

**CASA GRANDE UNION HIGH
SCHOOL DISTRICT NO. 82
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2012**

CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SINGLE AUDIT REPORTING PACKAGE
FOR THE YEAR ENDED JUNE 30, 2012

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Governing Board
Casa Grande Union High School District No. 82

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Casa Grande Union High School District No. 82 as of and for the year ended June 30, 2012, which collectively comprise Casa Grande Union High School District No. 82's basic financial statements and have issued our report thereon dated March 20, 2013. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Casa Grande Union High School District No. 82 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered Casa Grande Union High School District No. 82's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Casa Grande Union High School District No. 82's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Casa Grande Union High School District No. 82's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses as defined above. However, we identified a certain deficiency in internal control over financial reporting, described in the accompanying schedule of findings and questioned costs as item 2012-1 that we consider to be a significant deficiency in internal control over financial reporting. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Casa Grande Union High School District No. 82's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We noted certain matters that we reported to management of Casa Grande Union High School District No. 82 in a separate document entitled Uniform System of Financial Records (USFR) Compliance Questionnaire dated March 20, 2013.

Casa Grande Union High School District No. 82's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. We did not audit Casa Grande Union High School District No. 82's response and, accordingly, we express no opinion on the response.

This report is intended solely for the information and use of management, the Governing Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

March 20, 2013

**REPORT ON COMPLIANCE WITH REQUIREMENTS
THAT COULD HAVE A DIRECT AND MATERIAL EFFECT
ON EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Independent Auditors' Report

Governing Board
Casa Grande Union High School District No. 82

Compliance

We have audited Casa Grande Union High School District No. 82's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Casa Grande Union High School District No. 82's major federal programs for the year ended June 30, 2012. Casa Grande Union High School District No. 82's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of Casa Grande Union High School District No. 82's management. Our responsibility is to express an opinion on Casa Grande Union High School District No. 82's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Casa Grande Union High School District No. 82's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of Casa Grande Union High School District No. 82's compliance with those requirements.

As described in items 2012-6 and 2012-7 in the accompanying schedule of findings and questioned costs, Casa Grande Union High School District No. 82 did not comply with requirements regarding period of availability, eligibility, and other provisions that are applicable to its Title I Grants to Local Educational Agencies Program. Compliance with such requirements is necessary, in our opinion, for Casa Grande Union High School District No. 82 to comply with the requirements applicable to that program.

In our opinion except for the noncompliance described in the preceding paragraph, Casa Grande Union High School District No. 82 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect of its major federal programs for the year ended June 30, 2012. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying schedule of findings and questioned costs as items 2012-2, 2012-3, 2012-4, and 2012-5.

Internal Control Over Compliance

Management of Casa Grande Union High School District No. 82 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Casa Grande Union High School District No. 82's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Casa Grande Union High School District No. 82's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses and other deficiencies that we consider to be significant deficiencies.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-6 and 2012-7 to be material weaknesses.

A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 2012-4 and 2012-5 to be significant deficiencies.

Schedule of Expenditures of Federal Awards

We have audited the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Casa Grande Union High School District No. 82 as of and for the year ended June 30, 2012, and have issued our report thereon dated March 20, 2013, which contained an unqualified opinion on those financial statements. Our audit was performed for the purpose of forming opinions on the financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133, and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the financial statements taken as a whole.

Casa Grande Union High School District No. 82's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Casa Grande Union High School District No. 82's responses and accordingly, we express no opinion on the responses.

This report is intended solely for the information and use of management, the Governing Board, others within the entity, federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Heinfeld, Meech & Co., P.C.

