

CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
Uniform System of Financial Records
Compliance Questionnaire
For Fiscal Year Ended June 30, 2013

CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82

Uniform System of Financial Records

Compliance Questionnaire

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¹ This questionnaire must be used for fiscal year (FY) 2013 audits and thereafter. The questionnaire dated 9/10 must be used for FY 2012 audits.

USFR COMPLIANCE QUESTIONNAIRE

INSTRUCTIONS

Arizona Revised Statutes (A.R.S.) §15-271 requires the Office of the Auditor General to inform any school district failing to establish and maintain the requirements prescribed by the *Uniform System of Financial Records* (USFR) that it has 90 days to correct the cited deficiencies. To assist the Office of the Auditor General in determining whether a district has attained an acceptable degree of compliance with the requirements of the USFR, the audit firm must complete this USFR Compliance Questionnaire. A copy of the completed questionnaire must be submitted with the audit reporting package to the Office of the Auditor General and the Arizona Department of Education (ADE).

In addition, A.R.S. §§15-213(F) and 15-914(G) require districts to have a systematic review of their purchasing practices and average daily membership (ADM), respectively, performed in conjunction with their audit. The purpose of the review is to determine whether the District is in compliance with the applicable procurement and student attendance laws and rules of the State of Arizona. Districts meet these requirements by having their audit firm complete Expenditures questions 7 through 18 and Student Attendance Reporting questions 3 through 20.

The USFR Compliance Questionnaire must be completed in accordance with the requirements prescribed below by the Office of the Auditor General. Audits not meeting these requirements may be rejected.

- ◆ Sufficient, appropriate evidence must be obtained annually for each question to satisfactorily determine whether the District is in compliance with the USFR, and the evidence must be included in the audit documentation.
- ◆ Evidence may be obtained through test work, observation, examination, and client assertion. However, client assertion alone is not adequate evidence to support “Yes” answers to the questionnaire.
- ◆ Population size should be considered in determining the number of items to test, and the items selected should be representative of the population. Also, additional instructions in the Expenditures and Student Attendance Reporting sections prescribe minimum sample sizes that must be used for specific questions.
- ◆ The number of items tested must be sufficient to determine whether a deficiency was the result of an isolated incident or a recurring problem. Therefore, testing one transaction, record, or item is not sufficient.
- ◆ The sample size should be expanded if the audit firm cannot clearly determine whether the District is in compliance with the USFR on that question.
- ◆ If sufficient evidence has been obtained and documented during the current audit, that evidence may be referenced to answer questions.
- ◆ For Governing Board/Management Procedures question 4, the audit firm should confirm management’s appropriate action to resolve all allegations of theft, fraud, or misuse of district monies or assets by either examining copies of the incident reports or communicating with the agency involved in investigating the allegation.
 - If the audit firm determines that district management was aware of allegations but did not appropriately resolve them in a timely manner (e.g., no action was taken, actions were not documented, actions were delayed, actions were inadequate or inappropriate to the circumstances), the audit firm should answer the question “No.” This includes instances where an external investigation is underway for allegations, but district management did not request the investigation, was not fully cooperating with the investigators, or was not otherwise attempting to resolve the allegations.
 - If the audit firm determines that district management was not aware of any allegations (based on inquiry, review of Governing Board minutes, search of local media coverage, and results of audit test work), the question should be answered “N/A.”
 - If the audit firm finds evidence of theft, fraud, or misuse of district assets but does not find evidence that district management was aware of the possible theft, fraud, or misuse, the audit firm should appropriately investigate and report the theft, fraud, or misuse to the Office of the Auditor General, but this question would be answered “N/A.”
- ◆ A “Yes” answer indicates that the audit firm has determined that the District is in compliance with the USFR on that question and a “No” answer indicates the District does not comply. However, the final determination of compliance on each question, as well as overall compliance with the USFR, is made by the Office of the Auditor General based

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on the evidence presented in the questionnaire, audit reports, the audit documentation, and any other sources of information available.

- ◆ All “No” and “N/A” answers must be adequately explained in the comments column or in an attachment. Deficiencies must be described in sufficient detail to enable the Office of the Auditor General to determine the nature and significance of the deficiency for: (a) assessing compliance with the USFR, (b) appropriately describing the deficiency in a report, and (c) testing compliance during a status review. The description should include the number of items tested and the number of exceptions noted.
- ◆ Cash and Revenues questions apply to all of the District’s cash and revenue, including food service, auxiliary operations, extracurricular activities fees tax credit, and student activities receipts and bank accounts, as applicable. Comments for “No” answers to these questions should indicate the type of receipt or bank account to which the deficiency applies.
- ◆ The questions in this compliance questionnaire do not address all requirements of the USFR. If the audit firm is aware of noncompliance with a requirement of the USFR, including the School District Procurement Rules and ADE’s *School Finance Procedures Manual*, that are not addressed in this questionnaire, the audit firm should include the compliance findings in its reports issued in accordance with *Governmental Auditing Standards* and Office of Management and Budget Circular A-133, if applicable, or an attachment to this questionnaire. Findings in the attachment should include the same level of detail required for “No” and “N/A” answers as discussed above.

The resulting audit documentation supporting the audit firm’s answers on the questionnaire must be made available on request for review by the Office of the Auditor General and ADE. To facilitate this review, the audit firm may wish to include in the audit documentation a copy of the questionnaire with references to the audit procedures performed for each question.

USFR COMPLIANCE QUESTIONNAIRE

| | YES/NO | COMMENTS |
|--|---------------|---------------------------------|
| BUDGETING | | |
| 1. Was the proposed expenditure budget submitted electronically to the Superintendent of Public Instruction and the County School Superintendent (CSS), unless waived by the CSS, no later than July 5 or the date of publication or mailing of the notice of public hearing? A.R.S. §15-905(A) | YES | |
| 2. Was the notice of the public hearing and board meeting published, electronically transmitted to ADE, or mailed no later than 10 days before the meeting to consider the budget? A.R.S. §15-905(C) | YES | |
| 3. If the proposed expenditure budget or summary of the proposed budget and the notice of hearing were: | | |
| a. Published in a newspaper, were they published in a newspaper of general circulation within the District? | N/A | Posted on ADE's website. |
| b. Posted on ADE's Web site, did the District provide a link on its Web site to ADE's Web site where the information could be viewed? | YES | |
| c. Mailed, was a copy mailed to each household in the District? A.R.S. §15-905(C) | N/A | Posted on ADE's website. |
| 4. Were the total budgeted expenditures on the adopted budget for the Maintenance and Operation (M&O), Unrestricted Capital Outlay, and Soft Capital Allocation Funds less than or equal to the budgeted amounts on the published proposed budget for each individual fund, respectively? A.R.S. §15-905(E) | YES | |
| 5. Was the expenditure budget adopted no later than July 15 and filed with the CSS and the Superintendent of Public Instruction (electronically) by July 18? A.R.S. §15-905(B) and (E) | YES | |
| 6. If the District maintained a Web site, did the District provide a link on its Web site to ADE's Web site where the District's proposed and adopted budgets could be viewed? A.R.S. §15-905(A) and (E) | YES | |
| 7. Was the adopted expenditure budget mathematically accurate and did it include all funds? | YES | |
| 8. If the Governing Board received notification that the budget was in excess of the general budget limit, the unrestricted capital budget limit, or the soft capital allocation limit by 1 percent of the general budget limit or \$100,000, whichever is less, did it give notice, hold a public meeting, and adopt a revised budget before December 15 which did not exceed those limits and file it with the CSS and the Superintendent of Public Instruction (electronically) by December 18? A.R.S. §15-905(E) | YES | |
| 9. If the District revised the adopted expenditure budget, was the revision completed before May 15 and filed with the CSS and the Superintendent of Public Instruction (electronically) by May 18? A.R.S. §15-905(I) | YES | |
| 10. Were the total budgeted expenditures for the M&O Fund within the general budget limit, were the total budgeted expenditures for the Unrestricted Capital Outlay Fund within the unrestricted capital budget limit, and were the total budgeted expenditures for the Soft Capital Allocation Fund within the soft capital allocation limit? A.R.S. §15-905(E) | YES | |
| 11. If the District had an over-expenditure in the prior year, did the District reduce its budget by the prior year's over-expenditure (or a portion of the prior year's over-expenditure, as approved by the Superintendent of Public Instruction) or was the District actively correcting its prior year's data pursuant to A.R.S. §15-915, which would reduce or eliminate the prior year's over-expenditure? A.R.S. §15-905(M) | N/A | No prior year over-expenditure. |

