

## REPORT HIGHLIGHTS PERFORMANCE AUDIT

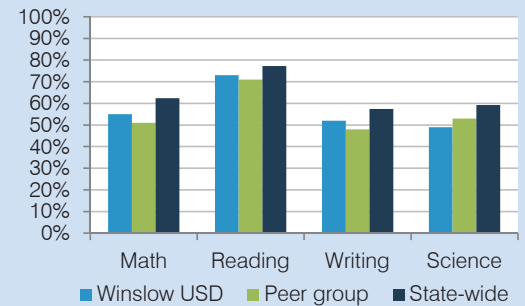
## Similar student achievement and mixed operational efficiencies

### Our Conclusion

In fiscal year 2012, Winslow Unified School District's student achievement was similar to peer districts' averages, but its cost-efficiency in noninstructional areas was mixed. The District's per pupil administrative costs were much higher than peer districts', on average, primarily because it employed more administrative positions. The District's plant costs were higher primarily because it maintained a large amount of excess school building space, which was likely not needed because most of the District's schools operated far below their designed capacities. The District's food service program operated with slightly higher costs that may have been a result of it not sufficiently overseeing the vendor operating the program. The District's transportation program operated in a reasonably efficient manner, despite having higher costs per pupil, but the District needs to strengthen controls over fuel purchases.

**Student achievement similar to peer districts'**—In fiscal year 2012, Winslow USD's student AIMS scores were within 5 percentage points of the peer districts' averages in the four tested areas. Further, under the Arizona Department of Education's A-F Letter Grade Accountability System, Winslow USD received an overall letter grade of C for fiscal year 2012. Eight of the peer districts also received a letter grade of C, while five received a B and two received a D. The District's 80 percent graduation rate was similar to the peer districts' average of 81 percent and the State's 77 percent average.

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



**Operational efficiencies mixed**—In fiscal year 2012, Winslow USD's administrative costs per pupil were much higher than peer districts', on average, primarily because the District employed more administrative staff, and its plant operations costs were higher per pupil because the District maintained more square footage per student. The District's food service program operated with slightly higher costs per meal and needs improved oversight. Although the District's transportation program operated with higher costs per pupil, the program operated in a reasonably efficient manner.

Comparison of per pupil expenditures by operational area  
Fiscal year 2012

	Winslow USD	Peer group average
Administration	\$928	\$748
Plant operations	1,047	933
Food service	433	354
Transportation	450	369

## Much higher administrative costs

**Much higher administrative costs**—In fiscal year 2012, Winslow USD's per pupil administrative costs were 24 percent higher than peer districts', on average, primarily because it employed more administrative positions than similarly sized districts and partly because it had some infrequent administrative costs that year.

### Recommendation

The District should review its administrative positions and related duties to determine how administrative costs can be reduced.



2014

## District spent more on plant operations primarily for excess building space

In fiscal year 2012, Winslow USD's plant operations cost per square foot was similar to the peer districts' average, but its cost per pupil was 12 percent higher. As a result, the District spent more of its available operating dollars for plant operations, leaving it less money to spend in the classroom. The higher cost was primarily caused by the District maintaining a large amount of excess school building space, which was likely not needed because most of the District's schools operated far below their designed capacities. Winslow USD's schools operated at just 60 percent of capacity, on average, in fiscal year 2012. Maintaining more building space is costly to the District because the majority of its funding is based on its number of students, not the amount of square footage it maintains. Had Winslow USD maintained a similar amount of school building space per student as its peer districts averaged, it could have saved more than \$200,000, monies that the District otherwise potentially could have spent in the classroom.

### Recommendations

The District should:

- Evaluate the use of space at its high school and determine if it could close any of the unused space to reduce heating, cooling, and maintenance costs.
- Consider changing the grade configurations of its elementary and junior high schools to allow it to reduce plant operations costs by closing excess building space.

## District did not sufficiently oversee its food service program

Winslow USD's fiscal year 2012 cost per meal was 7 percent higher than the peer district average, and the program was not self-supporting, requiring a subsidy of approximately \$135,000. These higher costs may have been a result of the District not sufficiently overseeing its food service program, which was operated by a vendor in fiscal year 2012. The District was not performing thorough reviews of vendor billings and did not ensure food service operations were reasonably efficient despite having a cost-reimbursement-type food service contract. Further, the District allowed the vendor to operate a catering program with no district oversight, resulting in the possible loss of revenue.

### Recommendations

The District should:

- Thoroughly review vendor invoices to ensure that amounts billed are accurate and in accordance with the terms of its contract.
- Consider rebidding its food service contract to obtain more favorable terms.
- Properly oversee, and determine the legality of, its catering program.

## District did not adequately monitor fuel purchases

The District uses fuel cards to obtain fuel for its buses and other vehicles from a local vendor's site. In fiscal year 2012, district employees charged a total of \$193,000 for the purchase of fuel. However, the District did not adequately monitor the fuel purchases to ensure that all fuel charges were appropriate. We identified some purchases for which no receipts existed and some unusual items such as vehicles getting unreasonably low miles per gallon.

### Recommendation

The District should strengthen its controls and oversight over fuel card purchases.