



Catalina Foothills Unified School District #16  
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## **BOARD AGENDA ITEM**

**ITEM NO: 4.2**

**BOARD MEETING DATE:** Tuesday, April 22, 2025

**NEW BUSINESS ITEM:** Approval of Single Audit Reporting Package for the  
Year Ended June 30, 2024

**SUBMITTED BY:** Lisa Taetle, Director of Finance

**PRESENTED BY:** Lisa Taetle, Director of Finance

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The Single Audit Reporting Package for Catalina Foothills Unified School District No. 16 for the fiscal year ending June 30, 2024, noted no reportable material weaknesses to our major federal program awards and reported no deficiencies in the areas of internal controls.

The audit report identifies a repeat finding of a material weakness to the District's financial statements, as defined by Government Auditing Standards. The issue was first noted in the 2023 fiscal year audit and continues into the 2024 audit due to ongoing delays in the reconciliation of cash balances between the District and the County Treasurer's Office.

While it is the District's responsibility to ensure that cash is accurately and timely reconciled with the County Superintendent of Schools (CSS), the CSS Office is responsible for reconciling those balances with the County Treasurer. This reconciliation is a critical control, and our District relies on the CSS to perform it effectively. Despite assurances that reconciliations were complete, the CSS Office once again did not perform this function in a timely manner.

For the second consecutive year, the CSS has issued a formal letter to all impacted districts, acknowledging responsibility for the resulting material misstatement. A copy of this letter is included in the audit reporting package for your reference.

In response, the District has developed and included a corrective action plan with the audit package. This plan outlines steps the District will take to also independently reconcile the CSS' cash records and balances directly to the County Treasurer's Office, ensuring accuracy and timeliness moving forward.

#### USFR Compliance Questionnaire Exceptions:

- 1) Page 6 of 33: The District performed cash reconciliations to the CSS monthly by fund. This is an exception noted by the auditors under the direction of the Auditor General. All districts under Pima County who are not an accounting responsibility school district received an audit exception to this question.
- 2) Page 17 of 33: For one purchase reviewed by the auditors, one of the three quotes was not considered complete. Although the District submitted the same type of documentation as in prior years (previously accepted without issue), the auditors indicated that this area is now under increased scrutiny by the Auditor General. As a result, the District was advised that more complete documentation is required to meet updated expectations. The District will ensure that all future procurement quotes will include fully detailed and comparable quotes to remain compliant with current audit standards.
- 3) Page 24 of 33: Actual revenues of \$105 were not included in the District's Annual Financial Report. This amount, representing interest income reported by the CSS, has since been identified and corrected.
- 4) Pages 26 and 27 of 33: One student record reviewed at the high school reflected an overstatement of 0.25 in absence. The audited day was missing the passing time for lunch, resulting in the student's total attendance time being seven minutes shorter than it should have been. This led to an overstatement in the absence calculation for that day.

Similarly, one CTED attendance record showed an understatement of 0.50 in absence. The audited day was a half-day schedule, but the attendance system had it incorrectly recorded as a full day, causing a miscalculation in the attendance value.

- 5) Page 29 of 33: A reporting error was identified for a student with ten days of unexcused absences. The school inaccurately recorded the last day of attendance as the tenth day of absence. In accordance with proper reporting guidelines, the last day of attendance should reflect the final day the student was physically present at school.

The audit of fiscal year 2025 will begin on May 12, 2025. We continue to be committed to meeting all financial regulatory requirements and will promptly address identified audit issues, if any.

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**RECOMMENDED MOTION:** I move the governing board approve the Single Audit Reporting Package for the year ending June 30, 2024, as presented.