



Catalina Foothills Unified School District #16
2101 E. River Road, Tucson, AZ 85718
(520) 209-7500 (520) 209-7570 FAX www.cfsd16.org

BOARD AGENDA ITEM

ITEM NO: 5.1

BOARD MEETING DATE: Tuesday, April 21, 2026

NEW BUSINESS ITEM: Approval of Single Audit Reporting Package for the Year Ended June 30, 2025

SUBMITTED BY: Lisa Taetle, Director of Finance

PRESENTED BY: Lisa Taetle, Director of Finance

The Single Audit Reporting Package for Catalina Foothills Unified School District No. 16 for the fiscal year ending June 30, 2025, resulted in an unmodified opinion with no material weaknesses, which is the highest level of assurance a district can receive, confirming that the financial statements and federal award programs are presented fairly and accurately.

The 2025 fiscal year audit report identifies a significant deficiency in internal controls that is immaterial to the financial statements as defined by Government Auditing Standards. This issue continues from the 2024 audit due to delays in the cash reconciliation 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 Pima County Superintendent's Office, the Pima County Superintendent's Office is responsible for reconciling those balances with the County Treasurer. This reconciliation is a critical control, and our District relies on the Pima County Superintendent's Office to perform it effectively.

For the third consecutive year, the Pima County Superintendent's Office has issued a formal letter to all impacted districts, acknowledging responsibility and the steps taken to rectify the cash reconciliation processes. A copy of this letter is included

in the audit reporting package for your reference.

The District has actively strengthened its partnership with the Pima County Superintendent's and County Treasurer's Offices to improve the timeliness and precision of cash balance reconciliations. By participating in comprehensive training focused on reconciliation methodologies and gaining direct access to the County Treasurer's financial data resources, the District has significantly enhanced its technical oversight. This increased proficiency allows the District to independently review and validate financial activity directly pertaining to the reconciliation of cash between the two different entities.

USFR Compliance Questionnaire Exceptions:

- 1) Page 6 of 34: The District performed cash reconciliations to the Pima County Superintendent's Office monthly by fund. Cash reconciliations with the County Treasurer performed directly by the Pima County Superintendent's Office were not reconciled in a timely manner. This is an exception noted by the auditors under the direction of the Arizona Auditor General. All districts under Pima County who are not an accounting responsibility school district received an audit exception to this question for the second consecutive year.
- 2) Page 25 of 34: For one position reviewed on the School District Employee Report (SDER), it was noted that the FTE data did not agree to the district's supporting documentation. Going forward, in collaboration with Human Resources, the Business Office will work in tandem with Human Resources to perform a secondary review of the data, providing a final layer of verification for accuracy and completeness before the SDER report is submitted to the Arizona Department of Education.

The audit for fiscal year 2026 will begin on May 11, 2026. We continue to be committed to meeting all financial regulatory requirements and will promptly address identified audit issues, if any.

RECOMMENDED MOTION: I move the governing board approve the Single Audit Reporting Package for the year ending June 30, 2025, as presented.