

Young Elementary School District

Not in compliance with the Uniform System of Financial Records (USFR)

List of deficiencies

Accounting records—The District should accurately maintain accounting records to support the financial information it reports and follow processes and controls that reduce the risk of undiscovered errors that would affect the reliability of information reported to the public and oversight agencies.		
	Question	Deficiency
1.	The District sequentially numbered journal entries and retained supporting documentation and evidence that journal entries were signed, dated, and approved by someone other than the preparer.	For 1 of 5 journal entries tested, the journal entry was not approved by someone other than the preparer.
2.	The District documented and dated a monthly review of financial transactions the county school superintendent (CSS) initiated (i.e., revenue postings or journal entries) for propriety, and properly researched and resolved any differences.	The District did not perform a monthly review of financial transactions the CSS initiated.
3.	The District reconciled cash balances by fund monthly with the CSS or county treasurer's records, as applicable, and properly supported, documented, and dated the reconciliations.	Cash balances were not reconciled to the CSS or County Treasurer monthly.
4.	The District reconciled total revenues, expenditures, expenses, and cash balances (as applicable) by fund, program, function, and object code at least at fiscal year-end with the CSS and the reconciliation was reviewed and properly supported.	Revenues, expenditures, expenses, and cash balances were not reconciled to the CSS at least by fiscal year-end.
Cash and revenue—The District should document and control cash transactions to safeguard monies, provide evidence of proper handling to protect employees involved in handling monies from unfounded accusations of misuse, and reduce the risk of theft or loss.		
	Question	Deficiency
1.	The District maintained only authorized bank accounts as listed in the USFR and did not have any inactive bank accounts.	The District maintained an inactive bank account during the fiscal year.
2.	The District supported deposits with issued receipts, cash receipt summary reports, mail logs, etc., and reconciled sales to amounts collected with summary reports or ticket logs.	The District did not have written cash-handling policies and procedures over cash collection, deposit, and review.
3.	The District's deposits were made in a timely manner and supported by deposit slips or other deposit transmittal documentation.	For 13 of 25 receipts selected for testing, the District did not deposit the receipt within a timely manner.

Young Elementary School District

Not in compliance with the Uniform System of Financial Records (USFR)

List of deficiencies

4.	The District's deposits with the county treasurer were reconciled.	Cash balances were not reconciled to the County Treasurer during the current fiscal year.
5.	An employee not involved with cash-handling or issuing checks reconciled all District bank accounts monthly, and an employee independent of the cash-handling process reviewed, signed, and dated the monthly bank reconciliations.	The District did not perform bank reconciliations during the current fiscal year.

Property control—The District should properly value, classify, and report land, buildings, and equipment on its stewardship and capital assets lists. In addition, the District should safeguard its property, which represents a significant investment of its resources, from theft and misuse.

	Question	Deficiency
1.	The District maintained a capital assets list that included all required information listed in the USFR for all land, land improvements, buildings, building improvements, and equipment with costs that exceed the District's adopted capitalization threshold.	The District did not update the capital asset listing for all assets costing greater than \$5,000 as of June 2024.
2.	The District recorded additions including financed assets on the capital assets list and reconciled capitalized acquisitions to capital expenditures at least annually.	
3.	The District's capital assets and stewardship items were identified as District property, properly tagged, and included on the corresponding list.	
4.	The District reconciled the current year's June 30 capital assets list to the previous year's June 30 list.	
5.	The District's stewardship list for items costing at least \$1,000 but less than the District's capitalization threshold, including financed assets, included all required information.	The District did not maintain a stewardship listing of all capital items costing between \$1,000 and \$5,000.
6.	The District performed a physical inventory of all equipment at least every 3 years and reconciled the inventory results to the stewardship and capital assets lists upon completion.	The District has not conducted an inventory of capital asset items within the last 3 fiscal years.

Young Elementary School District

Not in compliance with the Uniform System of Financial Records (USFR)

List of deficiencies

Expenditures—The District should ensure spending approvals document both the allowable District purpose and confirmation that spending was within budget capacity or available cash, to ensure appropriate use of public monies and compliance with budget limits, and to protect employees from unfounded allegations of misuse.		
	Question	Deficiency
1.	The District monitored budget capacity in budget-controlled funds and cash balances in cash-controlled funds before approving purchase orders (PO) and authorizing expenditures, except as authorized in Arizona Revised Statutes (A.R.S) §§15-207, 15-304, 15-907, and 15-916.	For 1 of 25 disbursements tested, the PO was created after the invoice date.
Credit cards and p-cards—The District should control credit cards and p-cards to help reduce the risk of unauthorized purchases and approve purchases to ensure compliance with competitive purchasing requirements in the USFR and School District Procurement Rules.		
	Question	Deficiency
1.	The District issued and tracked possession of all District credit cards and trained employees who make credit card purchases or process transactions on the District's policies and procedures.	The District did not maintain documentation for credit card training and user agreements during the current fiscal year.
Procurement—The District should follow the School District Procurement Rules and USFR purchasing guidelines for purchases it makes to promote fair and open competition among vendors that helps ensure the District receives the best value for the public monies it spends.		
	Question	Deficiency
1.	The District requested at least 3 written quotes for purchases costing at least \$10,000 but less than \$100,000 and followed the guidelines prescribed by the USFR.	The District did not maintain written quotes for selected vendors.
2.	The District provided training and guidance related to restrictions on soliciting, accepting, or agreeing to accept any personal gift or benefit with a value of \$300 or more. A.R.S. §15-213(N) and Arizona Administrative Code (A.A.C). R7-2-1003	The District did not provide the required training during the current fiscal year.
3.	The District performed due diligence to support the use of each cooperative or lead district contract the District made purchases from during the audit period. A.A.C. R7-2-1191(D)	The District did not maintain the due diligence documentation for Mohave Cooperative.

