

2023 Risk Assessment

Douglas Unified District

CTDS	Entity ID	LEA Type	LEA Age
020227000	4174	Public District	Over 5 years

Risk Level

Medium

Introduction

In compliance with 2 CFR 200.332(b), the Arizona Department of Education (ADE) has prepared this annual comprehensive risk assessment of your entity. This comprehensive risk assessment evaluates your performance and financial stability translated into a risk level. The ultimate intent of this report is to ensure transparency and accountability which will reduce and mitigate potential vulnerabilities. ADE will use these results to provide technical support and drive healthy conversation around performance improvement. The risk assessment results **WILL NOT** be used for determining allocations or application approvals.

Process

ADE created a catalog of required criteria for the risk assessment by using appropriate public metrics such as graduation rates, dropout rates, and Single Audit findings. Data sets such as AZELLA scores were utilized as indicators providing a reasonable basis for the results based on our assessment objectives and federal requirements. ADE believes that the evidence obtained from the data provides reasonable conclusions to determine if an LEA is Low, Medium or High Risk. Scoring calculation is specific to each individual LEA. Entities were not given points for indicators with factors that did not have data sets. For example, for an entity that was not required to submit a single audit, points were not given or added to the total possible in the Audit and Monitoring category and as a result did not affect their overall score.

Understanding the Risk Indicators

Five categories were determined to be significant indicators of risk that may adversely affect the ability of an LEA to achieve its objectives. The categories include Monitoring and Audit Performance, Academic Achievement, Reporting Timeliness, Fiscal Performance and General Performance. Each category included the analysis of several data sets. Scores for each data set were combined into a single score to provide an indicator of risk for each category.

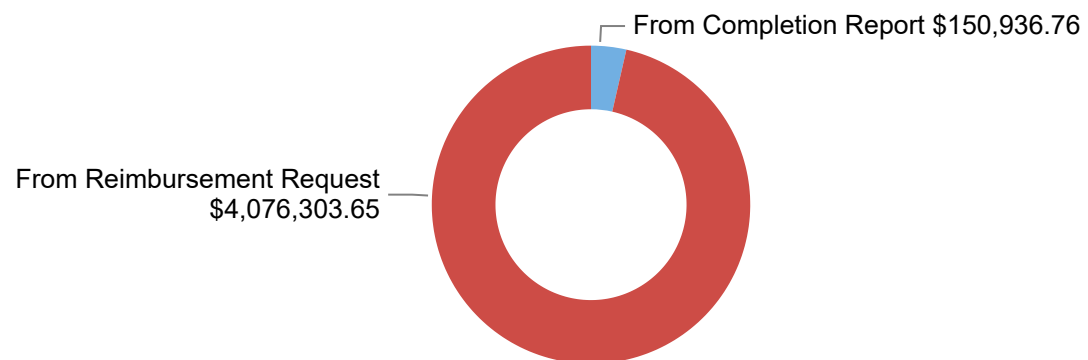


Can you answer YES to these questions? If so, you are taking great steps in lowering your fiscal risk.

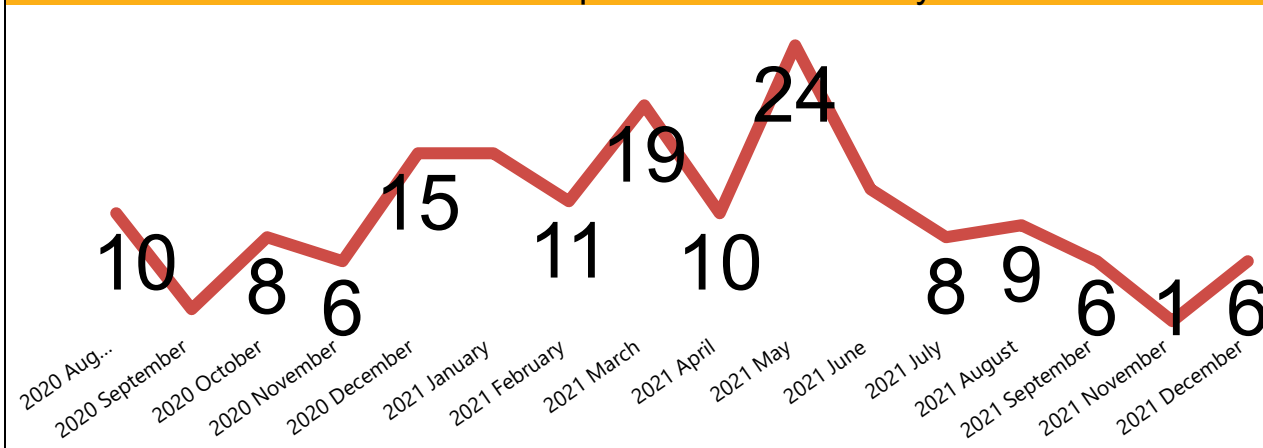
1. Are your reimbursements steady and frequent throughout the grant project period?
2. Is the amount being requested in the completion report minimal compared to your total reimbursements?

