



**GOVERNING BOARD**

Mr. Richard Ahern  
Ms. Stacie Banks  
Ms. Maxine Hill  
Mr. Tom Rosztoczy  
Mr. Chad Waltz

**ADMINISTRATION**

Dr. Dennis Runyan  
Superintendent  
Mr. Kevin Imes  
Assistant Superintendent

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1481 N. Eliseo Felix Jr. Way, Suite 110, Avondale, AZ 85323 • VOICE (623) 932-7000 • FAX (623) 932-2796

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**Annual Financial Audit Executive Summary:**

The district has received final audit reports for the 2013-2014 fiscal year. These reports represent a comprehensive and lengthy review of Agua Fria Union High School District's financial operations by independent auditors. The objective of this annual process, which starts in June and concludes the following December, is to provide verified financial information to various users including oversight agencies such as the Arizona Auditor General and the Arizona Department of Education, bond holders, bond rating agencies, lenders, and interested district patrons.

Agua Fria Union High School District received the following:

**1. Comprehensive Annual Financial Report (CAFR)** - This includes the district's audited financial statements for the year ended June 30, 2014. The CAFR is divided into three sections. The Introductory Section provides an introduction to the district including an organization chart, certificates of excellence in financial reporting, and principal officials. The Financial Section includes the auditor's opinion and the financial statements that provide valuable information to statement users and demonstrate district budget compliance. The Statistical Section provides graphical and table information on various factors of interest to financial statement users.

**Important Results:** The district received an unqualified audit opinion (the highest possible) indicating that the statements are presented in conformity with generally accepted accounting principles. The CAFR documents the District's proactive measures taken to reduce expenditures in response to the State's Budget Crisis.

**2. Single Audit Reporting Package** – This package includes a report on district internal control over financial reporting and on compliance; a report on district compliance with requirements applicable to major programs and internal control over compliance, a schedule of federal award expenditures, and a schedule of findings and questioned costs. These reports evaluate controls, which provide assurance that transactions are authorized, recorded accurately, recorded timely and that assets are safeguarded. They also evaluate district compliance with laws, regulations, contracts and grants.

**Important Results:** These reports document that the District used grant funds effectively and efficiently. The auditors did not identify any deficiencies in internal control considered a material weakness. The auditors reported that we complied in all material respects with laws, regulations, contracts and grants that would materially affect the district's basic financial statements or major federal programs. The auditors did disclose two instances of instance of noncompliance. One finding in relation to time and effort documentation and one item related to Highly Qualified Teachers. The corrective action plan is included in the report. Measures have been put into place to correct this finding.

**3. Uniform System of Financial Records Compliance Questionnaire** –

Arizona Revised Statutes require the Office of the Auditor General to determine that school districts establish and maintain an acceptable degree of compliance with the Uniform System of Financial Records (USFR). Our audit firm must complete and submit the USFR Compliance Questionnaire with the audit reporting package to the Office of the Auditor General and the Arizona Department of Education. The questionnaire consists of 24 pages (192 questions)

covering areas such as budgeting, cash, inventory, capital assets, revenues, expenditures, classroom site fund, payroll, travel, financial reporting, information technology, attendance reporting, transportation support, food service, student activities, long term debt, and governing board procedures.

**Results: The Auditor noted the district complied positively on 180 (over 93%) of the questions. The District has identified plans in progress or already completed to address these findings.**

Taken as a whole, these reports demonstrate that Agua Fria Union High School District operates a highly efficient, legally compliant and accurate financial operation. The financial information the district provides is accurate and can be relied upon to demonstrate compliance with laws, budgets, and other funding restrictions.