



## Arizona Department of Education

The Audit Unit  
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# Average Daily Membership Audit Report Chandler Unified District Fiscal Years 2015, 2016, and 2017

Report Number—18-31  
June 29<sup>th</sup>, 2018



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Diane Douglas  
Superintendent of  
Public Instruction

June 29, 2018

Camille Casteel, Superintendent  
Chandler Unified District  
1525 W Frye Rd  
Chandler, AZ 85224

Dear Superintendent Casteel,

The Arizona Department of Education Audit Unit has conducted an audit of the Chandler Unified District (District) Average Daily Membership (ADM) for fiscal years 2015, 2016, and 2017. The purpose of the audit was to address whether the District properly reported student enrollment to determine if it received the correct amount of Basic State Aid.

Auditors determined that the District incorrectly reported some enrollment and full-time enrollment (FTE) data, which resulted in its ADM being overstated by 14.74. Additionally, auditors determined that the District incorrectly reported some AOI enrollment data, which resulted in its ADM being overstated by 8.56. These errors resulted in an overstatement of 23.30 ADM and a net overpayment of \$132,691.63 in Basic State Aid, which must be repaid to ADE by the District pursuant to state law. Furthermore, auditors determined that the District failed to properly maintain some required documentation in student cumulative files. Finally, auditors determined that the District did not appropriately report and maintain enrollment for a program.

We appreciate the cooperation and assistance provided by the District's administration during the audit.

Sincerely,

A handwritten signature in blue ink, appearing to read "Melissa Moreno".

Melissa Moreno,  
Chief Auditor

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# INTRODUCTION AND BACKGROUND

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The Arizona Department of Education (ADE) Audit Unit has conducted an Average Daily Membership (ADM) audit of the Chandler Unified District (District) pursuant to Arizona Revised Statutes (A.R.S.) § 15-239. This audit focused on whether the District properly reported enrollment and attendance data to ADE and received the correct amount of Basic State Aid for fiscal years (FY) 2015, 2016, and 2017.

***Average Daily Membership audits of district and charter holder funding***—Pursuant to A.R.S. § 15-239, ADE may conduct ADM audits, which help ensure the appropriate distribution of Basic State Aid provided annually to school districts and charter schools. School districts and charter schools receive Basic State Aid based on several factors related to student enrollment and attendance. To receive funding, school districts and charter schools report enrollment and attendance data to ADE. ADE processes that data, determines payment amounts according to the relevant statutory funding formulas and distributes payments to schools up to twelve times each year.

The ADM audit process determines whether payments were correct or if an adjustment is needed. The audit process compares the school district's or charter school's information reported to ADE's Student Data System, to information found on the original records kept at the school. If auditors find that the school district's or charter school's reported information does not match the original documentation, the audit will calculate and report the funding adjustment needed to the school district's or charter school's Basic State Aid. These funding adjustments can be positive or negative, depending upon the audit findings. The audit findings are written and compiled into a report that is then issued to the audited entity.

***Superintendent's legal notice links the audit and appeals processes***—In addition to the report, the audited entity receives The Notice of Audit Findings and Required Reimbursement (Notice) that details the audit findings and determination of the Superintendent of Public Instruction (Superintendent) regarding adjustments to be made to the school district or charter school pursuant to A.R.S. § 15-915. The audited entity may appeal the Superintendent's decision in the Notice.

***Opportunity to appeal the audit***—A.R.S. § 41-1092.03 provides the audited school district or charter school that disagrees with the Superintendent's decision in the Notice with the opportunity to file a formal appeal within thirty (30) days after the report was issued. If an appeal is filed, the school district or charter school and ADE may reach agreement in an informal settlement conference. If an agreement is not reached at the informal settlement conference, the appeal will be adjudicated by the Office of Administrative Hearings.

***Funding adjustment process and timeframes***—When the Notice is finally settled or adjudicated, if ADE has determined that a school district or charter school received an incorrect amount of Basic State Aid, A.R.S. § 15-915 directs that corrections to schools' funding be made in the current budget year. In case of hardship, schools may request that the Superintendent allow a correction to be made partly in the current budget year and partly in the following budget year.

In addition, ADE will adjust the District's budget capacity if required. ADE School Finance Memorandum 13-011 summarizes the budget capacity adjustment authorized by statute:

*A.R.S. §15-915, as amended by Laws 2014, Chapter 357, Section 3, requires the superintendent of public instruction, when it is determined that state aid or budget limits have been calculated in error, within the prior 3 years, to make corrections to budget limits and state aid in the current year. (Hardship application may be approved by the superintendent). Effective for audits initiated during FY2015 and continuing in subsequent years, corrections for audit findings to both budget capacity and state aid (when applicable) will be made.*

**District information**— The District is located in Chandler, Arizona. The District maintained 45 schools in fiscal years 2015, 2016, and 2017.