USFR COMPLIANCE QUESTIONNAIRE

| | YES/NO | COMMENTS |
|--|---------------|--------------------------------|
| ACCOUNTING RECORDS | | |
| 1. Were responsibilities separated so that one individual did not have complete authority over an entire financial transaction or process, or if this was not possible due to the District's limited staff size, were adequate review procedures in place to compensate for employees performing incompatible functions? | YES | |
| 2. Was accounting information traceable from source documents to the financial statements? | YES | |
| 3. Were accounting records maintained in accordance with the USFR Chart of Accounts? | NO | See Appendix A, #1. |
| 4. Were journal entries supported by documentation, approved by someone other than the preparer, and sequentially numbered? | YES | |
| 5. If transfers were made, were they limited to those authorized by A.R.S. or the USFR? (See USFR §III-F Chart of Accounts for a complete list of authorized transfers.) | YES | |
| 6. If the District was on-line with the CSS, did the District periodically review and document its review of transactions initiated by the CSS for propriety? | N/A | District not on-line with CSS. |
| 7. If the District was <u>not</u> on-line with the CSS: | | |
| a. Did the District properly reconcile its records of cash balances by fund monthly with the CSS, and was the reconciliation properly supported? | YES | |
| b. Did the District properly reconcile its records of 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 was the reconciliation properly supported? | YES | |
| 8. Were the District's records of cash balances reconciled to the County Treasurer's records at least monthly, by either the CSS or the District? | YES | |
| 9. Were any differences that resulted from reconciliations with the CSS or County Treasurer's records researched and resolved in a timely manner? | YES | |
| CASH AND REVENUES | | |
| 1. Were only the following authorized bank accounts maintained: | | |
| a. M&O Fund revolving bank account? A.R.S. §15-1101 | YES | |
| b. Miscellaneous receipts clearing bank account(s)? A.R.S. §15-341(A)(20) | N/A | No account. |
| c. Food Service Fund clearing bank account(s)? A.G. Opinion I60-35 | YES | |
| d. Food Service Fund revolving bank account? A.R.S. §15-1154 | N/A | No account. |
| e. Auxiliary Operations Fund bank account? A.R.S. §15-1126 | YES | |
| f. Auxiliary Operations Fund revolving bank account(s)? A.R.S. §15-1126 | N/A | No account. |
| g. Student Activities Fund bank account(s)? A.R.S. §15-1122 | YES | |
| h. Student Activities Fund revolving bank account? A.R.S. §15-1124 | N/A | No account. |
| i. Federal payroll tax withholdings bank account? USFR page VI-H-6 | YES | |
| j. State income tax withholdings bank account? A.R.S. §15-1222 | YES | |
| k. Employee insurance programs withholdings bank account(s)? A.R.S. §15-1223 | YES | |
| l. Payroll direct deposits clearing bank account? A.R.S. §15-1221 | YES | |
| m. Electronic payments clearing bank account? A.R.S. §15-1221 | N/A | No account. |

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| | YES/NO | COMMENTS |
|--|---------------|---------------------------|
| n. Grants and gifts to teachers bank account? A.R.S. §15-1224 | N/A | No account. |
| o. Principals' supplies bank account(s)? A.R.S. §15-354 | N/A | No account. |
| 2. List the name and purpose of any unauthorized bank accounts below. | N/A | No unauthorized accounts. |
| Name | Purpose | |
| | | |
| | | |
| | | |
| 3. Were the authorized bank accounts used as prescribed by the applicable statutes and the USFR? | YES | |
| 4. Were unauthorized and inactive bank accounts closed? | N/A | No such accounts. |
| 5. Were bank charges paid only from the M&O Fund revolving bank account, Food Service Fund revolving bank account, Auxiliary Operations Fund bank account, and Auxiliary Operations Fund revolving bank account(s) or, if bank charges were paid from bank accounts other than those listed, were the bank charges reimbursed from an appropriate district fund or bank account? | YES | |
| 6. Were cash-handling and recordkeeping responsibilities, including receiving, depositing, and recording revenues, separated among employees to safeguard monies or, if adequate separation was not possible due to the District's limited staff size, were adequate management review procedures in place to compensate for employees performing incompatible functions? | YES | |
| 7. Were all employees who handle significant amounts of cash ² , adequately bonded? | YES | |
| 8. Was cash received supported by evidence of receipt (e.g., cash register receipt or sequentially numbered handwritten cash receipt forms)? | YES | |
| 9. Were cash receipt summaries prepared to provide a reconciliation of the amount of cash received to issued receipts? | YES | |
| 10. Was cash received safeguarded in a locked cash drawer, cash register, or other secure location immediately upon receipt, and was access limited to only those employees who required access? | YES | |
| 11. Was cash received deposited intact daily, when significant, or at least weekly? | YES | |
| 12. For all monies deposited in a district bank account, were validated deposit slips or other evidence indicating the amount and date of deposit retained and agreed to applicable bank deposit slips or other deposit transmittal supporting documentation? | YES | |
| 13. Were all monies deposited with the County Treasurer by the District accompanied by a sequentially numbered deposit transmittal form or a treasurer's receipt? | YES | |
| 14. Were validated treasurer's receipts or revenue posting reports for all deposits with the County Treasurer reconciled to the District's accounting records and to copies of deposit transmittals or treasurer's receipts? | YES | |
| 15. Were cash disbursements from authorized bank accounts made with sequentially numbered checks or electronic fund transfers and was supporting documentation retained for each disbursement? | YES | |
| 16. Were disbursements from clearing bank account(s) made only by electronic payment or check payable to the County Treasurer? | YES | |

² The term "cash" as used in this questionnaire includes currency on hand, such as petty cash funds and cash receipts not yet deposited; negotiable instruments, such as drafts, checks, warrants, and money orders; and balances on deposit with financial institutions, such as commercial banks and county treasurers.

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| | YES/NO | COMMENTS |
|---|---------------|--|
| 17. Were checks properly completed prior to issuance and not written payable to cash or bearer? | YES | |
| 18. Were unused checks physically safeguarded and access to them limited to authorized personnel who were not check signers or did not have access to signature stamps, facsimile plates, or electronic signatures? | YES | |
| 19. Were the signature stamps, facsimile plates, or electronic signatures used for signing checks physically safeguarded and access limited to only the employee whose signature they represent? | N/A | No signature stamps, facsimile plates, or electronic signatures. |
| 20. Were all bank accounts reconciled monthly by an employee not involved in handling cash or issuing checks or were reconciliations reviewed by an independent employee? | YES | |

SUPPLIES INVENTORY

| | | |
|---|-----|------------------------|
| 1. Were the responsibilities of receiving, issuing, accounting for, and controlling inventory properly separated among employees or, if this was not possible due to the District's limited staff size, were adequate review procedures in place to compensate for employees performing incompatible functions? | N/A | No supplies inventory. |
| 2. Did the District properly safeguard supplies inventory from unauthorized use, theft, and damage? | N/A | |
| 3. Were supply requisitions properly approved and were supplies released from storerooms only with approved requisitions? | N/A | |
| 4. Was a complete physical inventory of supplies taken at least annually for periodic inventories and at least once every 3 years for perpetual inventories? | N/A | |
| 5. Were written instructions developed, distributed, and reviewed with all personnel participating in the physical inventory? | N/A | |
| 6. If a perpetual inventory was maintained, were supplies inventory records investigated and adjusted to account for significant physical count differences when an actual physical inventory was performed? | N/A | |
| 7. Was a supplies inventory list that included item and unit descriptions, purchase document numbers, quantities, unit costs, extended costs, page totals, and a grand total prepared at the end of each fiscal year for all supplies, including donated items? | N/A | |
| 8. Was adequate documentation maintained to support the actual cost recorded on the supplies inventory list? | N/A | |

PROPERTY CONTROL

| | | |
|---|-----|--|
| 1. Did the District prepare a capital assets list that included all land, land improvements, buildings, building improvements, and equipment with unit costs in excess of the District's adopted cost threshold for capitalization? (Capitalization threshold cannot exceed \$5,000.) | YES | |
| 2. Does the capital assets list include the following information: | | |
| a. Location (school, department, building, room etc.)? | YES | |
| b. Identification number for equipment (tag number, serial number, barcode, or other number that specifically identifies the asset)? | YES | |
| c. Description (name, model number, size, color, etc.)? | YES | |
| d. Method of acquisition [purchase (construction, lease-purchase, or trade) or donation]? | YES | |
| e. Source of funding (fund used to purchase the asset)? | YES | |
| f. Acquisition date (month and year the asset was received or constructed)? | YES | |