HEINFELD, MEECH & CO., P.C.
CPAs and Business Consultants

March 20, 2013

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012**

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>CFDA Number</u>	<u>Pass-Through Grantor's Number</u>	<u>Expenditures and Transfers</u>	<u>Total Expenditures and Transfers</u>
<u>U.S. Department of Education</u>				
Direct Programs:				
Impact Aid	84.041	N/A	\$	\$ 181,086
Indian Education - Grants to Local Educational Agencies	84.060	N/A		36,867
Passed through Arizona Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A110003		848,620
Migrant Education - State Grant Program	84.011	S011A110003		18,540
Special Education - Grants to States	84.027	H027A110007		519,103
Career and Technical Education - Basic Grants to States	84.048	V048A110003		270,580
Education Technology State Grants	84.318	S318X100003		616
English Language Acquisition State Grants	84.365	S365A110003		1,044
Improving Teacher Quality State Grants	84.367	S367A110049		63,330
Passed through Arizona Governor's Office:				
Education Jobs Fund	84.410	ISA OER-11-ISA-EJ-001		<u>370,707</u>
Total U.S. Department of Education				<u>2,310,493</u>
<u>U.S. Department of Agriculture</u>				
Passed through Arizona Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
National School Lunch Program	10.555	7AZ300AZ3		53,160
Cash Assistance:				
School Breakfast Program	10.553	7AZ300AZ3	140,761	
National School Lunch Program	10.555	7AZ300AZ3	<u>632,017</u>	
Cash Assistance Subtotal			<u>772,778</u>	
Total Child Nutrition Cluster				<u>825,938</u>
<u>U.S. Department of Health and Human Services</u>				
Passed through Public Consulting Group, Inc:				
Medical Assistance Program	93.778	N/A		<u>31,453</u>
<u>U.S. Department of Defense</u>				
Direct Programs:				
ROTC	12.UNKNOWN	N/A		<u>140,392</u>
Total Expenditures of Federal Awards				<u>\$ 3,308,276</u>

CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED JUNE 30, 2012

NOTE 1 - BASIS OF PRESENTATION

The Schedule of Expenditures of Federal Awards includes the federal grant activity of Casa Grande Union High School District No. 82 and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the financial statements.

NOTE 2 - CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2012 *Catalog of Federal Domestic Assistance*.

NOTE 3 – FEDERAL ASSISTANCE NOT INCLUDED

Expenditures related to E-Rate reimbursements of \$244,095 were not considered Federal awards in accordance with OMB Circular A-133 have not been presented in this schedule.

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

SUMMARY OF AUDITORS' RESULTS

Financial Statements

Type of auditors' report issued: Unqualified

Internal control over financial reporting:

- Material weakness(es) identified? yes X no
- Significant deficiency(ies) identified? X yes none reported

Noncompliance material to financial statements noted? yes X no

Federal Awards

Internal control over major programs:

- Material weakness(es) identified? X yes no
- Significant deficiency(ies) identified? X yes none reported

Type of auditors' report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133? X yes no

Identification of major programs:

<u>CFDA Numbers</u>	<u>Name of Federal Program or Cluster</u>
84.027	Special Education – Grants to States
84.010	Title I Grants to Local Educational Agencies
10.553, 10.555	Child Nutrition Cluster
84.410	Education Jobs Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? yes X no

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

**FINDINGS RELATED TO FINANCIAL STATEMENTS REPORTED IN
ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

Reference Number: 2012-1

Type of Finding: Significant deficiency

Description: Internal control – capital assets

CRITERIA

District management is responsible for establishing and maintaining internal controls that includes controls for the District's capital assets. Controls should include presenting complete, timely, and accurate capital asset schedules.

CONDITION/CONTEXT

The District did not have adequate internal controls in place to effectively track and record capital asset purchases in the proper fiscal year. A year end reconciliation of capital expenditures to capital additions is performed; however, amounts used did not agree to the capital asset schedules. In addition, several assets that did not meet the capitalization threshold established by the Governing Board were included in the capital asset schedules.

EFFECT

The District's internal controls over capital assets with respect to financial reporting were not adequate to ensure that a misstatement for capital assets would be prevented and/or detected.

CAUSE

The internal control responsibilities related to capital assets were centralized with little review or oversight.

RECOMMENDATION

The District should design and implement effective internal control procedures to ensure the capital asset listings provided to auditors for inclusion in the District's financial statements are prepared in accordance with the USFR and District policy.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The District will continue to improve the process and train employees in the proper method of accounting for the assets.

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS

Reference Number: 2012-2

Program: Child Nutrition Cluster

CFDA Number: 10.553, 10.555

Federal Agency: U.S. Department of Agriculture

Pass-Through Agency: Arizona Department of Education

Applicable ARRA Programs: N/A

Grantor Number: 7AZ300AZ3

Questioned Costs: N/A

Type of Finding: Noncompliance

Compliance Requirement: Special Tests and Provisions

CRITERIA

According to Arizona Department of Education guidelines the CNP Verification Report, used to select applications for verification, should report application counts as of October 1 and student counts as of October 31. In addition, confirmation reviews should be performed on the applications selected, prior to conducting any other verification activity.