**Table 1**

**Chandler Unified District  
Total students, revenues and expenditures  
Fiscal years 2015, 2016, and 2017  
(Unaudited)**

	<b>2015</b>	<b>2016</b>	<b>2017</b>
<b>Students Enrolled</b>	<b>42,644</b>	<b>43,428</b>	<b>44,706</b>
<b>Number of Teachers</b>	2,148	2,233	2,277
<b>Revenue</b>			
Local	\$ 216,586,235	\$ 171,206,497	\$ 177,829,203
County	10,859,950	11,576,061	12,273,304
State	136,938,055	150,120,800	162,998,905
Federal	<u>20,301,200</u>	<u>20,712,210</u>	<u>20,606,587</u>
<b>Total Revenues</b>	<b><u>384,685,440</u></b>	<b><u>353,615,568</u></b>	<b><u>373,707,999</u></b>
<b>Total Expenditures</b>	<b><u>\$ 377,538,597</u></b>	<b><u>\$ 343,665,527</u></b>	<b><u>\$ 370,209,790</u></b>

Source: Annual Report of the Arizona Superintendent of Public Instruction for fiscal years 2015, 2016, and 2017.

## SCOPE AND METHODOLOGY

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The audit focused on whether the District accurately reported its data to ADE and received the correct amount of Basic State Aid in accordance with statutes, the Uniform System of Financial Records (USFR) and its own policies and procedures for fiscal years 2015, 2016, and 2017.

To conduct this audit, auditors used a variety of methods, including examining District and ADE records for enrollment. Auditors also reviewed state statutes and District policies and procedures, and interviewed District management and staff. Specifically:

- ***Instructional hours***—Auditors reviewed the District’s bell schedules and calendars for the fiscal years audited and determined that the District provided at least the minimum number of instructional hours as required by statute.
- ***Enrollment data***—Auditors compared the District’s student management system to ADE’s system and identified 1,726 for further evaluation. Auditors reviewed these 1,726 student profiles to determine if the enrollment data reported to ADE was accurate. Auditors compared the student profiles to ADE’s information system to determine if the entry and exit date was correct. When the audited entry or exit dates were different from the reported dates or the audited FTE differed from the funded FTE for a student, auditors recalculated the ADM and made appropriate adjustments to the funded ADM.
- ***Arizona Online Instruction (AOI) data***— Auditors compared 100% of the Arizona Online Instruction data that was reported to ADE to the AOI data from the District for the fiscal years audited. Auditors reviewed instructional time reported as well as the full or part time status that was reported for each student. If the data reported to ADE was incorrect, an adjustment was determined.
- ***Student files***—Auditors reviewed student files to ensure that they maintained required documentation, including birth certificates, immunization, and residency documentation. Auditors made note if files did not contain all of the documentation that was required to be kept in them by statute and ADE guidelines.
- ***Special education data***—Auditors reviewed the students to determine if any were also funded for one of the special education (SPED) categories. When students with a special education category also had an adjustment, auditors made an adjustment to the special education weight as well.
- ***Limiting***—Auditors reviewed the total ADM for each enrolled student to ensure that they were appropriately limited.
- ***Reporting practices***—Auditors reviewed enrollment reporting practices and made note of any areas that were not in compliance.

Adjustments to ADM are based solely on those identified students that the auditors evaluated further and are not extrapolated to create findings for the entire student population.

# **FINDING 1: THE DISTRICT DID NOT ACCURATELY REPORT SOME STUDENT DATA RESULTING IN AN OVERPAYMENT OF \$101,104.88**

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The District inaccurately reported the student enrollment data for 140 of its students for fiscal years 2015, 2016, and 2017. Specifically, auditors determined that 101 students had FTE reported incorrectly, 22 students had either an incorrect entry or withdrawal date, 7 students were reported to ADE's System for funding but did not attend, 4 students attended but were not reported to ADE'S System for funding, 3 students had insufficient homebound hours, and 3 students were not correctly limited. Furthermore, 16 of these students were also reported and funded for a special education category which requires an adjustment. In total, the District's ADM was overstated by 14.74 for its students for the three fiscal years audited. Due to the inaccurate enrollment data, the District received a net overpayment of \$101,104.88 in Basic State Aid for the three fiscal years audited which the District must repay to ADE pursuant to A.R.S. § 15-915.