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| | YES/NO | COMMENTS |
|---|---------------|-----------------------|
| g. Purchase document number (purchase order, voucher, or other document number that can be traced to documents that support the information recorded on the list)? | YES | |
| h. Actual cost, estimated historical cost, or fair market value at the time of donation? | YES | |
| 3. Was the capital assets list maintained by separate asset category (i.e., land, land improvements, buildings, building improvements, and equipment)? | YES | |
| 4. Was documentation to support the information recorded on the capital assets list retained for all items on the list? | YES | |
| 5. Did the District maintain a stewardship list for items costing at least \$1,000 but less than the District's capitalization threshold? | YES | |
| 6. Did the stewardship list include the location, identification number, description, and acquisition date? | YES | |
| 7. Were equipment items recorded on the stewardship and capital assets list identified by a tag, marked with an identifying number, or specifically identified by some other means such as serial number or barcode? | YES | |
| 8. Did the District establish physical controls to help prevent theft, loss, misuse, or damage of district property? | YES | |
| 9. Did the District update the stewardship and capital assets lists at least annually for acquisitions, transfers, and disposals? | NO | See Appendix A, #2. |
| 10. Did the District reconcile capitalized acquisitions to capital expenditures at least annually? | NO | See Appendix A, #3. |
| 11. Did the District reconcile the previous year's June 30 capital assets list to the current year's June 30 capital assets list? | YES | |
| 12. Was a physical inventory of all equipment taken at least every 3 years and reconciled to the stewardship and capital assets lists? | YES | |
| 13. Did the District follow R7-2-1131(C) when disposing of stewardship and capital asset items except as authorized by A.R.S. §15-342(7), (18), and (35)? | YES | |
| 14. Did the District maintain adequate insurance coverage for all insurable school property, as required by A.R.S. §15-341(A)(6)? | YES | |
| EXPENDITURES | | |
| 1. Were the responsibilities of expenditure processing (voucher preparation, recordkeeping, and authorization) separated among employees or, if this was not possible due to the District's limited staff size, were management review procedures in place to compensate for employees performing incompatible functions? | YES | |
| 2. Did the Governing Board obtain voter approval for the construction of buildings and purchase or lease of school sites unless otherwise exempted by A.R.S. §15-342(25)? | N/A | No such expenditures. |
| 3. Did the District ensure that sufficient cash was available in cash-controlled funds and budget capacity was available in budget-controlled funds, except as authorized in A.R.S. §§15-207, 15-304, 15-907, and 15-916 before authorizing expenditures from them? | NO | See Appendix A, #4. |
| 4. Were sequentially numbered purchase orders prepared before goods or services were ordered for all District expenditures (except for exempted items such as salaries and related costs, utilities, and in-state travel, or when a written contract was otherwise prepared), and were they approved by personnel authorized by the Governing Board before issuance to vendors? | NO | See Appendix A, #5. |

USFR COMPLIANCE QUESTIONNAIRE

| | <u>YES/NO</u> | <u>COMMENTS</u> |
|--|---------------|-----------------|
| 5. If the District used blanket purchase orders, did they cover a definite time period and specify an expenditure limit? | YES | |
| 6. Were district monies that were restricted to specific purposes used only for allowable expenditures of these monies? | YES | |

For Expenditures questions 7, 10, and 11, the audit firm must select and test a specified number of expenditures based on the District’s ADM as shown in the table below. Each expenditure selected may include multiple transactions and vendors. All purchases of like items should be considered a single expenditure in applying the sample size. The total like-item purchases made during the year or to be made for the duration of the contract award, whichever is longer, should be used to determine the appropriate level of competitive purchasing required and, accordingly, for which question the expenditure should be tested.

The listed sample sizes represent the minimum level of required test work. The audit firm should use their judgment in determining whether a larger sample is needed.

| <u>District ADM</u> | <u>Sample Size</u> |
|---------------------|--------------------|
| <1,000 | 5 |
| 1,000-5,000 | 10 |
| >5,000 | 15 |

In the parentheses provided in question 7, 10, and 11, indicate the actual number of expenditures tested. If all expenditures were tested, indicate such in the “Comments” column. For question 7, at least 40 percent of the number of expenditures tested must be for purchases made through competitive sealed bids (IFB) and at least 40 percent of the number of expenditures tested must be for purchases made through competitive sealed proposals (RFP). If these 40 percent thresholds cannot be met due to an inadequate population size, the audit firm must test all expenditures made through competitive sealed bids or made through competitive sealed proposals. Of the expenditures selected above, at least one expenditure should be for traditional construction (design-bid-build), and at least one expenditure should be for construction-manager-at-risk, design-build, job-order-contracting (question 7.d), or qualified select bidders list (question 7.e), if applicable.

| | | |
|--|-----|-----------------------|
| 7. Based upon review of 7 expenditures (2 IFB’s and 5 RFP’s) for the procurement of construction, materials, and services that exceeded \$50,000, did the District follow the School District Procurement Rules (R7-2-1001 et seq)? | | Population exhausted. |
| a. For purchases made through competitive sealed bidding or competitive sealed proposals, did the District: | | |
| 1) Give adequate notice of the IFB or RFP? R7-2-1022 or R7-2-1042(C) | NO | See Appendix A, #6. |
| 2) Compile and maintain a list of prospective bidders that requested to be added to a list of prospective bidders, if any? R7-2-1023 | NO | See Appendix A, #6. |
| 3) Issue the IFB or RFP at least 14 days before the time and date set for bid opening or the closing date and time for receipt of proposals, as applicable, unless a shorter time was determined necessary? R7-2-1024(A) or R7-2-1042(B) | YES | |
| 4) Include all required information in the IFB or RFP? R7-2-1024(B) or R7-2-1042(A) | YES | |
| 5) Stamp sealed bids or proposals with the time and date upon receipt and store bids or proposals unopened until the time and date set for opening? R7-2-1029 or R7-2-1045 | NO | See Appendix A, #6. |
| 6) If a multiple award was made for the IFB or RFP: | | |
| i. Determine, with the specific reason(s) in writing, that a single award was not advantageous to the District and retain documentation that supported the basis for a multiple award? | N/A | No multiple awards. |
| ii. Limit contract awards to the least number of suppliers necessary to meet the requirements of the District? | N/A | |

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| | YES/NO | COMMENTS |
|--|---------------|------------------------------------|
| 7) For contracts where only one responsive bid or proposal was received, determine that the price submitted was fair and reasonable and that either other prospective offerors had reasonable opportunity to respond or there was not adequate time for resolicitation, and retain documentation that supported the basis for the determination? R7-2-1032 or R7-2-1045(C) | NO | See Appendix A, #7. |
| b. For purchases made through competitive sealed bidding, did the District award contracts to the lowest responsible and responsive bidder whose bid conformed, in all material respects, to the requirements and evaluation criteria set forth in the IFB? R7-2-1031 | YES | |
| c. For purchases made through competitive sealed proposals, did the District: | | |
| 1) Determine that the use of competitive sealed bids was either not practicable or not advantageous to the District based on one or more of the criteria in R7-2-1041, and retain documentation that supported the basis for the determination? | NO | See Appendix A, #8. |
| 2) Award the contract to the offeror whose proposal was determined, with specific reason(s) in writing, to be most advantageous to the District based on the factors set forth in the RFP and retain documentation that supported the basis for the determination? R7-2-1050 | NO | See Appendix A, #6. |
| d. If the District used construction-manager-at-risk, design-build, or job-order-contracting to procure construction services, did the District comply with the requirements of R7-2-1116 and Laws 2010, Chapter 283? | N/A | No such procurements. |
| e. If the District used a qualified select bidders list to procure construction services, did the District comply with the requirements of R7-2-1110? | N/A | No such procurements. |
| f. If the District procured goods and information services using electronic, on-line bidding, did the District comply with the requirements of Title 41, Chapter 23, Article 13 and the rules adopted by the Arizona Department of Administration (ADOA) in implementing that article until the Arizona State Board of Education adopts rules for these procurements, after which the District should comply with those rules? | N/A | No such procurements. |
| g. For purchases made through the Simplified School Construction Procurement Program (R7-2-1033), did the District: | | |
| 1) Ensure that construction costs did not exceed \$150,000? | N/A | No simplified school construction. |
| 2) Submit solicitations to bid and all other information related to the project to all vendors included in a list maintained by the CSS? R7-2-1033 | N/A | |
| 3) Open the bids at a public opening? | N/A | |
| 4) Keep the bids confidential until the public opening? | N/A | |
| 5) Encourage competition to the maximum extent possible? | N/A | |
| h. If the District used an advisor(s) to assist with the specifications or procurement in specific areas, did the District comply with the requirements of R7-2-1007? | N/A | No advisors used. |

