



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

November 25, 2024

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

Subject: Kingman Unified School District—No Longer in Noncompliance with Uniform System of Financial Records for Arizona School Districts

Dear Members of the State Board:

As described in our July 18, 2024, letter, Kingman Unified School District (District) has been in noncompliance with the *Uniform System of Financial Records for Arizona School Districts* (USFR) since July 2023, and on April 22, 2024, the State Board directed the Superintendent of Public Instruction to withhold 3 percent of the District's State aid in accordance with Arizona Revised Statutes (A.R.S.) §15-272(B). We subsequently received and reviewed the District's fiscal year (FY) 2023 audit reports and USFR Compliance Questionnaire (Questionnaire), which also indicated the District had not made substantial progress in correcting its deficiencies.

We have since reviewed the District's FY 2025 records and procedures as of October 2024. Based on our review of all available information, including the number and significance of the District's outstanding deficiencies, the District is no longer in noncompliance with the USFR. Therefore, the Board can take appropriate action pursuant to Arizona Revised Statutes §15-272.

However, as noted in our November 21, 2024, email and discussion with District management, the District continues to have some outstanding deficiencies, including 4 items that have not been corrected, 3 items that were partially corrected, and 1 item we were unable to test since the related requirement was not yet applicable. Please be advised, the District must act to correct the outstanding deficiencies, and its future audit reports must reflect that these deficiencies have been corrected. The area containing the most significant deficiencies is Property Control, leaving District property susceptible to loss, theft, and misuse.

If you have questions concerning this matter, please call Meghan Hieger, Accountability Services Division Director, or me at (602) 553-0333.

Arizona State Board of Education
November 25, 2024
Page 2

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

cc: Governing Board
Dr. Gretchen Dorner, Superintendent
Ms. Margot Jones, Business Manager
Kingman Unified School District
The Honorable Michael D. File, Mohave 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