## **The District inaccurately reported some student enrollment data**

The District inaccurately reported the enrollment data for 140 students to ADE due to various errors, which resulted in the District's ADM being overreported by 13.67. Of these students, 16 were also reported and funded for a special education category which resulted in the District's ADM being overreported by an additional 1.07. ADE External Guideline and Procedures GE-17<sup>1</sup> states that, with the exception of pre-enrolled students, the enrollment date for a student is the first day of actual attendance. According to A.R.S. § 15-901, the withdrawal date for students is the last day of actual attendance or excused absence. Additionally, A.R.S. § 15-901 and ADE Guidelines and Procedures EX-18 (EX-18) state that, for a high school student to be reported as a 1.0 FTE, the student must be enrolled in at least four courses which meet at least 123 hours annually each and total at least 720 instructional hours for the year.<sup>2</sup> However, the District did not always adhere to these requirements. Specifically:

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<sup>1</sup> ADE External Guidelines and Procedures GE-17 states: "For the purposes of determining Average Daily Membership (ADM) for a given school year at a given public school pursuant to ARS § 15-901 (A)(2), the first day of membership for continuing or pre-enrolled students, shall be defined as either the first day a student physically attends school or the first day that classroom instruction is offered, provided that such students physically attend school within the first ten school days. For all other students, the first day of membership shall be defined as the first day a student physically attends school."

<sup>2</sup> Pursuant to A.R.S. § 15-901, a full time student (1.0 FTE) in grades 9 through 12 must be scheduled for and attending at least 720 hours of instruction and at least four courses each of which meets for at least 123 hours annually; a 0.75 FTE student must be scheduled for at least 540 hours of instruction and at least three courses each of which meets for at least 123 hours annually, a 0.50 FTE student must be scheduled for at least 360 hours of instruction and at least two courses each of which meets for at least 123 hours annually and a 0.25 FTE student must be scheduled for at least 180 hours of instruction and at least one course which meets for at least 123 hours annually.

- 101 students were reported with incorrect FTE, which resulted in the District’s ADM being overstated by 14.58.
- 22 students had either an incorrect entry or withdrawal date that was reported to ADE’s System, which resulted in the District’s ADM being understated by 0.38.
- 7 students were reported to ADE’S System; however, the students did not attend and no documentation showed the students as being enrolled and attending, which resulted in the District’s ADM being overstated by 0.22.
- 4 students were not reported to ADE’s System; however, District attendance documentation showed the students as being enrolled and attending, which resulted in the District’s ADM being understated by 2.44.
- 3 students had insufficient homebound instructional hours, which resulted in the District’s ADM being overstated by 1.61.
- 3 students were not limited correctly, which resulted in the District’s ADM being overstated by 0.08.
- 16 students who were adjusted for one of the reasons identified above were also funded for a special education category, which resulted in the District’s ADM being overstated by 1.07.

As shown in Table 2, data reporting errors resulted in a net ADM overstatement of 14.74 for fiscal years 2015, 2016, and 2017.

**Table 2**  
**Chandler Unified District**  
**ADM adjustments due to enrollment data errors**  
**Fiscal years 2015, 2016, and 2017**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
Incorrect FTE	2.47	4.59	7.52	14.58
Incorrect enrollment dates	(0.21)	0.00	(0.17)	(0.38)
Did not attend	0.00	0.11	0.11	0.22
Not in ADE’s system	(2.44)	0.00	0.00	(2.44)
Insufficient homebound instructional hours	0.17	0.93	0.51	1.61
Limiting	0.00	0.00	0.08	0.08
SPED adjustment	<u>(0.94)</u>	<u>2.00</u>	<u>0.01</u>	<u>1.07</u>
<b>Total</b>	<b><u>(0.95)</u></b>	<b><u>7.63</u></b>	<b><u>8.06</u></b>	<b><u>14.74</u></b>

Source: Auditor analysis of District records, A.R.S. § 15-901 and EX-18.

## The District must properly reconcile its enrollment data with ADE data

The District can likely avoid errors in the future by ensuring it regularly and correctly reconciles its data to the data contained in ADE'S System. Additionally, the District must ensure that a process is in place that captures the proper entry and exit dates of students to ensure proper funding and reporting of data. Finally, the District must ensure it complies with statute and ADE guidelines to properly calculate and report student FTE. The District should review its reconciliation practices to ensure that its staff properly review the reports produced by ADE'S System and reconcile them to the District's SMS data to identify any discrepancies that would affect funding and correct any errors identified. The District should review its internal reporting practices and ensure that it properly documents the actual entry and exit dates of students pursuant to statute.