USFR COMPLIANCE QUESTIONNAIRE

| | <u>YES/NO</u> | <u>COMMENTS</u> |
|---|---------------|---|
| Complete question 8 if the District acted as the lead district (i.e., obtained bids/proposals) in a purchasing cooperative. | | |
| 8. Based upon review of at least <u>2</u> purchases in question 7 for which the District was the lead District in a procurement for a group of districts, or by selecting additional lead district procurements that total <u>2</u> , did the District follow the procurement procedures required for competitive sealed bidding or competitive sealed proposals, as applicable, and take into consideration the total estimated volume of purchases for all public procurement units in the group? | N/A | District did not act as lead. |
| 9. Did the District refrain from purchasing goods or services using another district's or cooperative's contract in which it was not a part of the original invitation/request where the additional purchase by the District would have materially increased the estimated volume stated in the original invitation/request? | YES | |
| 10. Based upon review of 10 purchases costing at least \$5,000 but less than \$25,000, did the District obtain and document oral price quotations from at least <u>3</u> vendors and follow the guidelines for oral price quotations prescribed by the USFR? | NO | See Appendix A, #9. |
| 11. Based upon review of 3 purchases costing at least \$25,000 but less than \$50,000, did the District obtain written price quotations from at least <u>3</u> vendors and follow the guidelines for written price quotations prescribed by the USFR? | NO | See Appendix A, #10. Population exhausted. |
| 12. If the District used multi-term contracts for any of the expenditures tested in questions 7, 10, or 11: | | |
| a. Were the terms and conditions of renewal or extension, if any, included in the solicitation for bids, proposals, or quotations, and were monies available for the first fiscal year at the time of contracting? A.R.S. §15-213(K) | YES | |
| b. For materials or services and contracts for job-order-contracting construction services that were entered into for more than 5 years, did the Governing Board determine in writing that a contract of longer duration would be advantageous to the District before the procurement solicitation was issued? A.R.S. §15-213(K) | N/A | |
| 13. Based upon review of all emergency and sole source procurements: | | |
| a. Did the District maintain a written statement for each emergency procurement documenting the basis for the emergency, the selection of the particular contractor, and why the price paid was reasonable, and was such statement signed by the individual authorized to initiate emergency procurements? R7-2-1057 | NO | See Appendix A, #11. |
| b. Did the District retain the Governing Board's written determination that there was only one source for required materials, service, or construction items purchased through sole source procurement? R7-2-1053 | YES | |
| 14. Based upon review of all purchases from employees and Governing Board members: | | |
| a. Did the District follow the School District Procurement Rules, regardless of the expenditure amount, for any purchase of goods or services from district employees? | N/A | No purchases from employees. |
| b. Did the District follow the School District Procurement Rules, regardless of the expenditure amount, for any purchase of services from Governing Board members? | N/A | No purchase of services from Governing Board members. |
| c. For purchases of supplies, materials, and equipment from Governing Board members, did the District follow the School District Procurement Rules if the purchase exceeded \$50,000, or if the purchase was below the \$50,000 threshold, were the guidelines for written and oral price quotations followed? A. R. S. §38-503(C) | N/A | No such purchases from Governing Board members. |

USFR COMPLIANCE QUESTIONNAIRE

| | <u>YES/NO</u> | <u>COMMENTS</u> |
|--|---------------|-------------------------------------|
| 15. If a Governing Board member, officer, or employee had a substantial interest in any contract, sale, purchase, or service, did the individual refrain from voting upon or otherwise participating in any manner as an officer or employee in such contract, sale, or purchase? A.R.S. §38-503 | N/A | No such items. |
| 16. Were purchases under current General Services Administration (GSA) contracts authorized by the Governing Board and limited to items included in contracts on GSA schedule 70-IT and schedule 84-Law Enforcement? | N/A | No such purchases. |
| 17. Did the Governing Board determine in writing that all of the criteria listed in A.R.S. §15-213(J) applied before authorizing purchases under a GSA contract? | N/A | |
| 18. Did the District perform adequate due diligence for each cooperative the District purchased through during the audit period to help ensure that those purchases were in compliance with the School District Procurement Rules? (Note: Indicate below each cooperative the District purchased through and whether due diligence was adequate based on the guidelines provided on USFR page VI-13.) | YES | |
| <u>Cooperative:</u> | | |
| Mohave | YES | |
| TCPN | YES | |
| State | YES | |
| SAVE | YES | |
| 19. Were receiving reports prepared for all goods and services received (except for exempted items such as salaries and related costs, utilities, and in-state travel) that documented the date of receipt, quantity received, and signature of the recipient? | YES | |
| 20. Did the accounts payable function include maintaining documentation and matching receiving reports, vendor invoices, and purchase orders before payment? | YES | |
| 21. Did the District develop specific policies and procedures to account for and control district credit cards and purchasing cards (p-cards) in accordance with USFR pages VI-G-15 through 20? | NO | See Appendix A, #12. No p-cards. |
| 22. For credit cards and p-cards: | | |
| a. Did the District maintain separation of responsibilities for issuing cards; requesting, authorizing, and executing purchases; and payment processing? | YES | |
| b. Did the District issue cards only to those employees with a legitimate district purpose and with appropriate purchase limits based on the types of transactions for which the card was to be used? | YES | |
| c. Did the District maintain a complete list of card users to track possession of all cards? | YES | |
| d. For cards issued in the District's name, (i.e., fuel cards) was a specific employee designated to track the cards and account for all the cards' transactions? | YES | |
| e. Did the District require and document training for all card users and employees involved with processing transactions? | NO | See Appendix A, #12. |
| f. Did the District require and retain signed card user agreements that outline receipt of the district card use policies and procedures, including possible disciplinary actions for misuse? | YES | |
| g. Did the District receive and review all supporting documentation from card users at least monthly? | YES | |

USFR COMPLIANCE QUESTIONNAIRE

| | YES/NO | COMMENTS |
|---|---------------|--|
| h. Were monthly billing statements sent directly to the District as well as the card user, if applicable? | YES | |
| i. For transactions, such as Internet, phone, and fax transactions that resulted in card charges before goods or services were received, did the District verify and document the receipt of any prepaid items? | YES | |
| j. Did management conduct periodic reviews to monitor purchases, vendor usage, and compliance with applicable procurement rules? | YES | |
| 23. For p-cards: | | |
| a. Did the District use Merchant Category Codes to block unauthorized vendors or purchases and apply the purchasing limits necessary to meet operating requirements? | N/A | No p-cards. |
| b. If the District used p-cards to pay for previously acquired goods or services, were supporting documentation and billing statements received and reconciled by someone other than the card user before payment was made to the card issuer? | N/A | |
| For question 24, the audit firm must judgmentally select at least 3 monthly credit card/p-card (including fuel card) statements in total (from different cards/accounts, if the district has more than 1 card/account) and scan the statements for unusual or inappropriate purchases, or purchases not made within the District's policies and procedures. Then judgmentally select at least 5 individual transactions in total to review from the statements selected above, in addition to any unusual or inappropriate purchases noted on the statements selected. | | |
| 24. Based on a scan of the statements and a review of the judgmentally selected transactions, were credit card and p-card purchases only for expenditures for authorized school purposes, within the dollar limits authorized for the employee making the purchase, and supported by appropriate receipts that clearly identify the employee making the purchase? (Note: If the answer is "No", the "Comments" should specifically indicate which of the above requirements were not complied with.) | YES | |
| 25. Were credit card and p-card statements paid timely to avoid finance charges and late fees? | YES | |
| 26. Were warrants and electronic payments compared to the applicable voucher and warrant/payment register before distribution? | YES | |
| 27. Were vouchers and supporting documentation, including invoices, stamped "paid" or otherwise marked to help prevent duplicate payments? | YES | |
| 28. Did the District prepare, for all levy funds, a list of liabilities by fund (and program for the M&O Fund) for goods or services received but not paid for by June 30 and file an Advice of Encumbrance based on the list with the CSS by July 18? | YES | |
| 29. If the District used building renewal monies for routine preventative maintenance, | | |
| a. Did the expenditures meet the definition of "routine preventative maintenance" as defined in A.R.S. §15-2031? | N/A | No routine preventative maintenance. |
| b. Did the District limit spending out of the Building Renewal Fund for routine preventative maintenance to 8 percent of the building renewal amount calculated in A.R.S. §15-2031? | N/A | |
| c. Did the District use the monies to supplement and not supplant expenditures from other funds for the maintenance of school buildings? | N/A | |
| 30. If the School Facilities Board found the District's facilities were inadequately maintained pursuant to the District's routine preventative maintenance guidelines, did the District use Building Renewal monies pursuant to A.R.S. §15-2031 to return the facilities to compliance with the guidelines? | N/A | District facilities adequately maintained. |

