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September 19, 2019

The Honorable Kathy Hoffman
Superintendent of Public Instruction
Arizona Department of Education
1535 W. Jefferson St.
Phoenix, AZ 85007

Subject: Toltec Elementary School District – No Longer in Noncompliance with USFR

Dear Ms. Hoffman:

We previously requested that the Arizona State Board of Education (Board) take action on Toltec Elementary School District because the District had not complied with the *Uniform System of Financial Records* (USFR). On September 25, 2017, the Board determined the District was not in compliance with the USFR and directed the Superintendent of Public Instruction to withhold 3 percent of the District's State aid until my Office reports that the District is in compliance with the USFR.

We performed a status review of the District's internal controls as of July 31, 2019, to determine whether the District has complied with the USFR. Based on our review of the District's records and procedures, and interviews with personnel, we determined that the District is no longer in noncompliance with the USFR. Therefore, the Board can take appropriate action pursuant to Arizona Revised Statutes §15-272.

If you have questions concerning this matter, please call Melanie Chesney, Deputy Auditor General and Interim Accounting Services Director, or me at (602) 553-0333.

Sincerely,
Lindsey Perry, CPA, CFE
Auditor General

cc: Governing Board
Ms. Denise Rogers, Superintendent
Mr. Robert Million, Business Manager
Toltec Elementary School District
The Honorable Jill Broussard, Pinal County School Superintendent
Ms. Alicia Williams, Executive Director
Arizona State Board of Education
Mr. John Carruth, Chief of Staff
Ms. Sarah Hendrix, Deputy Associate Superintendent, Grants Management
Arizona Department of Education