## The District was overfunded by \$101,104.88

Auditors determined that the District did not receive the correct amount of Basic State Aid due to the inaccurate enrollment data reported to ADE for fiscal years 2015, 2016, and 2017. The enrollment data errors reported by the District resulted in its ADM being overstated by 14.74 for the three fiscal years audited. Due to the change in funding from prior year to current year, there was no adjustment to Basic State Aid paid for the students in fiscal year 2016. As shown in Table 3, due to the overstatement of 14.74 ADM for its enrollment data, the District received an overpayment to Basic State Aid of \$63,055.92 for the three fiscal years audited. However, statutory growth formulas applied to the District require that this amount be increased by \$38,048.96. As a net result, the District was overfunded by \$101,104.88 which ADE must recoup from the District pursuant to A.R.S. § 15-915.

**Table 3**

**Chandler Unified District  
ADM and funding adjustments due to enrollment data errors  
Fiscal years 2015, 2016, and 2017**

	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
ADM	(0.95)	7.63	8.06	<b>14.74</b>
Basic State Aid	\$(1,735.09)	\$0.00	\$64,791.01	<b>\$63,055.92</b>
Growth	\$(2,407.73)	\$40,456.69	\$0.00	<b>\$38,048.96</b>
Total funding adjustments	<b><u>\$(4,142.82)</u></b>	<b><u>\$40,456.69</u></b>	<b><u>\$64,791.01</u></b>	<b><u>\$101,104.88</u></b>

Source: Auditor analysis of District records, A.R.S. § 15-901 and EX-18.

**Recommendations:**

1. The District must repay ADE \$101,104.88 in Basic State Aid due to incorrectly reported enrollment data.
2. The District must properly reconcile its data each year to ensure it complies with A.R.S. § 15-901 and GE-17.
3. The District must review its internal and reporting practices to ensure that it properly documents the actual entry and exit dates of students pursuant to statute.
4. The District must ensure that it properly calculates and reports students' FTE pursuant to statute and ADE guidelines.

## **FINDING 2: THE DISTRICT DID NOT ACCURATELY REPORT AOI DATA RESULTING IN AN OVERPAYMENT OF \$31,586.75**

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The District did not accurately report enrollment data for 559 of its AOI students to ADE for all three fiscal years audited. Specifically, auditors found that 246 students were reported to ADE's System with incorrect minutes, 225 students had been reported as part time but were full time, 82 students had been reported as full time but were part time, 5 students were not reported to ADE's System, and 1 student did not attend. Furthermore, 22 of these students were also reported and funded for a special education category which requires an adjustment. As a result, the District's weighted AOI ADM was overstated by 8.56. This led to the District being overfunded by \$31,586.75 which the District must repay to ADE according to A.R.S. § 15-915.

### **The District inaccurately reported some AOI enrollment data**

Auditors determined that student data for 559 of its AOI students was inaccurate, which resulted in the District's weighted AOI ADM being overstated by 8.56 for the fiscal years audited, as follows:

- 246 students were reported to ADE'S System with incorrect AOI minutes.
- 225 students were incorrectly reported as part time and should have been reported as full time.
- 82 students were incorrectly reported as full time and should have been reported as part time.
- 5 students were not reported to ADE's System; however, the students were enrolled and attended.
- 1 student was reported to ADE's System; however, the student did not attend.
- 2 students who were adjusted for one of the reasons identified above were also funded for a special education category.

As shown in Table 4, AOI data reporting errors resulted in a net weighted ADM overstatement of 8.56 for the three fiscal years audited.

**Table 4**

**Chandler Unified District  
AOI ADM Adjustments  
Fiscal years 2015, 2016, and 2017**

Adjustments	AOI weighted ADM adjustment			
	2015	2016	2017	Total
Full time	(1.76)	(14.34)	(22.99)	(39.09)
Part time	1.43	27.33	18.74	47.50
SPED	0.00	0.15	0.00	0.15
<b>Total</b>	<b>(0.33)</b>	<b>13.14</b>	<b>(4.25)</b>	<b>8.56</b>

Source: Auditor analysis of District records and ADE data for fiscal years 2015, 2016, and 2017.

