



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

November 28, 2023

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

Subject: Cedar Unified School District—Solvency Review

Dear Members of the State Board:

As you are aware, in April 2011, the Arizona State Board of Education (State Board) placed Cedar Unified School District (District) in receivership. In accordance with Arizona Revised Statutes A.R.S. §15-103, before the State Board may remove a district from receivership, my Office must certify that the district has been financially solvent for 1 fiscal year and that its financial records are in compliance with the *Uniform System of Financial Records for Arizona School Districts* (USFR) and generally accepted accounting principles (GAAP). As we indicated in our October 10, 2023, letter, we notified the District's Governing Board that the District was no longer in noncompliance with the USFR, and my Office began our process to assess the District's financial solvency and compliance with GAAP.

We have since reviewed the District's compliance with A.R.S. §15-103(B)'s financial solvency criteria and GAAP. Our review of the District's fiscal year 2022 financial audit and solvency criteria responses obtained from its management, the State Board-appointed receiver, and the Navajo County School Superintendent's and Treasurer's offices indicate that it has been financially solvent for 1 fiscal year, and its financial records complied with GAAP.

If you have questions concerning this matter, please contact Meghan Hieger, Accountability Services Director, at (602) 977-2796.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

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cc: Governing Board
Mr. Dean Slaga, Superintendent
Ms. Judy James, Business Manager
Cedar Unified School District
Mr. Keith Kenny, Receiver for Cedar Unified School District
J.S. Held, LLC
The Honorable Jalyn Gerlich, Navajo 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