USFR COMPLIANCE QUESTIONNAIRE

| | YES/NO | COMMENTS |
|--|---------------|----------------------|
| 31. Did the District use monies received from a Joint Technology Education District (JTED) only for vocational education and to supplement, rather than supplant, its base year vocational education spending? (See USFR Memorandum No. 219) | NO | See Appendix A, #13. |

CLASSROOM SITE FUND

| | | |
|---|-----|---|
| 1. Did the District properly allocate total Classroom Site Fund (CSF) revenues among the following funds: 011 – Base Salary (20%), 012 – Performance Pay (40%), and 013 – Other (40%), as required by A.R.S. §15-977? | YES | |
| 2. For Fund 011, were expenditures only for teacher base salary increases, employment-related expenses, and registered warrant expense? | YES | |
| 3. For Fund 012, were expenditures only for performance-based teacher compensation increases, employment-related expenses, and registered warrant expense, in accordance with the performance pay plan adopted by the Governing Board as required by A.R.S. §15-977? | YES | |
| 4. For Fund 013, were expenditures only for class size reduction, teacher compensation increases, AIMS intervention programs, teacher development, dropout prevention programs, teacher liability insurance premiums, and registered warrant expense? | YES | |
| 5. For Fund 013, were monies spent for class size reduction, AIMS intervention, and dropout prevention programs used only for instructional purposes as defined under the instruction function in the USFR Chart of Accounts and not used for school sponsored athletics? | N/A | No Fund 013 monies used for these purposes. |
| 6. Were teacher base salary increases (Fund 011), performance-based teacher compensation increases (Fund 012), and monies spent from Fund 013 for teacher compensation increases paid only to employees possessing a teaching certificate? | YES | |
| 7. Did the District record CSF revenues and expenditures in the separate CSFs (011–013) throughout the fiscal year, as monies were received and expended, rather than at year end? | YES | |
| 8. Did the District use CSF monies to supplement, rather than supplant, existing funding from all other sources (see USFR Memorandum No. 194 for guidance on CSFs)? | YES | |
| 9. If the District coded expenditures to any of the individual CSFs (011-013) that caused the District to exceed the CSF budget limit or the appropriate percentage allocation for the individual funds, did the District reclassify the expenditures to the M&O or other appropriate fund? | N/A | No over-expenditures. |
| 10. If the District had a budget balance remaining at year-end in any of the three CSFs (011-013), were balances carried forward in the same funds to ensure that the restrictions placed on the original allocation of revenues is applied in future years? | YES | |

PAYROLL

| | | |
|---|-----|----------------------|
| 1. Were payroll processing responsibilities (payroll preparation, payroll authorization, and warrant distribution) adequately separated among employees or, if this was not possible due to the District’s limited staff size, were adequate management review procedures in place to compensate for employees performing incompatible functions? | YES | |
| 2. Were written personnel and payroll policies and procedures established by the Governing Board and available to employees? | YES | |
| 3. Did the District establish a delayed payroll system so that employees were paid only the compensation they have earned? | NO | See Appendix A, #14. |

USFR COMPLIANCE QUESTIONNAIRE

| | YES/NO | COMMENTS |
|---|---------------|---------------------------------|
| 4. If the District provided prorated compensation payments to employees: | | |
| a. Were elections for prorated compensation made before any work was performed and not changed after work began? | YES | |
| b. Did the District have adequate controls in place, in addition to a delayed payroll system, to ensure that the annual compensation of employees receiving prorated wage payments (for both continuing employees and employees who terminated employment during the year) was equal to the amount actually earned? | NO | See Appendix A, #15. |
| c. Were adjustments to the annual compensation of hourly employees who were receiving prorated wage payments based on the employee's official hourly rate of pay that was used to calculate the original annual compensation amount? | YES | |
| d. Did the District ensure that at no point during the year was an employee paid for more than actual hours worked to date? | NO | See Appendix A, #14. |
| 5. Did individual personnel files include appropriate supporting documentation, as listed on USFR pages VI-H-2 through 4? | YES | |
| 6. Did the District ensure that all employees who met membership criteria were enrolled in the Arizona State Retirement System (ASRS), and did the District withhold employee contributions and remit employee and district contributions in accordance with the <i>ASRS Employer Manual</i> ? | YES | |
| 7. Did the District maintain a system to account for the accrual and use of vacation, sick leave, and compensatory time for all employees? | YES | |
| 8. Did the District's policies governing leave time include prescribed accrual rates for specified years of service, maximum amounts to be accrued, and disposition of accrued time upon termination of employment? | YES | |
| 9. Were attendance records, such as time sheets or timecards, prepared for each pay period for each employee subject to the <i>Fair Labor Standards Act</i> and approved by the employee and the employee's supervisor? | YES | |
| 10. Were payroll registers supported by properly authorized notifications of employment, terminations, pay rate changes, withholding and voluntary deduction authorization forms, and work attendance records? | NO | See Appendix A, #15. |
| 11. Were completed payroll registers or prepayroll registers reviewed and approved? | YES | |
| 12. Did employees participating in the various stages of processing payroll, preparing and approving vouchers, and distributing warrants document the steps (preparation, review, approval) they performed? | YES | |
| 13. Were payroll warrants, warrant registers, direct deposit amounts, and payroll registers compared to the prepayroll register and voucher prior to distribution to employees? | YES | |
| TRAVEL | | |
| 1. Did the Governing Board prescribe policies and procedures for reimbursing travel expenditures [lodging (exclusive of taxes), meals, and incidentals] incurred for District purposes, and were the amounts within the maximums established by the Director of ADOA? | YES | |
| 2. Did the District reimburse mileage at the standard rate established by ADOA? | YES | |
| 3. Were all meal reimbursements for travel with no overnight stay or no substantial sleep/rest reported as a taxable employee benefit? | N/A | No such reimbursements. |
| 4. Although not allowed by statute, if reimbursement amounts exceeded the rates ADOA set, did the District evaluate amounts to determine if they were in excess of the maximum federal per diem rates set by the GSA and include excess amounts in employees' income on Form W-2? | N/A | District did not exceed limits. |

USFR COMPLIANCE QUESTIONNAIRE

| | YES/NO | COMMENTS |
|---|---------------|----------------------------|
| <u>FINANCIAL REPORTING</u> | | |
| 1. Was the annual financial report (AFR), and the AFR summary (if one was prepared), filed with the CSS and the Superintendent of Public Instruction (electronically) by October 15? A.R.S. §15-904(A) | YES | |
| 2. If the District maintained a Web site, did the District provide a link on its Web site to ADE's Web site where the District's AFR could be viewed? A.R.S. §15-904(A) | YES | |
| 3. If the District did not maintain a Web site, was the AFR or the AFR summary published in a newspaper of general circulation within the District or in the County's official newspaper, or mailed to each household in the District on or before November 15? A.R.S. §15-904(C) | N/A | District used its website. |
| 4. Did budgeted expenditures as reported on the AFR agree with the District's most recently revised, adopted expenditure budget? | NO | See Appendix A, #16. |
| 5. Did actual revenues and expenditures as reported on the AFR agree with the District's accounting records? | NO | See Appendix A, #17. |
| 6. Was all required information included in the AFR? | YES | |
| 7. Was adequate documentation retained to support amounts reported on the AFR and in the financial statements? | YES | |
| <u>INFORMATION TECHNOLOGY (IT)</u> | | |
| 1. Was adequate separation of functions, duties, and responsibilities maintained for the authorization, programming, and operation of the IT system or, if this was not possible due to the District's limited staff size, were adequate review procedures in place? | YES | |
| 2. Did the District establish and document IT policies and procedures that address: | | |
| a. Programming, operating, and modifying the system, and was such documentation available to the appropriate personnel? | YES | |
| b. IT systems internal control and specific risks, such as Internet use and wireless access? | YES | |
| c. Prevention and detection of technology-related issues and include guidelines on its response to specific incidents? | YES | |
| d. Ensuring terminated or transferred employees' access had been terminated or modified? | YES | |
| 3. Were IT system software and hardware physically safeguarded from improper access, theft, and environmental hazards, and did backup procedures ensure uninterrupted operations and minimal loss of data? | YES | |
| 4. Were application and general controls adequate to safeguard the integrity and reliability of the District's data (i.e., accounting, student attendance, or payroll)? | YES | |
| 5. Did the District limit access to applications or software based on the needs of the individual's job function to prevent unauthorized access to critical systems? | YES | |

