



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

September 23, 2024

The Honorable Steve Watson
Maricopa County School Superintendent
Governing Board
Maricopa County Regional School District
800 W. Adams St.
Phoenix, AZ 85007

Dear Mr. Watson:

We have reviewed Maricopa County Regional School District's (District) audit reports and *Uniform System of Financial Records for Arizona School Districts* (USFR) Compliance Questionnaire for the year ended June 30, 2023, prepared by CWDL, Certified Public Accountants, and internal control-related deficiencies from the Heinfeld, Meech & Co., P.C., May 2024 performance audit report, which together indicate that the District has not complied with the USFR. We have attached a list of the most significant USFR compliance deficiencies we noted in these reports including, a liability of \$7,577,183 not recorded by the District for the repayment of the full sale price of the land pursuant to A.R.S. §41-5741(F), which was the basis for the auditor's qualified opinion on the District's fiscal year 2023 governmental activities and general fund.

We provided separately to you and District management a corrective action plan template that includes these deficiencies. Pursuant to Arizona Revised Statutes §15-271, District management should implement corrective actions within 90 days after the date of this letter.

If you have any questions, please contact Megan Smith, Accountability Services Division Manager, or me at asd@azauditor.gov or (602) 977-2796.

Sincerely,

Meghan L. Hieger

Meghan L. Hieger, CPA
Director, Accountability Services Division

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cc: Ms. Irina Lutz, Executive Director of Finance and Operations
Maricopa County Regional School District
Members of the State Board of Education
Arizona State Board of Education
Mr. Art Harding, Chief Operations Officer
Ms. Nicole von Prisk, Deputy Associate Superintendent, Grants Management
Arizona Department of Education