CONDITION/CONTEXT

The number of applications reported on the CNP Verification Report was as of October 31 and the number of students was as of October 1. In addition, confirmation review was not performed on the applications selected for verification prior to conducting other verification activity.

EFFECT

The District was not in compliance with Arizona Department of Education verification requirements for the Child Nutrition Program.

CAUSE

An error was made regarding the necessary dates for reporting application and student counts.

RECOMMENDATION

The District should establish procedures to ensure verification requirements are properly followed.

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

Reference Number: 2012-2

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

District personnel involved with verifying and submitting reimbursement payments will continue to strive for accuracy. Additionally, they will attend trainings provided by the Arizona Department of Education which will be beneficial to the District and maintaining compliance with the Code of Federal Regulations.

Contact Person: Terry Quest, Director of Business Services;
Robert Amado, Accounting Supervisor

Anticipated Completion Date: June 30, 2013

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

Reference Number: 2012-3

Program: Child Nutrition Cluster

CFDA Number: 10.553, 10.555

Federal Agency: U.S. Department of Agriculture

Pass-Through Agency: Arizona Department of Education

Applicable ARRA Programs: N/A

Grantor Number: 7AZ300AZ3

Questioned Costs: \$5,456

Type of Finding: Noncompliance

Compliance Requirement: Eligibility

CRITERIA

According to 7 CFR §225.25, a child's eligibility for free or reduced price meals under a Child Nutrition Cluster program may be established by the submission of a complete annual application or statement which furnishes such information as family income and family size.

CONDITION/CONTEXT

The Arizona Department of Education conducted a Coordinated Review Effort of the District's National School Lunch and Food Distribution Program at Vista Grande High School on January 11, 2012. Several review findings were noted in the areas of free/reduced price determination, food items/components, eligibility determination, local wellness policy, and food distribution. See ADE's report dated February 27, 2012, for details. In addition, during our review of 40 income applications, one application incorrectly classified three students as free who should be reduced. Additionally, we noted several applications that were missing household income information.

EFFECT

The District was not in compliance with federal requirements over the National School Lunch and Food Distribution Programs.

CAUSE

The items were overlooked during the review and approval process.

RECOMMENDATION

The District should implement a review process for applications to check for completeness and proper eligibility classifications.

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

Reference Number: 2012-3

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

District personnel involved with its food service operations will continue to establish the necessary procedures needed to ensure a review process for applications in order to check for completeness, accuracy, and proper eligibility classifications.

Contact Person: Beverly Wells, Food Service Clerk

Anticipated Completion Date: June 30, 2013

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

Reference Number: 2012-4

<u>Program:</u>	<u>CFDA Number:</u>	<u>Grantor Number:</u>	<u>Questioned Costs:</u>
Title I Grants to Local Educational Agencies	84.010	S010A110003	N/A
Special Education – Grants to States	84.027	H027A110007	\$1,708 actual; \$44,407 projected

Federal Agency: U.S. Department of Education

Pass-Through Agency: Arizona Department of Education

Applicable ARRA Programs: N/A

Type of Finding: Noncompliance; significant deficiency

Compliance Requirement: Allowable costs/cost principles

CRITERIA

According to the Office of Management and Budget (OMB) Circular A-87 where employees work solely on a single cost objective, charges for their salaries and wages will be supported by periodic certifications that the employees worked solely on that program for the period covered by the certification. These certifications will be prepared at least semi-annually and will be signed by the employee or supervisory official having first-hand knowledge of the work performed by the employee. Where employees work on multiple activities or cost objectives, a distribution of their salaries or wages will be supported by personnel activity reports or equivalent documentation.

CONDITION/CONTEXT

During our review of Time and Effort certifications, we noted the following:

- 1) For one of nine certifications reviewed from Title I Grants to Local Educational Agencies, the certification was prepared for the entire year rather than semi-annually.
- 2) For seven of 15 time and effort certifications reviewed from Special Education – Grants to States, the certifications were not completed timely.
- 3) For one of 15 certifications reviewed from Special Education – Grants to States, the certification was not signed by a supervisor.
- 4) Three employees paid from Special Education – Grants to States left the District during the year without completing any certifications.