USFR COMPLIANCE QUESTIONNAIRE

| | YES/NO | COMMENTS |
|--|---------------|----------------------|
| 6. Was data properly authorized and approved prior to processing, and was the processing of data periodically reviewed by a designated employee to ensure the completeness and accuracy of processed data? | YES | |
| 7. Did the District have password security policies that require strong passwords, repeated failed access attempt notifications, and require passwords to be periodically changed? | YES | |
| 8. Did the District’s system provide an audit trail that enabled tracing of electronic transactions from inception to final disposition? | YES | |
| 9. Did the IT system generate error reports for data submitted for processing, and were these reports routinely reviewed and the necessary corrections submitted for approval? | YES | |
| 10. Did the District have a formal disaster recovery plan, and was it periodically tested to identify and remedy any deficiencies? | NO | See Appendix A, #18. |

COOPERATIVE AGREEMENTS AND REGIONAL SERVICES

| | | |
|---|-----|------------------------------------|
| 1. Did the District have a fully executed copy of each intergovernmental agreement (IGA) on file? | YES | |
| 2. If the District was the fiscal agent, were the IGA monies maintained in the appropriate fund at the County Treasurer, and was a monthly financial report of receipts and disbursements provided to participants? | N/A | District was not the fiscal agent. |

STUDENT ATTENDANCE REPORTING

If test work performed in questions 3–17, and 20 of this section discloses a net overstatement or understatement of membership and/or absence days, report the net overstatement or understatement in the “Comments” column next to each applicable question.

| | | |
|---|-----|-----------------------|
| 1. Was school in session for at least 180 days or did the Governing Board adopt a calendar with an equivalent number of minutes of instruction per school year based on a different number of days of instruction? A.R.S. §15-341.01 | YES | |
| 2. Did the District ensure that [A.R.S. §§15-808(I)(1) and 15-901(A)(1)]: (Note: Instructional hours do not include periods of the day in which an instructional program or course of study is not being offered, including, but not limited to lunch, recesses, home room periods, study hall periods, and early release or late start hours. ADE’s <i>School Finance Procedures Manual</i>) | | |
| a. Preschool children with disabilities were enrolled in a program that met at least 360 minutes a week? | N/A | High school district. |
| b. Kindergarten was in session for at least 356 hours or 346 hours for Arizona Online Instruction (AOI) Programs? | N/A | |
| c. Grades 1 through 3 were in session for at least 712 hours? | N/A | |
| d. Grades 4 through 6 were in session for at least 890 hours? | N/A | |
| e. Grades 7 and 8 were in session for at least 1,000 hours or 1,068 hours for AOI Programs? | N/A | |
| f. Grades 9 through 12, other than AOI Programs, were in session at least 720 hours? | YES | |
| g. Grades 9 through 12, other than AOI Programs, include at least four subjects, each of which if taught each school day for the minimum number of days required in a school year, would meet a minimum of 123 hours a year? | YES | |
| h. Grades 9 through 12 of AOI Programs include at least four courses throughout the year that meet at least 900 hours during the school year? | N/A | No AOI program. |

USFR COMPLIANCE QUESTIONNAIRE

YES/NO COMMENTS

For Student Attendance Reporting questions 3–17, the audit firm must select and test the specified number of transactions (records, entries, withdrawals, or days) as shown in the sample size instructions before each section. Those samples should include 3 or more grade levels and 3 or more schools, where applicable. The listed sample sizes represent the minimum level of required test work. The audit firm should use its judgment in determining whether a larger sample is needed. All student attendance records tested in questions 3–12 and 17 should be selected from the 100th day reporting period.

In the parentheses provided in questions 3–17, write the actual number of transactions tested. If all transactions were tested, indicate such in the “Comments” column.

For questions 3–5, select at least 3 student attendance records.

- | | | |
|---|-----|-----------------------|
| <p>3. If the District had an early (pre-) kindergarten program, based upon review of 0 early (pre-) kindergarten students’ attendance records, does the District only calculate and submit membership/absence information for this program for students with disabilities, in accordance with ADE’s <i>School Finance Procedures Manual</i>? A.R.S. §15-901(A)(1)(a)(i) and USFR Memorandum No. 175</p> | N/A | High school district. |
| <p>4. Based upon review of 0 students’ attendance records in kindergarten programs, if the instructional time for the year was between 356 and 692 hours, were students not in attendance for at least three-quarters of the day counted as being absent or, if the instructional time for the year was 692 hours or more, were students not in attendance at least one-half of the day counted as being absent? A.R.S. §§15-901(A)(1)(a)(i) and 15-901(A)(5)(a)(i)</p> | N/A | |
| <p>5. If the District had an early first grade program, based upon review of 0 early first grade students’ attendance records, did the District calculate and submit membership/absence information for this program as it would for kindergarten in accordance with ADE’s <i>School Finance Procedures Manual</i>? A.R.S. §§15-901(A)(1)(a)(i), 15-901(A)(5)(a)(i), and USFR Memorandum No. 175</p> | N/A | |

For questions 6 and 7, use the following sample sizes:

| District ADM | Student Attendance Records |
|--------------|----------------------------|
| <1,000 | 5 |
| 1,000-5,000 | 10 |
| >5,000 | 15 |

- | | | |
|--|-----|--|
| <p>6. Based upon review of 0 students’ attendance records at elementary and junior high schools in which attendance was based on half days, were students in attendance for less than one-half the day counted as being absent for one full day; were students in attendance for at least one-half day, but less than three-quarters of a day, counted as being absent for one-half day; and were students in attendance for at least three-quarters of a day counted in attendance for a day? A.R.S. §15-901(A)(5)(b)(ii)</p> | N/A | |
| <p>7. Based upon review of 0 students’ attendance records at elementary and junior high schools where attendance was based on quarter days, were students in attendance for more than three-quarters of the day counted in attendance for a day and students in attendance for three-quarters of the day or less counted in attendance for each quarter of the day in attendance? A.R.S. §15-901(A)(5)(b)(i)</p> | N/A | |

USFR COMPLIANCE QUESTIONNAIRE

| | | <u>YES/NO</u> | <u>COMMENTS</u> |
|--|--|---------------|---|
| For questions 8–14, use the following sample sizes: | | | |
| District ADM | Student Attendance Records | | |
| <1,000 | 3 | | |
| 1,000-5,000 | 5 | | |
| >5,000 | 7 | | |
| 8. | Based upon review of 0 high school students' attendance records whose attendance was reported in terms of absences, for all absence days reported in a <u>1</u> month period, did the District report absences in accordance with the method(s) provided in ADE's <i>School Finance Procedures Manual</i> ? | N/A | Approved to report minutes of attendance. |
| 9. | For schools approved to report minutes of attendance, based upon review of the attendance records for a 1 month period for 5 students whose attendance was reported in minutes, did the District report minutes of attendance only for actual classroom instruction attended by the students in accordance with ADE's <i>School Finance Procedures Manual</i> ? | YES | |
| 10. | Based upon review of 5 high school students' attendance records, did the District prorate the membership of the students enrolled in less than four subjects as provided in ADE's <i>School Finance Procedures Manual</i> ? | NO | See Appendix A, #19. |
| 11. | For students enrolled in a program provided by a JTED in a facility owned or operated by a school district in which the student is enrolled: | | |
| a. | For school districts – Based on a review of 5 students' attendance records, did the District report the actual enrollment and attendance data for only the District classes the student was enrolled in at that school (excluding JTED program classes) under the District's CTDS number? ADE's <i>School Finance Procedures Manual</i> | YES | |
| b. | For school districts – Based on the review of 5 students' attendance records for all absence days reported in a <u>1</u> month period, did the District calculate absences in accordance with the method(s) provided in ADE's <i>School Finance Procedures Manual</i> based on the number of District classes the student was enrolled in and attended (excluding JTED program classes)? | NO | See Appendix A, #20. |
| c. | For JTED satellite classes – Based on a review of 5 students' attendance records, did the JTED report actual enrollment and attendance data for only the JTED program classes the student was enrolled in at that satellite location (excluding school district classes)? ADE's <i>School Finance Procedures Manual</i> | N/A | |
| | (Note: ADE's system calculates the allocation of membership ensuring that the total membership claimed for the school district and the JTED satellite locations did not exceed 1.25.) | | |
| 12. | For a centralized campus owned and operated by a JTED – Based on a review of 0 students' attendance records for students enrolled in a course that meets for at least 150 minutes per class period, did the District report membership for those students at 0.75? A.R.S. §15-393(O) | N/A | Not a JTED centralized campus. |
| 13. | For school districts offering an AOI Program, based upon review of 0 AOI students' attendance records for 4 weeks: | | |
| a. | Was the guardian-approved or District computer-generated daily log describing the amount of time spent by the student on academic tasks maintained by the participating AOI school? A.R.S. §15-808(E) | N/A | No AOI program. |
| b. | Did the hours reported to ADE agree to the guardian-approved or District computer-generated daily log? | N/A | |