**The District must properly reconcile its enrollment data with ADE data**

The District can likely avoid errors in the future by ensuring it regularly and correctly reconciles its data to the data contained in ADE'S System. The District should review its reconciliation practices to ensure that its staff properly review the reports produced by and reconcile them to the District's AOI SMS data to identify any discrepancies that would affect funding and correct any errors identified. The District must comply with the requirements of A.R.S. § 15-808 and SF-0003 when calculating and reporting AOI students.

**The District was overfunded by \$31,586.75**

Auditors determined that the District did not receive the correct amount of Basic State Aid due to the inaccurate AOI student data reported to ADE for the three fiscal years audited. The enrollment data errors reported by the District resulted in its ADM being overstated by 8.56. Due to the change in funding from prior year to current year, there was no adjustment to Basic State Aid paid for the students in fiscal year 2016. As shown in Table 5, due to the overstatement of 8.56 ADM for its AOI enrollment data, the District received an underpayment of \$37,162.92 in Basic State Aid for the three fiscal years audited. However, statutory growth formulas applied to the District require that this amount be increased by \$68,749.67. As a net result, the District was overfunded by \$31,586.75 which the District must repay to ADE pursuant to A.R.S. § 15-915.

**Table 5**

**Chandler Unified District  
AOI ADM and funding adjustments  
Fiscal years 2015, 2016, and 2017**

<b>Fiscal year</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>Total</b>
ADM	(0.33)	13.14	(4.25)	<b>8.56</b>
Basic State Aid	\$(2,983.79)	\$0.00	\$(34,179.13)	<b>\$(37,162.92)</b>
Growth	\$(822.87)	\$69,572.54	\$0.00	<b>\$68,749.67</b>
Total funding adjustments	<b>\$(3,806.66)</b>	<b>\$69,572.54</b>	<b>\$(34,179.13)</b>	<b>\$31,586.75</b>

Source: Auditor analysis of District records and ADE data for fiscal years 2015, 2016, and 2017.

**Recommendations:**

1. The District must repay ADE \$31,586.75 in Basic State Aid for the fiscal years audited for incorrect AOI enrollment data.
2. The District must comply with the requirements of A.R.S. § 15-808 and SF-0003 when calculating and reporting AOI students.

### **FINDING 3: THE DISTRICT DID NOT PROPERLY MAINTAIN SOME STUDENT RECORDS AS REQUIRED BY STATUTE AND GUIDELINE**

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The District did not properly maintain required documentation in some of its student cumulative files. In the future, the District should properly maintain these documents to ensure compliance with statute and ADE guidelines.

#### **The District did not properly maintain student file documentation**

Auditors determined that the District failed to maintain residency documentation for some students as required by statute and ADE guidelines. According to A.R.S. § 15-802 and the ADE Arizona Residency Guideline, school districts and charter schools are required to maintain verifiable documentation of Arizona residency in the student’s cumulative file. This documentation must be provided each time a student enrolls in a school district or charter school, and reaffirmed during the annual registration process. The ADE Arizona Residency Guideline identifies an approved list of options a parent or legal guardian may provide to the school district or charter school to meet these requirements.

Auditors also determined that the District failed to maintain birth certificate documentation for some students as required by statute. According to A.R.S. § 15-828, a photocopy of the student’s birth certificate or other reliable proof of the student’s identity and age must be placed in the student’s file.

The District did not maintain the proper documentation required by statute and ADE’s residency guideline. Of the 300 students sampled, 2 of the student files could not be located or accessed, 50 students did not have residency documentation, and 3 students did not have a birth certificate in their file. Table 6 lists the student file documentation maintained by the District for fiscal years 2015, 2016, and 2017.

**Table 6**

**Chandler Unified District  
Student cumulative file documentation  
Fiscal years 2015, 2016, and 2017**

	<b>Total sampled</b>	<b>No residency documentation</b>	<b>No birth certificate</b>	<b>Could not locate file</b>
2015	100	18	1	0
2016	100	15	1	1
2017	100	16	1	1
<b>Total</b>	<b><u>100</u></b>	<b><u>50</u></b>	<b><u>3</u></b>	<b><u>2</u></b>

Source: Auditor analysis of District records and ADE data for fiscal years 2015, 2016, and 2017.

In the future, the District must ensure that it complies with statute by collecting and maintaining in each students' cumulative file copies of verifiable residency and birth certificate documentation as required by law.

**Recommendations:**

1. The District must comply with statute and collect and maintain in each students' cumulative file copies of verifiable residency and birth certificate documentation as required by law.
2. The District needs to ensure it maintains all required documentation for students that attend the District.

