

**CASA GRANDE UNION HIGH  
SCHOOL DISTRICT NO. 82  
SINGLE AUDIT REPORTING PACKAGE  
FOR THE YEAR ENDED JUNE 30, 2014**

CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82  
SINGLE AUDIT REPORTING PACKAGE  
FOR THE YEAR ENDED JUNE 30, 2014

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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***

Independent Auditor's Report

Governing Board  
Casa Grande Union High School District No. 82

We have audited, in accordance with the 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, 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, 2014, and the related notes to the financial statements, which collectively comprise Casa Grande Union High School District No. 82's basic financial statements, and have issued our report thereon dated January 26, 2015. Our report included an emphasis of matter paragraph as to comparability because of the implementation of Governmental Accounting Standards Board Statement No. 65.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Casa Grande Union High School District No. 82's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of Casa Grande Union High School District No. 82's internal control.

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. A significant deficiency is a deficiency, or a 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.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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 from 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*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Heinfeld, Meech & Co., P.C.

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

January 26, 2015



**Report on Compliance for Each Major Federal Program;  
Report on Internal Control Over Compliance; and  
Report on Schedule of Expenditures of Federal Awards  
Required by OMB Circular A-133**

Independent Auditor's Report

Governing Board  
Casa Grande Union High School District No. 82

**Report on Compliance for Each Major Federal Program**

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, 2014. Casa Grande Union High School District No. 82's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for each of Casa Grande Union High School District No. 82's major federal programs based on our audit of the types of compliance requirements referred to above. 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 on compliance for each major federal program. However, our audit does not provide a legal determination of Casa Grande Union High School District No. 82's compliance.

### *Opinion on Each Major Federal Program*

In our opinion, Casa Grande Union High School District No. 82 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2014.

### *Other Matters*

The results of our auditing procedures disclosed instances of noncompliance, 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 2014-001 and 2014-002. Our opinion on each major federal program is not modified with respect to these matters.

Casa Grande Union High School District No. 82's responses to the noncompliance findings identified in our audit are described in the accompanying schedule of findings and questioned costs. Casa Grande Union High School District No. 82's responses were not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

### Report on 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 types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered Casa Grande Union High School District No. 82's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program 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.

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. A significant deficiency in internal control over compliance is a deficiency, or a 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.

Our consideration of internal control over compliance 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 compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, we identified a certain deficiency in internal control over compliance, as described in the accompanying schedule of findings and questioned costs as item 2014-002 that we consider to be a significant deficiency.

Casa Grande Union High School District No. 82's response to the internal control over compliance finding identified in our audit is described in the accompanying schedule of findings and questioned costs. Casa Grande Union High School District No. 82's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

**Report on Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

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, 2014, and the related notes to the financial statements, which collectively comprise Casa Grande Union High School District No. 82's basic financial statements. We issued our report thereon dated January 26, 2015, which contained unmodified opinions on those basic financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. 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 basic 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 basic 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 basic financial statements or to the basic 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 basic financial statements taken as a whole.

*Heinfeld, Meech & Co., P.C.*

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

January 26, 2015

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
YEAR ENDED JUNE 30, 2014**

<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>
<b><u>U.S. Department of Education</u></b>				
Direct Programs:				
Impact Aid	84.041	N/A	\$	\$ 130,970
Indian Education - Grants to Local Educational Agencies	84.060	N/A		75,716
Gaining Early Awareness and Readiness for Undergraduate Programs	84.334	N/A		294,436
Passed through Arizona Department of Education:				
Title I Grants to Local Educational Agencies	84.010	S010A130003		1,684,942
Migrant Education - State Grant Program	84.011	S011A130003		30,762
Special Education - Grants to States	84.027	H027A130007		473,588
Career and Technical Education - Basic Grants to States	84.048	V048A130003		245,503
Improving Teacher Quality State Grants	84.367	S367A130049		<u>199,062</u>
<b>Total U.S. Department of Education</b>				<u>3,134,979</u>
<b><u>U.S. Department of Agriculture</u></b>				
Passed through Arizona Department of Education:				
Child Nutrition Cluster:				
Non-Cash Assistance (Commodities):				
National School Lunch Program	10.555	7AZ300AZ3		104,320
Cash Assistance:				
School Breakfast Program	10.553	7AZ300AZ3	200,026	
National School Lunch Program	10.555	7AZ300AZ3	<u>644,143</u>	
Cash Assistance Subtotal				844,169
Total Child Nutrition Cluster				<u>948,489</u>
Direct Program:				
Schools and Roads - Grants to States	10.665	N/A		358
<b>Total U.S. Department of Agriculture</b>				<u>948,847</u>
<b><u>U.S. Department of Health and Human Services</u></b>				
Passed through Public Consulting Group, Inc.:				
Medical Assistance Program	93.778	N/A		<u>32,966</u>
<b><u>U.S. Department of Defense</u></b>				
Direct Programs:				
ROTC	12.UNKNOWN	N/A		<u>117,807</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 4,234,599</u>