USFR COMPLIANCE QUESTIONNAIRE

| | YES/NO | COMMENTS |
|---|----------------------------|----------------------|
| c. Were all students who participated in an AOI Program, residents of this state? A.R.S. §15-808(B) | N/A | |
| 14. Based upon review of 5 students' attendance records (all grades) for students withdrawn for having ten consecutive unexcused absences, was the student only counted in membership through the last day of actual attendance or excused absence? A.R.S. §15-901(A)(1) | NO | See Appendix A, #21. |
| For questions 15 and 16, use the following sample sizes: | | |
| District ADM | Entries/Withdrawals | |
| <1,000 | 5 | |
| 1,000-5,000 | 10 | |
| >5,000 | 15 | |
| 15. Based on review of 10 entries (Note: Enrollment forms are not required for continuing students at the same school.): | | |
| a. Were entry dates entered into the District's computerized attendance system within 5 working days after the actual date of entry and was documentation maintained to support the date of data entry? | NO | See Appendix A, #22. |
| b. Did the entry date in the computerized attendance system agree to the entry form? | NO | See Appendix A, #22. |
| c. Did the teachers' attendance registers, if used, and other documentation support the entry date in the computerized attendance system? | N/A | Computerized system. |
| d. Did membership begin on the first day of actual attendance or, for continuing/pre-enrolled students, the first day that classroom instruction was offered, provided that the students actually attend within the first 10 days of school? ADE's School Finance Procedures Manual | NO | See Appendix A, #23. |
| e. Did the school obtain and maintain verifiable documentation of Arizona residency upon enrollment? A.R.S. §15-802(B)(1) | NO | See Appendix A, #24. |
| f. If a student was not an Arizona resident, was the student excluded from the school's student count and state aid calculations? A.R.S. §15-823(J) | N/A | No such students. |
| 16. Based upon review of 10 withdrawals: | | |
| a. Were the withdrawal dates entered into the District's computerized attendance system within 5 working days after the actual day of withdrawal and was documentation maintained to support the date of data entry? (Note: "Day of withdrawal" for determining timely data entry means: a. the later of the student's withdrawal date or the day the District was notified the student will not be returning; or b. the 10 th day of unexcused absence for students withdrawn for having ten consecutive unexcused absences.) | YES | |
| b. Did the withdrawal date in the attendance system agree to the withdrawal form? (Note: If the computerized attendance system requires the District to input the day following the withdrawal date for a student to be counted in membership through the last day of actual attendance or excused absence, the withdrawal date on the system should be the school day following the withdrawal date on the form.) | NO | See Appendix A, #25. |
| c. Did the teachers' attendance registers, if used, and other supporting documentation agree to the withdrawal date in the computerized attendance system? | N/A | Computerized system. |
| d. Was an Official Notice of Pupil Withdrawal form prepared and retained for each District withdrawal and signed by a District administrator? A.R.S. §15-827 | YES | |

USFR COMPLIANCE QUESTIONNAIRE

| | <u>YES/NO</u> | <u>COMMENTS</u> |
|--|---------------|--|
| For question 17, use the following sample sizes: | | |
| District ADM | Days | |
| <1,000 | 3 | |
| 1,000-5,000 | 5 | |
| >5,000 | 7 | |
| 17. Based upon review of 0 days for various schools, grades, and classes in the computerized attendance system, did the student absences from each day agree to the teachers' attendance registers, absence slips, or other supporting documentation, if used? | N/A | District used only a computerized attendance system. |
| 18. Did the District have adequate electronic or manual controls in place to ensure that any changes to the original record of student attendance data were properly authorized and documented, including the names or identification numbers of the persons making and authorizing the changes? | YES | |
| 19. Was the District's membership/absence information submitted to ADE electronically at least once every 20 school days for membership and 60 days for absence information through the last day of instruction (with the first 20 and 60 day periods beginning on the first day of school or the opening of SAIS for current fiscal year data submission, whichever is later)? A.R.S. §§15-901(A)(1) and 15-1042(H) | YES | |
| 20. Based upon review of the District's 40th and 100th day information uploaded to ADE (ADMS 75-1), did the membership and absences agree to the District's computerized attendance system records? (Note: For an AOI Program, review year-end attendance information.) | YES | |
| <u>TRANSPORTATION SUPPORT</u> | | |
| 1. Did the District retain documentation to support the amounts entered on the Transportation Route Report submitted to ADE? | YES | |
| 2. Did the students reported as eligible students on the Transportation Route Report meet the definition in A.R.S. §15-901(A)(8)? (If test work discloses a net under/overstatement of eligible students, report the net amount of the under/overstatement in the "Comments" column.) | YES | |
| <u>RECORDS MANAGEMENT</u> | | |
| 1. Did the District retain and dispose of records in accordance with the <i>General Retention Schedule for School Districts and Charter Schools</i> published by the Arizona State Library, Archives and Public Records, Records Management Division? www.azlibrary.gov/records/school.aspx | YES | |
| 2. Did the District have policies and procedures to address the maintenance and disposition of confidential records, such as student information and social security numbers? | YES | |
| <u>FOOD SERVICE FUND</u> | | |
| 1. Were meal cards or tickets sequentially numbered, and adequately safeguarded prior to issuance? | YES | |
| 2. Were daily reports prepared that document a reconciliation of meal sales to cash collections, and were cash overages and shortages resolved? | YES | |
| 3. Did the actual expenditures as reported in the M&O Fund 001 and Capital Projects Funds 610 & 625 columns on the Food Service page of the AFR agree with the District's accounting records? | YES | |
| 4. Were expenditures reported in the M&O Fund 001 and Capital Projects Funds 610 & 625 columns on the Food Service page of the AFR classified in accordance with the USFR Chart of Accounts? | YES | |

USFR COMPLIANCE QUESTIONNAIRE

| | YES/NO | COMMENTS |
|--|---------------|-----------------|
| AUXILIARY OPERATIONS AND EXTRACURRICULAR ACTIVITIES FEES TAX CREDIT FUNDS | | |
| 1. Did the Auxiliary Operations Fund include all monies raised in connection with the activities of school bookstores and athletics? | YES | |
| 2. Were extracurricular activities fee tax credit monies included in the Auxiliary Operations Fund or a separate Extracurricular Activities Fee Tax Credit Fund? | YES | |
| 3. Did the District use an auxiliary operations ticket log to control the issuance of tickets for athletic events? | YES | |
| 4. Were receipt forms and tickets sequentially numbered? | YES | |
| 5. Did the District prepare daily sales summaries of bookstore operations and athletic ticket sales that provided a reconciliation between recorded sales and actual cash collected and daily cash receipt summaries of extracurricular activities fee tax credit monies that provided a reconciliation between cash receipts and actual cash collected? | YES | |
| 6. Were Auxiliary Operations Fund bank account checks signed by two employees designated by the Governing Board? | YES | |
| 7. Were Auxiliary Operations Fund revolving bank accounts and petty cash funds established from the Auxiliary Operations Fund in amounts approved by the Governing Board, and operated on an imprest basis? | YES | |
| 8. Did the District expend extracurricular activities fees tax credit monies only for activities that qualify as eligible activities under A.R.S. §§43-1089.01 and 15-342(24) and Laws 2011, Chapter 195, §4? (See the Arizona Department of Revenue's Web site for guidance on the appropriate use of extracurricular activities fees tax credit monies.) | YES | |
| STUDENT ACTIVITIES FUND | | |
| 1. Did the Governing Board appoint a student activities treasurer and, if applicable, assistant student activities treasurers? | YES | |
| 2. Did the Student Activities Fund include only monies of student clubs, organizations, school plays, or other student entertainment that were raised through the efforts of students with the approval of the Governing Board? (Note: Raffles, bingo, and other forms of gambling are not legal events for student clubs.) | YES | |
| 3. Were all Student Activities Fund monies deposited in a bank account designated as the Student Activities Fund bank account? | YES | |
| 4. Were reports prepared that reconciled sales to cash collected at student activities' events? (When applicable, sales should be documented using tickets, sequentially numbered cash receipts, a cash register, or count of items on hand before and after a sale.) | YES | |
| 5. Was cash available in the student club accounts verified before disbursements were made? | YES | |
| 6. Were disbursements from the Student Activities Fund bank account and intrafund transfers (transfers of monies among student clubs) properly authorized by or on behalf of the student members of a particular club and documented in the club minutes? | YES | |
| 7. Were checks drawn on the Student Activities Fund bank account signed by the student activities treasurer or assistant treasurer and one other person authorized by the Governing Board? A.R.S. §15-1122 | YES | |
| 8. Was a Report of Cash Receipts, Disbursements, Transfers, and Cash Balances of the Student Activities Fund submitted to the Governing Board monthly? | YES | |