## **FINDING 4: THE DISTRICT DID NOT PROPERLY REPORT AND MAINTAIN ENROLLMENT INFORMATION FOR A PROGRAM**

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The District has an intergovernmental agreement with the YMCA to educate students referred by the District in an alternative program known as I-Learn. The YMCA reported minutes attended and absences to the District; however, the District converted student I-Learn minutes attended to days and absences when reporting the program enrollment information to ADE. Furthermore, the District failed to maintain course enrollment documentation for the I-Learn program.

### **The District inappropriately reported enrollment for a program**

The YMCA reported minutes attended and absences to the District. The District inappropriately converted I-Learn minutes attended to days and absences to report this enrollment information to ADE. The District also used minutes attended to determine FTE without taking course enrollment into account, which does not follow statutory requirements.<sup>3</sup> Additionally, this program is not on the ADE approved alternative list. Reporting minutes attended to ADE is appropriate for only AOI and schools operating an ADE approved alternative program.

### **The District did not maintain necessary student enrollment information**

The District did not maintain student course enrollment documentation to correctly determine student FTE. FTE calculation requires course enrollment information, which the District did not receive or maintain. Auditors could not acquire course enrollment information and therefore could not verify the accuracy of ADM and funding for I-Learn. As a result of the inappropriate calculations and reporting of the data for students enrolled in this program, the ADM that was funded for these students was incorrect. However, because proper documentation of the student enrollments was not maintained, auditors could not determine the ADM and financial adjustments.

### **Recommendations:**

1. The District must have I-Learn student attendance collected by absences, or get approved by ADE to report minutes of attendance.
2. The District needs to ensure it maintains all required documentation for students that attend the program.

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<sup>3</sup> Pursuant to A.R.S. § 15-901, a full time student (1.0 FTE) in grades 9 through 12 must be scheduled for and attending at least 720 hours of instruction and at least four courses each of which meets for at least 123 hours annually; a 0.75 FTE student must be scheduled for at least 540 hours of instruction and at least three courses each of which meets for at least 123 hours annually, a 0.50 FTE student must be scheduled for at least 360 hours of instruction and at least two courses each of which meets for at least 123 hours annually and a 0.25 FTE student must be scheduled for at least 180 hours of instruction and at least one course which meets for at least 123 hours annually.

# ADM and funding adjustments

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A.R.S. § 15-915 requires that ADE makes corrections for audit findings to both budget capacity and state aid. ADE’s School Finance Unit’s Memo 13-011 informs LEAs of these statutory requirements:

*A.R.S. §15-915, as amended by Laws 2012, Chapter 357, Section 3, requires the superintendent of public instruction, when it is determined that state aid or budget limits have been calculated in error, within the prior 3 years, to make corrections to budget limits and state aid in the current year. (Hardship application may be approved by the superintendent). Effective for audits initiated during 2015 and continuing in subsequent years, corrections for audit findings to both budget capacity and state aid (when applicable) will be made.*

**Budget capacity adjustment required**—The District must adjust its budget capacity for the three fiscal years audited. Budget capacity adjustment calculations for the District will be made by ADE once the audit is finalized.

**Basic State Aid adjustment of \$132,691.63 required to be paid by the District**—Auditors identified an overall funding decrease of \$132,691.63 for the three fiscal years audited due to inaccurate student enrollment, FTE, and AOI data.

Table 7 lists the ADM adjustments and the associated Basic State Aid adjustments for the District for fiscal years 2015, 2016, and 2017.

**Table 7**

**Chandler Unified District  
ADM and funding adjustments  
Fiscal years 2015, 2016, and 2017**

	2015		2016		2017		Total
	ADM	Funding	ADM	Funding	ADM	Funding	
Inaccurate enrollment data	(0.95)	\$ (4,142.82)	7.63	\$ 40,456.69	8.06	\$ 64,791.01	\$ 101,104.88
AOI	<u>(0.33)</u>	<u>(3,806.66)</u>	<u>13.14</u>	\$ 69,572.54	<u>(4.25)</u>	\$ (34,179.13)	\$ 31,586.75
Total funding adjustment	<b>(1.28)</b>	<b>\$ (7,949.48)</b>	<b>20.77</b>	<b>\$ 110,029.23</b>	<b>3.81</b>	<b>\$ 30,611.88</b>	<b>\$ 132,691.63</b>

Source: Auditor analysis of ADE and District student and financial data for fiscal years 2015, 2016 and 2017.