Young Elementary School District

Not in compliance with the Uniform System of Financial Records (USFR)

List of deficiencies

4.	The District's governing board approved all sole-source procurements before any purchases were made, and the written determinations were retained in the procurement files. A.A.C. R7-2-1053 and R7-2-1086	The District did not maintain a duration and estimated total dollar values of the proposed sole-source procurement.
----	--	---

Financial reporting—The District should accurately prepare its financial reports, including its Annual Financial Report (AFR), to provide the public and oversight bodies, including bond investors and district creditors, a transparent view of the District's financial position.

	Question	Deficiency
1.	The District completed and submitted all parts of the AFR reporting package, including the school-level reporting AFR, using its accounting data in the files and reported additional information required in the forms, such as revenue and expenditure amounts that were not automatically pulled from its accounting and student count data, and maintained applicable supporting documentation. A.R.S. §15-904(F)	Fund 955—Internal Service Fund expenditures did not agree with the District's accounting records.
2.	The District submitted the School District Employee Report (SDER) to Arizona Department of Education (ADE), and it was accurate and timely for ADE to calculate the Teacher Experience Index. A.R.S. §15-941 and School Finance Reports	The School District did not submit the SDER to ADE.
3.	The District submitted its prior year's audit reports and USFR Compliance Questionnaire to the CSS and ADE. A.R.S. §15-914(D)	The District did not submit its prior year's audit reports and USFR compliance questionnaire to the CSS and ADE.

Student attendance reporting—The District should report accurate student membership and attendance information to ADE to ensure it receives the appropriate amount of State aid and/or local property taxes.

	Question	Deficiency
1.	The District prepared and retained the Official Notice of Pupil Withdrawal form for each withdrawal, and the forms were signed by a District administrator. A.R.S. §15-827	For all 5 students tested, the District did not retain the Official Notice of Pupil Withdrawal form for each withdrawal, and the forms weren't signed by a District administrator.

Young Elementary School District

Not in compliance with the Uniform System of Financial Records (USFR)

List of deficiencies

Information technology (IT)—The District should adopt an IT security framework that aligns with credible industry standards and through that framework the District should implement controls that provide reasonable assurance that its financial and student data is accurate, reliable, and secure.		
	Question	Deficiency
1.	The District maintained adequate separation of duties in its IT systems that prevented 1 employee from completing a transaction without additional review and approval procedures.	As of February 2025, the District did not limit users' access to only those functions needed to perform their job duties. Specifically, 4 of 6 accounting system users had more access than needed to perform their job duties, including 1 user identified during the audit. Additionally, the District granted inappropriate administrator-level access to 2 employees who did not need it to perform their job duties.
2.	The District assessed security risks for its systems and data, implemented appropriate controls to address risks, and provided employees/contractors annual security awareness training.	Documentation was not maintained to support security awareness training was provided to employees. Also, the District did not provide a risk assessment for data classification during the current fiscal year.
3.	The District immediately and appropriately modified terminated or transferred employees', contractors', or vendors' access to all District systems.	As of March 2025, the District maintained 14 active network accounts that were associated with terminated employees. The 14 accounts were associated with former District employees that had not been employed by the District between 3 months to over 2 and a half years.
4.	The District had cloud computing, digital learning, and vendor contracts or data-sharing agreements in place with any 3rd parties accessing or hosting District data that addressed controls to support security and processing integrity, and backup procedures if applicable, before data was accessed/shared.	The District did not maintain data sharing agreement with 3rd party vendor.
5.	The District monitored and reviewed IT system-generated incident or error reports to identify network security threats or other unusual activity and addressed noted issues.	Documentation was not provided that the District monitored and reviewed IT-system generated incident or error reports to identify security threats or other unusual activity.
6.	The District had incident response and contingency planning documents in place to restore or resume system services in case of disruption or failure that were reviewed and tested at least annually.	The District did not maintain a disaster recovery plan during fiscal year 2024. The District developed and implemented an IT contingency plan in November 2024. However, the plan did not include critically-required components and the District did not perform documented tests of the plan.

Young Elementary School District

Not in compliance with the Uniform System of Financial Records (USFR)

List of deficiencies

Records management—The District should protect and maintain its records, including hard copies and electronic files with student and employee data, and ensure that its records are disposed of securely in accordance with established time frames.		
	Question	Deficiency
1.	The District established and followed policies and procedures to properly protect, maintain, and dispose of personally identifiable information and confidential records, such as student and employee information and social security numbers. Retention Schedules Arizona State Library (azlibrary.gov)	The District does have a process in place to protect or dispose of confidential records.
Transportation support—The District should accurately report its transportation miles and eligible student riders to ADE to ensure the District receives the appropriate amount of State aid and/or local property taxes.		
	Question	Deficiency
1.	The District accurately calculated and maintained documentation for miles and students reported on the Transportation Route Report (TRAN 55-1) submitted to ADE. A.R.S. §15-922	The District reported total miles of 4,360 and riders of 48 on its TRAN 55-1 report; however, the District's records indicated 5,420 miles and 51 riders. The apparent impact on funding was \$3,242.41.