USFR COMPLIANCE QUESTIONNAIRE

| | YES/NO | COMMENTS |
|--|---------------|------------------------|
| GENERAL LONG-TERM DEBT | | |
| 1. If the District issued bonds during the year: | | |
| a. If the bonds were approved by the voters before April 15, 2011, was class B bonded indebtedness less than the greater of \$1,500 per student count or 10 percent (20 percent for a unified district) of the assessed valuation of taxable property used for secondary property tax purposes within the District at the time the bonds were issued? A.R.S. §15-1021(D) and Laws 2011, Chapter 344, §24 | N/A | No bonds issued. |
| b. If the bonds were approved by the voters on or after April 15, 2011, was class B bonded indebtedness less than the greater of \$1,500 per student count or 5 percent (10 percent for a unified district) of the assessed valuation of taxable property used for secondary property tax purposes within the District at the time the bonds were issued? A.R.S. §15-1021(B) and Laws 2011, Chapter 344, §24 | N/A | |
| c. Was total bonded indebtedness 15 percent (30 percent for a unified district) or less of the assessed valuation of taxable property used for secondary property tax purposes within the District at the time the bonds were issued? A.R.S. §15-1021 (B) and (D) | N/A | |
| 2. Did the District refrain from expending bond proceeds for items having useful lives less than the average life of the bonds issued or 5 years? A.R.S. §15-1021(F) | N/A | No Bond Building Fund. |
| 3. If the District had outstanding bonded indebtedness and a balance remained in the Bond Building Fund after the acquisition or construction of facilities for which the bonds were issued, did the Governing Board transfer the balance to the Debt Service Fund? A.R.S. §15-1024(B) | N/A | |
| 4. If the District had no outstanding bonded indebtedness and a balance remained in the Bond Building Fund after the acquisition or construction of facilities for which the bonds were issued, did the Governing Board transfer the balance to the General Fund? A.R.S. §15-1024(B) | N/A | |
| 5. Were all monies earned as interest or otherwise derived from the investment of the proceeds of the sale of bonds credited to the Debt Service Fund or to the Bond Building Fund if authorized by the voters or federal laws or rules require the interest to be used for capital expenditures? A.R.S. §15-1024(C) | N/A | |

USFR COMPLIANCE QUESTIONNAIRE

| | YES/NO | COMMENTS |
|--|---------------|---|
| <u>GOVERNING BOARD/MANAGEMENT PROCEDURES</u> | | |
| 1. Were written minutes prepared or a recording made of Governing Board meetings? A.R.S. §38-431.01(B) | YES | |
| 2. Did the District maintain a conflict of interest file for employees and Governing Board members who have made such conflicts known to the District? A.R.S. §38-509 | YES | |
| 3. If any purchases were made from vendors identified on documents in the conflict of interest file, did the individual with the conflict refrain from voting upon or otherwise participating in any manner in such purchase? A.R.S. §38-503(B) | N/A | No such purchases. |
| 4. Did the District’s management appropriately resolve all allegations of theft, fraud, or misuse of district monies and assets in a timely manner? (Note: If the answer is other than “N/A”, the “Comments” column should include a summary of the allegation and action taken by district management.) | N/A | No allegations of theft, fraud, or misuse during fiscal year 2012-13. |

This questionnaire was completed in accordance with the requirements of the Office of the Auditor General as set forth in the instructions on pages 1 and 2.

Heinfeld, Meech & Co., P.C.

 Audit Firm

March 24, 2014

 Date

Michael A. Hoerig, CPA

 Preparer (AUDIT FIRM Representative)

Partner

 Title

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
UNIFORM SYSTEM OF FINANCIAL RECORDS
COMPLIANCE QUESTIONNAIRE
FOR FISCAL YEAR ENDED JUNE 30, 2013**

COMMENTS

1. Several coding errors were noted on the District's general ledger as follows.
 - a. Auxiliary operations expenditures were not recorded in the general ledger,
 - b. For two of 40 expenditures reviewed, purchases were not coded in accordance with the USFR chart of accounts,
 - c. E-rate activity was not recorded in accordance with USFR Memorandum No. 161.
2. One of three items selected from the stewardship listing could not be located. Additionally, two of three assets selected from the premises were not recorded on the stewardship listing.
3. The District did not properly reconcile capital outlay expenditures to capital additions on the capital asset lists as of the end of the year.
4. The Instructional Improvement, Food Service and JTED Funds had negative cash balances of \$40,417, \$107,239 and \$78,080 as of June 30, 2013, respectively. The Instructional Improvement and JTED Funds had sufficient receivables to cover the deficits.
5. For two of 45 expenditures reviewed, the purchase orders were prepared and approved after the purchase occurred.
6. For one of five sealed proposals reviewed, the District did not maintain documentation supporting adequate notice for potential bidders, maintain a list of potential bidders, or maintain documentation that the bid was awarded to the most advantageous bidder.
7. For three of five sealed proposals reviewed, the District did not prepare documentation that the price submitted for a single response was fair and reasonable.
8. For four of five sealed proposals reviewed, the District did not prepare documentation that the use of competitive sealed bids was either not practicable or not advantageous.
9. For three of ten expenditures reviewed, the District did not document that three oral quotes were obtained prior to purchase.
10. For two of three expenditures reviewed, the District did not document that three written quotes were obtained prior to purchase.
11. The District did not prepare written documentation for one emergency procurement reviewed.
12. The District's credit card policies and procedures do not include required trainings for card users and other employees involved with the procuring of transactions. The District also did not document trainings for card users and employees involved with the processing of transactions.
13. For one of five JTED expenditures reviewed, the expenditure was not related to vocational education.

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
UNIFORM SYSTEM OF FINANCIAL RECORDS
COMPLIANCE QUESTIONNAIRE
FOR FISCAL YEAR ENDED JUNE 30, 2013**

COMMENTS (Concl'd)

14. The District does not operate a delayed payroll system, and does not have controls in place to ensure that an employee was not overpaid at any point during the year.
15. For one of 40 employees reviewed, the annual compensation paid was \$188 less than the amount specified in the employment contract.
16. Budgeted expenditures reported on the AFR for several funds did not agree to the final revised budget by a total of \$229,560.
17. Actual expenditures reported on the AFR for the Other Federal Projects and Debt Service funds did not agree to the District's accounting records by \$3,900 and \$2,979,876, respectively.
18. The District does not have a formal disaster recovery plan.
19. The District incorrectly prorates membership for high school students based on District schedules rather than the full-time equivalent as outlined in the School Finance Procedures Manual.
20. For four of five JTED attendance records reviewed, absences were not reported correctly resulting in a net understatement of absences of 2.50.
21. For one of five withdrawals reviewed, the student was not absent for 10 consecutive days before being withdrawn.
22. For two of ten entries reviewed, the enrollment form was incomplete and therefore it could not be determined if the date in the attendance system was accurate or if it was input within 5 working days.
23. For one of ten entries reviewed, the student was not enrolled as of the first day of attendance.
24. For four of ten entries reviewed, verifiable documentation of Arizona residency upon enrollment was not maintained.
25. For four of ten withdrawals reviewed, the withdrawal dates in the computerized attendance system were correct; however, the corresponding withdrawal forms incorrectly indicated the first day of nonattendance rather than the last day of attendance.