



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
DEPUTY AUDITOR GENERAL

July 31, 2023

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

Subject: Antelope Union High School District—Not in Compliance with Audit Reporting Requirements

Dear Members of the State Board:

We issued a letter on April 18, 2023, informing Antelope Union High School District that we had not received its audit reports and the *Uniform System of Financial Records for Arizona School Districts* (USFR) Compliance Questionnaire (questionnaire) for the year ended June 30, 2022, which were due by March 31, 2023. We informed the District's Governing Board that if the District did not submit the reports and questionnaire within 90 days, we would notify the Arizona State Board of Education (State Board) pursuant to Arizona Revised Statutes (A.R.S.) §15-271.

To date, we have not received the District's audit reports and questionnaire for the year ended June 30, 2022. Consequently, the District has not complied with the USFR and applicable State and federal law regarding report submission, and we request that the State Board take appropriate action as prescribed by A.R.S. §15-272.

In addition to the District's noncompliance with this year's reporting requirements, the District has been in noncompliance with the USFR since August 2019. This noncompliance is based on our review of the significant deficiencies cited in the District's audit reports and questionnaires for the years ended June 30, 2018 through 2021, and a status review we performed of the District's internal controls as of March 2021. We notified the State Board of this noncompliance on June 16, 2021, and we provided an update on February 21, 2023. Consequently, the State Board has held hearings and taken the following actions:

- On August 27, 2021, the State Board held a hearing regarding the District's noncompliance with the USFR and directed the Superintendent of Public Instruction to withhold 3 percent of the District's State aid, in accordance with A.R.S. §15-272(B).
- On June 26, 2023, the State Board held a hearing regarding the District's overexpenditures and appointed a receiver who may take action as prescribed in A.R.S. 15-103(F).

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If you have questions concerning this matter, please call Meghan Hieger, Director, or Megan Smith, Manager, within our Accountability Services Division at (602) 977-2796.

Sincerely,

Lindsey A. Perry

Lindsey A. Perry, CPA, CFE
Auditor General

cc: Governing Board
Mr. Gregory Copeland, Superintendent
Mr. Aaron Whittle, Business Manager
Antelope Union High School District
Mr. Keith Kenny, Receiver for Antelope Union High School District
J.S. Held, LLC
The Honorable Thomas Hurt, Yuma County Schools Superintendent
Mr. Sean Ross, Executive Director
Arizona State Board of Education
Mr. Art Harding, Chief Operations Officer
Ms. Deirdre Mai, Deputy Associate Superintendent, Grants Management
Arizona Department of Education