It is important for entities to frequently reimburse and avoid journal entries at the end of the year which can cause errors and potential misspending of funds.

Reimbursement Request vs. Completion Report Draw Downs



Reimbursement Request Submissions By Month



Grant	Request Amount Paid by CR	Request Amount Paid by RR	RRs Approved
Title III LEP	\$314.95	\$106,463.57	19
Migrant Ed Basic Grant	\$7,809.39	\$39,193.54	18
IDEA - Basic		\$801,816.11	17
SEI Budget - Comprehensive	\$31,904.90	\$306,293.35	17
21st CCLC Yr 1 - New	\$45,770.49	\$80,119.30	13
Title I LEA	\$51,398.64	\$2,348,755.80	12
CTE Federal Perkins	\$3,322.03	\$11,925.10	11
IDEA - Preschool Grant		\$10,235.09	11
School Safety Program Expansion - Continuation	\$4,048.07	\$36,750.95	11
Rural and Low-Income Schools	\$469.40	\$89,369.72	10
Title II Improving Teacher Quality	\$623.45	\$123,600.94	8
Title IV-A Student Support & Academic Enrichment	\$5,275.44	\$107,191.69	8
CTE State Priority		\$14,588.49	7
Total	\$150,936.76	\$4,076,303.65	162

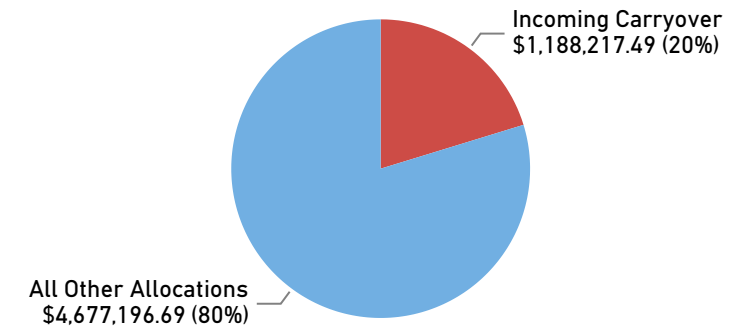


Grant	Incoming Carryover	Total Allocation (Including Incoming Carryover)	Amount Paid (CRs & RRs)	Percent Paid
CTE Federal Perkins	\$0.00	\$121,710.98	\$15,247.13	13%
CTE State Priority	\$0.00	\$63,657.33	\$14,588.49	23%
Title III LEP	\$149,628.04	\$321,202.62	\$106,778.52	33%
Title IV-A Student Support & Academic	\$140,433.48	\$306,912.36	\$112,467.13	37%
Title II Improving Teacher Quality	\$142,249.59	\$338,175.68	\$124,224.39	37%
21st CCLC Yr 1 - New	\$0.00	\$182,000.00	\$125,889.79	69%
Migrant Ed Basic Grant	\$0.00	\$65,852.31	\$47,002.93	71%
Title I LEA	\$711,411.16	\$3,150,846.25	\$2,400,154.44	76%
Rural and Low-Income Schools	\$30,775.33	\$108,979.00	\$89,839.12	82%
School Safety Program Expansion - Continuation	\$0.00	\$42,780.00	\$40,799.02	95%
SEI Budget - Comprehensive	\$0.00	\$342,243.57	\$336,442.18	99%
IDEA - Basic	\$11,043.48	\$810,818.99	\$803,572.18	99%
IDEA - Preschool Grant	\$2,676.41	\$10,235.09	\$10,235.09	100%
Total	\$1,188,217.49	\$5,865,414.18	\$4,227,240.41	

IMPORTANT

Total allocation calculations for title funded grants may not reflect accurately due to transferability.
This will **NOT** affect risk scoring.

Allocation Distribution



Can you answer YES to these questions? If so, you are taking great steps in lowering your fiscal risk.

1. Are you utilizing the majority of your allocation during the project period?
2. Do you limit and/or avoid having cash on hand balances to avoid interest?

Utilizing your allocation will minimize the amount of carryover from year to year, which may result in lowering your risk.

2020 Interest and Carryover Summary

0
Reported Federal Interest

0
Reported State Interest

\$1,188,217.49
2020 Incoming Carryover

Did You Know...