**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**YEAR ENDED JUNE 30, 2014**

**NOTE 1 – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (Schedule) includes the federal grant activity of Casa Grande Union High School District No. 82 under programs of the federal government for the year ended June 30, 2014. The information in the Schedule is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the Schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Expenditures reported on the Schedule are reported on the modified accrual basis of accounting. Such expenditures are recognized following the cost principles contained in the applicable OMB cost principles circular, wherein certain types of expenditures are not allowable or are limited as to reimbursement. Any negative amounts shown on the Schedule represent adjustments or credits made in the normal course of business to amounts reported as expenditures in prior years. Pass-through entity identifying numbers are presented where available.

**NOTE 3 – CATALOG OF FEDERAL DOMESTIC ASSISTANCE (CFDA) NUMBERS**

The program titles and CFDA numbers were obtained from the federal or pass-through grantor or the 2014 *Catalog of Federal Domestic Assistance*. When no CFDA number had been assigned to a program, the two-digit federal agency identifier, a period, and the federal contract number were used. When there was no federal contract number, the two-digit federal agency identifier, a period, and the word “unknown” were used.

CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82  
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
 YEAR ENDED JUNE 30, 2014

SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted?           yes   X  no

Federal Awards

Internal control over major programs:

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

Type of auditor's report issued on compliance for major programs: Unmodified

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>
84.010	Title I Grants to Local Educational Agencies
10.553, 10.555	Child Nutrition Cluster

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, 2014

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

None reported.

CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2014

**FINDINGS AND QUESTIONED COSTS RELATED TO FEDERAL AWARDS**

**Reference Number:** 2014-001  
**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:** S010A130003  
**Questioned Costs:** N/A  
**Type of Finding:** Noncompliance  
**Compliance Requirement:** Special Tests and Provisions

CRITERIA

According to 34 CFR, §200.55, all teachers of core academic subjects were to be highly qualified by fiscal year 2005-06.

CONDITION/CONTEXT

The District did not meet the requirement that 100 percent of teachers of core academic subjects be highly qualified.

EFFECT

The District is not in compliance with the requirement for highly qualified teachers.

CAUSE

The District was unable to find teacher applicants that would meet the definition of highly qualified and therefore allow the District to meet the 100 percent rule.

RECOMMENDATION

The District should continue to implement guidance prescribed by the Arizona Department of Education to help ensure that all teachers meet the highly qualified requirement.

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

Hiring highly qualified individuals continues to be the District's priority. In fiscal 2014 the District hired approximately 15 teachers from the Philippines.

Contact Person: Mary Ann Amerson, Human Resources Director  
Anticipated Completion Date: July 1, 2015

CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2014

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

**Reference Number:** 2014-002  
**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:** S010A130003  
**Questioned Costs:** N/A  
**Type of Finding:** Noncompliance, significant deficiency  
**Compliance Requirement:** 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 Arizona Department of Education requires that comparability be tested and documented in the fall every year.

CONDITION/CONTEXT

Comparability of State and local funds used to provide services was not tested and documented for the 2013-14 school year.

EFFECT

The District did not determine and demonstrate that it was in compliance with the comparability requirements of the Title I Program.

CAUSE

Staff turnover resulted in miscommunication of grant compliance responsibilities.

RECOMMENDATION

The District should ensure that grant requirements are understood and assigned to applicable District personnel, specifically the comparability determination that must be tested and documented in the fall each year.

CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
YEAR ENDED JUNE 30, 2014

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

Reference Number: 2014-002

VIEWS OF RESPONSIBLE OFFICIALS AND PLANNED CORRECTIVE ACTIONS

In retrospect, the responsibility for testing comparability of costs has fallen on various individuals that did not have the knowledge or understanding to effectively perform this function. Going forward the responsibility will now be assigned to the Federal Programs Director who deals with these issues on a daily basis.

Contact Person: Steve Merrill, Federal Programs Director  
Anticipated Completion Date: June 30, 2015

**CASA GRANDE UNION HIGH SCHOOL DISTRICT NO. 82  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS  
YEAR ENDED JUNE 30, 2014**

**Status of Federal Award Findings and Questioned Costs**

Reference Number: 2013-1  
Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010

Status: Not corrected, see current year finding 2014-001.

Reference Number: 2013-2  
Program: Title I Grants to Local Educational Agencies  
CFDA Number: 84.010

Status: Partially corrected, see current year finding 2014-002.

Reference Number: 2013-3  
Program: Child Nutrition Cluster  
CFDA Number: 10.553, 10.555

Status: Corrected.

Reference Number: 2013-4  
Program: Child Nutrition Cluster  
CFDA Number: 10.553, 10.555

Status: Corrected.