 2008 and 2009, the builder donated almost \$959,000—or over 72 percent of the school’s operating costs. The builder recently agreed to continue providing donations through fiscal year 2012. If enrollment does not increase and the builder’s subsidy ends, the District may need to consider closing the school.

Recommendation—The District should continue closely monitoring the financial matters at its newest school.

Classroom dollar percentage slightly below comparable districts—In fiscal year 2008, Wickenburg USD spent 55.5 percent of its dollars in the classroom compared to 56.3 percent spent in the classroom by comparable districts and 57.3 percent spent state-wide.

Extracurricular Activities Fees Tax Credit monies misspent—These tax credit monies can only be spent on extracurricular activities that are educational in nature, such as band and after-school sports programs. However, the District spent \$19,000 on inappropriate items that did not necessarily apply to extracurricular activities, such as three SMART boards (\$8,500), a park bench (\$1,750), and almost \$3,000 on seeds and fertilizer for nonathletic lawns at the District’s schools.

Recommendation—The District should ensure that Extracurricular Activities Fees Tax Credit monies are spent according to statute.