



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

September 19, 2024

Arizona State Board of Education
1700 W. Washington St.
Executive Tower Ste. 300
Phoenix, AZ 85007

Subject: Young Elementary School District—Still in Noncompliance with the USFR

Dear Members of the State Board:

The Young Elementary School District (District) has been in noncompliance with the *Uniform System of Financial Records for Arizona School Districts* (USFR) since February 2023 based on our review of the significant deficiencies cited in its audit reports and USFR Compliance Questionnaire (Questionnaire) for the years ended June 30, 2021 and 2022, and our December 2022 performance audit report. On January 5, 2024, we notified you that the District was not ready for a status review to determine if it is no longer in noncompliance with the USFR based on assertions in the District's submitted October 2023 corrective action plan and discussions with District management. On April 22, 2024, the State Board of Education directed the Superintendent of Public Instruction to withhold 3 percent of the District's State Aid in accordance with Arizona Revised Statutes §15-272(B).

We recently received and reviewed the District's financial audit reports and Questionnaire for the year ended June 30, 2023, and issued a January 2024 performance audit follow-up report. Together, those reports indicated that the District is still in noncompliance with the USFR. As required, we are providing you a list of the most significant USFR deficiencies we noted in those reports. Further, we have provided the District an updated corrective action plan template to document corrective actions taken to comply with the USFR. In the next several weeks, we will schedule periodic meetings with District management to discuss the specific USFR requirements of each applicable deficiency area and the District's planned corrective actions. When the District can show it has corrected its deficiencies, my Office will perform a status review to determine if the District is no longer in noncompliance with the USFR and we will inform you of the results.

If you have questions concerning the District's noncompliance or our process, please call Meghan Hieger, Director, or Megan Smith, Manager, within our Accountability Services Division at (602) 977-2796.

Arizona State Board of Education
September 19, 2024
Page 2

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

cc: Governing Board
Dr. Chad Knippen, Superintendent
Ms. Brittney Leopold, Business Manager
Young Elementary School District
The Honorable Roy Sandoval, Gila County School Superintendent
Mr. Sean Ross, Executive Director
Arizona State Board of Education
Mr. Art Harding, Chief Operations Officer
Ms. Nicole von Prisk, Deputy Associate Superintendent, Grants Management
Arizona Department of Education