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

Reference Number: 2012-4

EFFECT

Federally funded salaries for District employees were not properly substantiated; as a result, the District did not comply with the provisions of OMB Circular A-87.

CAUSE

The District did not adequately monitor all employees whose salary was funded with Federal funds to ensure adequate time and effort documentation was prepared and retained.

RECOMMENDATION

Employees whose salaries are split between funds, including at least one Federal fund, should submit monthly activity reports. Employees paid solely from one Federal fund should complete semi-annual certifications of the duties performed. The forms should be signed by the employee and reviewed by the District to ensure that it properly reflects the grants they worked on.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The "Federal Programs Specialist" employee responsible for verifying and submitting Time & Effort Documentation for all Federal Grants did not adequately monitor the District's compliance to this Federal requirement and is no longer employed with CGUHSD. The District will be filling this position with a qualified candidate.

Contact Person: Dr. Shannon Goodsell, Superintendent

Anticipated Completion Date: June 30, 2013

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

Reference Number: 2012-5

Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Agency: U.S. Department of Education

Pass-Through Agency: Arizona Department of Education

Applicable ARRA Programs: N/A

Grantor Number: S010A110003

Questioned Costs: N/A

Type of Finding: Noncompliance, significant deficiency

Compliance Requirement: Eligibility

CRITERIA

According to Title I, §1113(a)-(b) of ESEA (20 USC 6313(a)-(b) and 34 CFR §200.78(a), in general, the District should allocate funds received under Title I Part A, to eligible schools, in rank order, on the basis of the total number children from low-income families in each school. Those schools above 75 percent poverty, including any middle or high schools, must be served before service is provided to any with a poverty percentage below 75 percent. After the District has served all schools with a poverty rate above 75 percent, it may serve lower-poverty areas and schools either by continuing with the district-wide ranking or by ranking its schools below 75 percent poverty according to grade-span grouping (e.g., K-6, 7-9, 10-12). The District is required to maintain documentation to demonstrate compliance with this requirement.

CONDITION/CONTEXT

The District transposed enrollment and poverty data for Casa Grande and Vista Grande High Schools, resulting in the two schools receiving an incorrect funding amount.

EFFECT

The District is not in compliance with the eligibility of schools provisions of Title I Grants to Local Educational Agencies.

CAUSE

An error was made in the enrollment data used at each site.

RECOMMENDATION

The District should take more care to ensure Title I Grants to Local Educational Agencies are allocated properly to each participating school, in rank order, on the basis of the total number of children from low-income families residing in the attending school.

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

Reference Number: 2012-5

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Student enrollment and poverty data for two school sites required for allocating funding was done incorrectly by District personnel involved with ensuring that documentation for all Federal Grants is accurate, complete, and submitted on a timely basis. This employee is no longer employed with CGUHSD. The District will be filling the “Federal Programs Specialist” position with a qualified candidate.

Contact Person: Dr. Shannon Goodsell, Superintendent
Anticipated Completion Date: June 30, 2013

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

Reference Number: 2012-6

Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Agency: U.S. Department of Education

Pass-Through Agency: Arizona Department of Education

Applicable ARRA Programs: N/A

Grantor Number: S010A110003

Questioned Costs: N/A

Type of Finding: Material noncompliance, material weakness

Compliance Requirement: Eligibility, Special Tests and Provisions

CRITERIA

According to Title I, §§1120A(c)-(d) and 1304(c)(2) of ESEA (20 USC 6321(c)-(d) and 6394(c)(2) and 34 CFR §§200.79 and 200.88, the District may receive Title I, Part A funds only if State and local funds will be used in participating schools to provide services that, taken as a whole, are at least comparable to services that the District is providing in schools not receiving Title I, Part A funds. In cases where all schools receive Title I, Part A funds, State and local funds will be used to provide services that, taken as a whole, are substantially comparable in each school. Additionally, the District is required to allocate Title I, Part A funds to each participating school attendance area or school, in rank order, on the basis of the total number of children from low-income families residing in the area or attending the school.

CONDITION/CONTEXT

Documentation required by the Arizona Department of Education to demonstrate compliance with the compliance requirements of Title I Grants to Local Educational Agencies, including comparability and allocation of funds to eligible school attendance areas and schools, were not completed and submitted until January 31, 2013 or later.