Reimbursing frequently, expending funds and limiting cash on hand will reduce the risk of incurring interest. Interest earned must be reported to ADE each fiscal year. Having little to no interest could lower your risk.



Reporting Timeliness

Yes

General Statement of Assurance submitted on time? LEAs are required to provide assurances annually to guarantee accountability to the Federal Government and State of Arizona.

6 mos
+

Funding Applications - How soon after opening were all applications submitted? LEAs are required by Uniform Grant Guidance to have their Funding Application substantially approved prior to obligating and spending funds. This allows for sufficient time to utilize funds.

Yes

Adopted Budget submitted on time? LEAs are required by Arizona Revised Statute to submit their Adopted Budget to ADE annually.

Yes

Annual Financial Report submitted on time? LEAs are required by Arizona Revised Statute to submit an Annual Financial Report (AFR).

Yes

Completion Reports submitted and approved by ADE on time? LEAs are required by Uniform Grant Guidance to submit their Completion Reports to Grants Management within 90 days of the completion of a federal award project.

Monitoring & Audits

2020

Last Fiscal Monitoring - When was the most recent fiscal monitoring audit? This factor considers the frequency and outcomes of grant funding audit and monitoring activity conducted by the Arizona Department of Education (ADE).

Yes

Fiscal Monitoring Findings - Were there any findings during the most recent fiscal monitoring? An N/A or NS indicates a fiscal monitoring was not conducted during the most recent fiscal year.

No

Fiscal Monitoring Disallowed Costs - Were there any disallowed costs in the most recent fiscal monitoring? This factor considers any disallowed costs in the most recent audit year.

Yes

Single Audit Submitted on time? LEAs that received \$750,000 or more from ADE in the most recent fiscal year must submit a single audit. This factor evaluates whether the LEA has met that requirement. N/A indicates the LEA was not required to submit a single audit to ADE.

No

Single Audit Findings - Were there findings on the last Single Audit? Per 2 CFR 200.331(d), Single Audits are considered a necessary risk criterion as it is a critical component to ensuring federal funds are safeguarded and utilized effectively. An N/A or NS indicates the LEA was not required to submit a single audit to ADE.



IMPORTANT

Reading this Appendix

This appendix breaks down factors used to measure an LEA's risk within each of the five categories. Tables indicate the points given, the total points possible and the resulting risk indicator within that category.

Important notes:

- Lower points equal lower risk (for ex. 0/10 is perfect score)
- NS** (no score) means your entity did not have any data points to score against in the category resulting in no risk level being assigned
- Some measures are not within the immediate control of the LEA but are nonetheless relevant to the organization's risk score, similar to the way consumer credit scores are calculated.

Monitoring & Audits Risk	Reporting Timeliness Risk	General Performance Risk	Academic Performance Risk	Fiscal Performance Risk
High	Medium	Low	Medium	Low
	<=21.2% Low	21.3%-41.1% Medium	>=41.2% High	

Monitoring & Audits

Total Points Given	Total Points Possible	Monitoring/Audits Risk
5	12	High

- 1. ADM Audits (Average Daily Membership)** - This factor considers the outcomes of Average Daily Membership (ADM) audits conducted by ADE. The audits are a tool to identify overreported or underreported ADM. Discrepancies identified during the audit are potential indicators of deficiencies in internal processes.
- 2. Federal Fiscal Audits/Monitoring Activity** - This factor considers recent fiscal monitoring activity of grant funding conducted by the Arizona Department of Education (ADE).
- 3. Fiscal Monitoring Disallowed Costs** - This factor considers any disallowed costs in the most recent audit year.
- 4. Fiscal Monitoring Findings** - This factor considers any findings in the most recent audit year.
- 5. Single Audit Findings** - This assessment factor looks at the Single Audit, which is a commonality among LEAs in terms of what triggers an audit (receiving over \$750,000 of federal funds) and the review is conducted by independent firms. Findings and questioned costs can point to deficiencies in internal controls, in how an LEA records data, or how an LEA manages their federal funds.
- 6. Single Audit Submission** - LEAs that received \$750,000 or more from ADE in the most recent fiscal year must submit a single audit. This factor evaluates whether the LEA has met that requirement.



Reporting Timeliness

Total Points Given	Total Points Possible	Reporting Timeliness Risk
3	14	Medium

1. Adopted Budget - Each LEA is required to submit their Adopted Budget to ADE's School Finance unit by July 15th each year. The LEAs budget details how the LEA plans to expend the money they receive from various sources. This factor portrays the LEAs ability to plan expenditures for the year as well as its ability to meet obligatory deadlines.

