



LINDSEY A. PERRY
AUDITOR GENERAL

ARIZONA
AUDITOR GENERAL

MELANIE M. CHESNEY
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February 21, 2023

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

Subject: Hyder Elementary School District—Still in Noncompliance with the USFR Based on Subsequent Audit Reports

Dear Members of the Board:

We received and reviewed Hyder Elementary School District's financial audit reports and the *Uniform System of Financial Records for Arizona School Districts* (USFR) Compliance Questionnaire for the year ended June 30, 2021, and in January 2023 we issued a performance audit report of the district which together indicated that the District was still in noncompliance with the USFR. We have attached a list of the most significant USFR compliance deficiencies we noted in these reports.

On September 27, 2021, the State Board of Education 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 Arizona Revised Statutes §15-272(B).

We have provided the District an updated corrective action plan template to document corrective actions it takes to comply with the USFR. Once the District can show that it is no longer in noncompliance with the USFR, it should ask my office to perform a status review.

If you have questions concerning this matter, please call Cris Cable, 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
Ms. Martha Yardley-Jones, Superintendent
Mr. Pat Koury, Business Manager
Hyder Elementary School District
The Honorable Thomas Hurt, Yuma County School 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