EFFECT

The District is not in compliance with the eligibility of schools provisions of Title I Grants to Local Educational Agencies and did not adequately demonstrate that State and local funds were used in participating schools to provide services that, taken as a whole, are substantially comparable in each school. The District could be subject to reduced funding in subsequent years or reimbursement with State and local funds due to noncompliance within the fiscal year.

CAUSE

A misunderstanding by the “Federal Programs Specialist” employee as to when the Title I Comparability Worksheets” was to be completed resulted in this audit finding. The “Federal Programs Specialist” employee responsible for maintaining compliance for all of the District’s Federal Grants believed that the Title I Comparability Worksheets were to be completed every other fiscal year to coincide with the ALEAT system.

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Cont'd)

Reference Number: 2012-6

RECOMMENDATION

The District should ensure responsibilities are properly communicated and understood to ensure the requirements of Title I Grants to Local Educational Agencies are completed timely.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The "Federal Programs Specialist" employee responsible for monitoring all grants to maintain compliance with applicable laws, regulations, and guidelines is no longer employed with the school district. The District will be filling this position with a qualified candidate.

Contact Person: Dr. Shannon Goodsell, Superintendent

Anticipated Completion Date: June 30, 2013

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED JUNE 30, 2012**

FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS (Concl'd)

Reference Number: 2012-7

Program: Title I Grants to Local Educational Agencies

CFDA Number: 84.010

Federal Agency: U.S. Department of Education

Pass-Through Agency: Arizona Department of Education

Applicable ARRA Programs: N/A

Grantor Number: S010A110003

Questioned Costs: \$581,131

Type of Finding: Material noncompliance, material weakness

Compliance Requirement: Period of availability of Federal funds

CRITERIA

An LEA that receives \$50,000 or more in Title I, Part A funds may not carry over beyond the initial 15 months of availability more than 15 percent of its Title I, Part A funds.

CONDITION/CONTEXT

The District exceeded the allowable year-end carryover for Title I Grants to Local Educational Agencies by \$581,131.

EFFECT

The District is not in compliance with the period of availability provisions of Title I Grants to Local Educational Agencies and may be subject to reduced funding in subsequent years or reimbursement of the disallowed carryover amount.

CAUSE

The Administrative person responsible for supervising the "Federal Programs Specialist" employee did not properly monitor their employee's performance to ensure she was performing her required duties for Title I Grants. Therefore, the District exceeded the allowable year-end carry over beyond the initial 15 months of availability more than 15 percent of Title I, Part A funds.

RECOMMENDATION

The District should apportion adequate time and resources to review its Title I Grants program operations.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

The "Federal Programs Specialist" employee responsible for monitoring all grants to maintain compliance with applicable laws, regulations, and guidelines did not ensure that the District would not exceed the allowable year-end carry over beyond the initial 15 months of availability more than 15 percent of Title I, Part A funds. This employee is no longer working for the school district. The District will be looking to fill this position with a qualified candidate.

Contact Person: Dr. Shannon Goodsell, Superintendent

Anticipated Completion Date: June 30, 2013

CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012

Status of Federal Award Findings and Questioned Costs

Reference Number: 2011-5
Program: Child Nutrition Cluster
CFDA Number: 10.553, 10.555

Status: Corrected.

Reference Number: 2011-6
Program: Child Nutrition Cluster
CFDA Number: 10.553, 10.555

Status: Corrected.

Reference Number: 2011-7
Program: Child Nutrition Cluster
CFDA Number: 10.553, 10.555

Status: Partially corrected, see current year finding 2012-2.

Reference Number: 2011-8
Program: Child Nutrition Cluster
CFDA Number: 10.553, 10.555

Status: Not corrected, see current year finding 2012-2.

Reference Number: 2011-9
Program: Title I, Part A Cluster, Child Nutrition Cluster, Special Education Grants Cluster
CFDA Number: 84.010, 84.389; 10.553, 10.555; 84.027, 84.391

Status: Not corrected, see current year finding 2012-4.

Reference Number: 2011-10
Program: Title I, Part A Cluster
CFDA Number: 84.010, 84.389

Status: Not corrected, see current year finding 2012-5

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED JUNE 30, 2012**

Status of Federal Award Findings and Questioned Costs (Concl'd)

Reference Number: 2011-11

Program: Title I, Part A Cluster, Child Nutrition Cluster

CFDA Number: 84.010, 84.389, 10.553, 10.555

Status: Not corrected, see current year finding 2012-7.