2. Annual Financial Report (AFR) - LEAs are required by the Arizona Revised Statutes to submit an AFR each year by October 15th. The AFR details expenditures and revenues for the previous fiscal year. This category displays the LEAs ability to meet obligatory deadlines. Since LEAs are allowed to revise their AFR, the first submitted date is looked at. Significant changes or revisions to the AFR is also taken into consideration.

3. Completion Reports - Completion Reports are required to be submitted to Grants Management within 90 days of the completion of a federal award project. This criteria evaluates LEAs ability to meet federal requirements pertaining to grant completion.

4. Funding Application Submissions - This assessment criteria looks at the LEAs ability to timely apply for funds that will allow for sufficient time to receive and fully utilize the funds. The later an LEA submits funding applications the less time it will have to utilize the funds.

5. General Statement of Assurance (GSA) - A GSA must be filed annually with ADE to be eligible to apply for grant funding within the fiscal year. LEAs agree to comply with all applicable Federal and State regulations governing the awards they receive. This category is important because untimely submittal can delay LEAs receipt of funds from ADE.

General Performance

Total Points Given	Total Points Possible	General Performance Risk
1	5	Low

1. LEA Age - This criteria evaluates how long an LEA has been in operation and assigns a risk. In general, newer LEAs have not had opportunities to manage federal funds, have not received audits to improve performance, etc. This does not mean that LEAs that have been operating for a longer period do not get assessed.

2. LEA Type - This factor evaluates the type of LEA. This category is included as various types of LEAs have increased reporting requirements whereas others have less defined methods of reporting.



Academic Performance

Total Points Given	Total Points Possible	Academic Performance Risk
5	15	Medium

1. AZELLA Growth (Arizona English Language Learner Assessment) - AZELLA is a standards-based assessment that measures students' English language proficiency. This category monitors a potentially high-risk subgroup of students who have identified English as their second language and are hoping to be successful in a mainstream classroom. Scores were calculated based on the percent of growth seen within the LEA's English Learner population.

2. Dropout Rates - This factor serves as a key indicator of a LEA's success in maintaining their student population. Dropouts are defined as students who are enrolled in school at any time during the school year, but are not enrolled at the end of the school year and did not transfer or graduate. The state median for dropout rates in FY2021 was 4.5%.

3. Overall Graduation Rates - This factor serves as a key indicator of a LEA's success in advancing their student population and helping those students receive their high school diploma. The graduation rate data used was for the Four Year Cohort. The state median graduation rate in FY2021 was 75.7%.



Fiscal Performance

Total Points Given	Total Points Possible	Fiscal Performance Risk
4	19	Low

1. Draw Downs (Reimbursement Requests) - This assessment factor looks at how frequently an LEA is drawing down their federal and state award funding and is a descriptive factor for how well the LEA manages their federal and state awards. LEAs that draw down funds too infrequently can indicate an inability to properly manage funds administered by the Department. In the GSA, LEAs agree to comply with all applicable Federal and State regulations governing the awards they receive. This category is important because untimely submittal can affect the LEAs receipt of funds from ADE.

2. Federal Award Carryover Percent - This assessment criteria evaluates how effectively LEAs use their federal awards. The lower the amount of carryover, the better the LEA has utilized its funds during the award period. LEAs carrying over large amounts awarded funding risk potential for mismanagement of funds.

3. Indirect Cost Rates-Restricted Rate - This assessment factor looks at the indirect cost rates LEAs are allowed to use on their federal awards. Higher rates indicate that an LEA is spending a lot of its overall funds on administrative costs as opposed to utilizing the dollars in the classroom.

4. Indirect Cost Rates-Unrestricted Rate - This assessment factor looks at the indirect cost rates LEAs are allowed to use on their federal awards. Higher rates indicate that an LEA is spending a lot of its overall funds on administrative costs as opposed to utilizing the dollars in the classroom.

5. Interest on Federal Grants - This assessment criteria evaluates how effectively LEAs use their federal award dollars. The higher the interest an LEA receives on federal awards indicates that the LEA is drawing down more funds than it actually expended since funds are received on a reimbursement basis.

6. Interest on State Grants - This assessment criteria evaluates how effectively LEAs use their state award. Interest indicates the LEA is drawing down funds they are not expending timely.

7. Per Pupil Amount (PPA) - This assessment factor considers those LEAs that are managing more funds per student than those with lower amounts. The factor also helps identify if a LEA has a low student population, but receives higher funds. The Per Pupil amount is calculated by dividing the sum of federal, state, and local funds by the number of enrolled students. ESSA PPA is not reviewed in this risk assessment.